

My name is Cliff Strawitch and I live in Ellicott City, Maryland. Having witnessed firsthand the devastation caused to historic downtown Ellicott City by two catastrophic floods in less than two years, which science tells us was made worse by climate change, I am highly motivated to demand action to reduce greenhouse gasses. The recent IPCC and National Climate Assessment reports on climate change make the urgency of such action clear. Since fossil fuel combustion by transportation is now the largest source of greenhouse gasses, action to reduce this source is essential.

Based on my readings, I believe the best way to reduce this source of greenhouse gasses is a tax on fossil fuels used for transportation. This carbon tax on fossil fuel combustion received the endorsement in the Wall Street Journal on January 17 of 3554 economists including 27 Nobel laureates, 15 former chairs of the Council of Economic Advisors and 2 former Secretaries of the US Department of the Treasury. This approach has been demonstrated in British Columbia (BC), Canada since 2008 to both be effective and politically popular. Figure 1<sup>(1)</sup> shows just how effective it was at reducing refined petroleum fuel use and therefore greenhouse gas emissions in BC as compared to the rest of Canada.

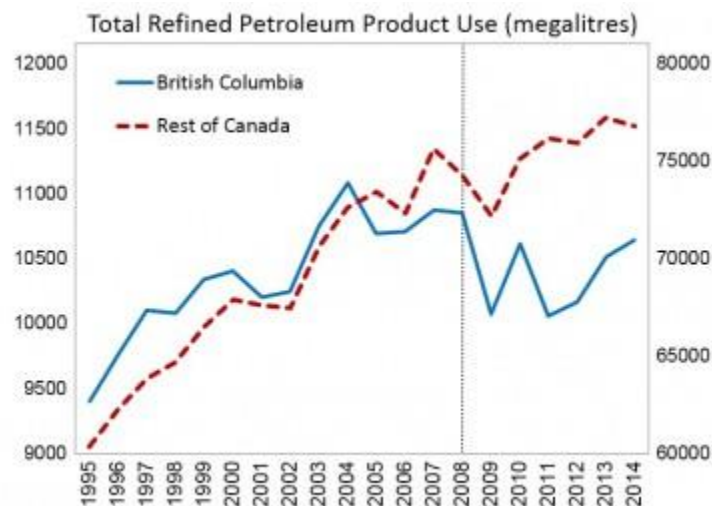


Figure 1: reduction in fuel use in BC as compared to the rest of Canada. The vertical line at 2008 marks the introduction of the fuel tax.

All the revenues generated by this tax were returned to the people as a reduction in other taxes. After some initial resistance, the tax became popular due to this tax reduction feature. Starting at \$10 per ton of carbon dioxide, the tax rose \$5 per year until 2012, and has remained at \$30 per ton ever since.<sup>(1)</sup> The tax had no statistically significant impact on GDP, a testament to its ability to shield business and consumers. British Columbia's GDP growth was on par with the rest of Canada from 2008-2011, actually performing slightly better than the rest of Canada by 0.1 percent. In addition, numerous studies, for example the REMI study<sup>(2)</sup>, show that this approach benefits the majority of families, including the most financially vulnerable, since they will receive more from this carbon dividend than they pay for increased fuel costs.

In his recent book<sup>(3)</sup>, Professor Gilbert Metcalf of Tufts University points out that a Cap and Trade approach often suffers from political and economic forces that tend to drive the value of a carbon

permit for a ton of CO<sub>2</sub> down to values that are simply too low to be effective at reducing greenhouse gas emissions as is the case with the current European Emission Trading System<sup>(3)</sup>. In addition, the price volatility caused by these same forces makes planning very difficult for corporations needing to purchase such permits. A carbon tax suffers from neither of these problems and is therefore in my opinion the best way to address greenhouse gas emissions from the transportation sector.

#### References

1. **“Analyzing British Columbia’s Carbon Tax: by Wharton Public Policy Initiative, October 30, 2016, <https://publicpolicy.wharton.upenn.edu/live/news/1520-analyzing-british-columbias-carbon-tax>**
2. **The Economic, Climate, Fiscal, Power, and Demographic Impact of a National Fee-and-Dividend Carbon Tax”, Regional Economic Modeling Inc., June 9, 2014, <https://citizensclimatelobby.org/remi-report/>**
3. **“Paying for Pollution: Why a Carbon Tax is Good for America”, Gilbert E. Metcalf, Oxford University Press, 2019**