

# A Resolution of the City of Flagstaff Urging the United States Congress to Pass Carbon Fee and Dividend Legislation

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CITIZENS' CLIMATE LOBBY

FEBRUARY 2, 2016

# Overview

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CCL has been working with the Flagstaff public since September of 2014 on this initiative

On August 4<sup>th</sup>, the Flagstaff chapter of CCL presented a petition to City Council to consider a carbon fee and dividend resolution

Tonight the Flagstaff chapter of CCL will provide details on the proposed resolution

# CITIZENS' CLIMATE LOBBY

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National

Non-partisan

Volunteer-run

Growing rapidly



**Citizens' Climate** Lobby

# THE COSTS OF CARBON



# CORRECTING A MARKET FLAW

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Prices don't reflect cost

Fix the market, and let the market decide



# Carbon Fee & Dividend

## Part 1: Carbon Fee

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\$15 per ton of CO<sub>2</sub>,  
rising \$10 per year

Assessed at  
wellhead, mine, or  
port of entry



# Carbon Fee & Dividend

## Part 2: Dividend

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All proceeds returned  
to American  
households

2/3 of families break  
even or better



# Carbon Fee & Dividend

## Part 3: Border Adjustment

Protects American  
manufacturers

Provides a level  
playing field

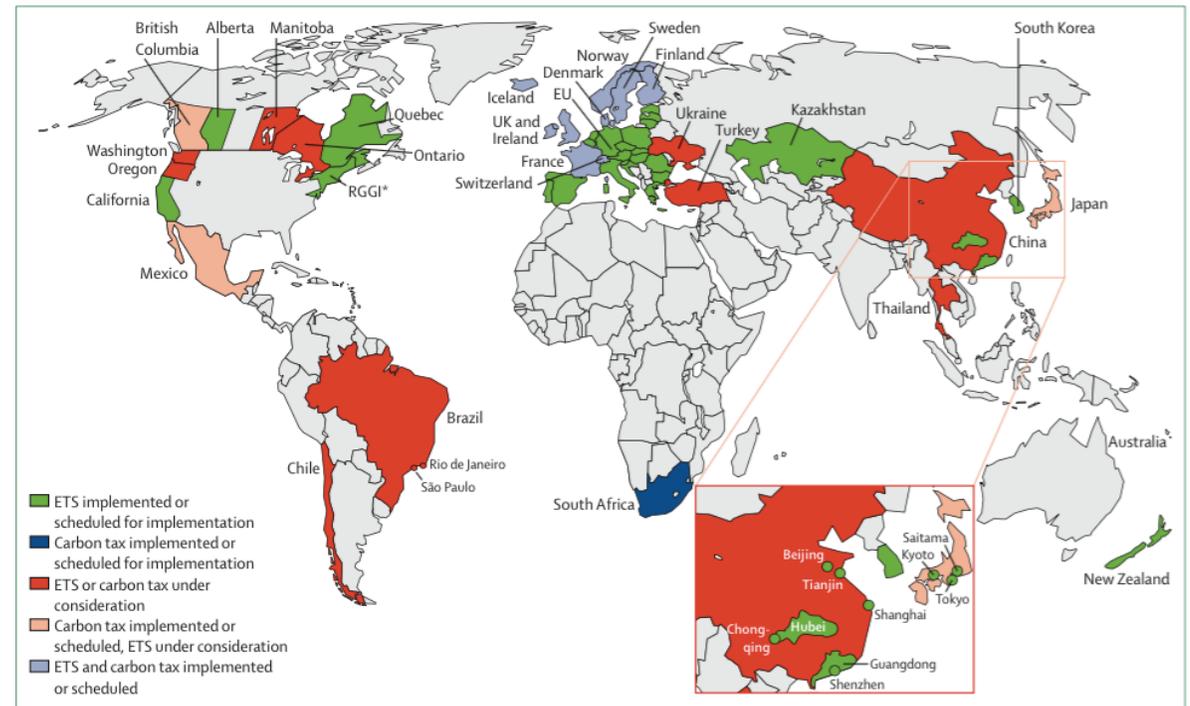


Figure 17: Existing, emerging, and potential regional, national, and subnational carbon pricing instruments (ETS and tax)<sup>281</sup>

\*The RGGI (Regional Greenhouse Gas Initiative) is a coordinated cap and trade programme, operating between nine Northeastern and Mid-Atlantic States in the USA and Canada. ETS=emissions trading scheme.

# BUSINESS SUPPORT FOR CARBON PRICING



Bank of America.



Goldman  
Sachs



EXXON  
Mobil



Microsoft

**GM** General Motors

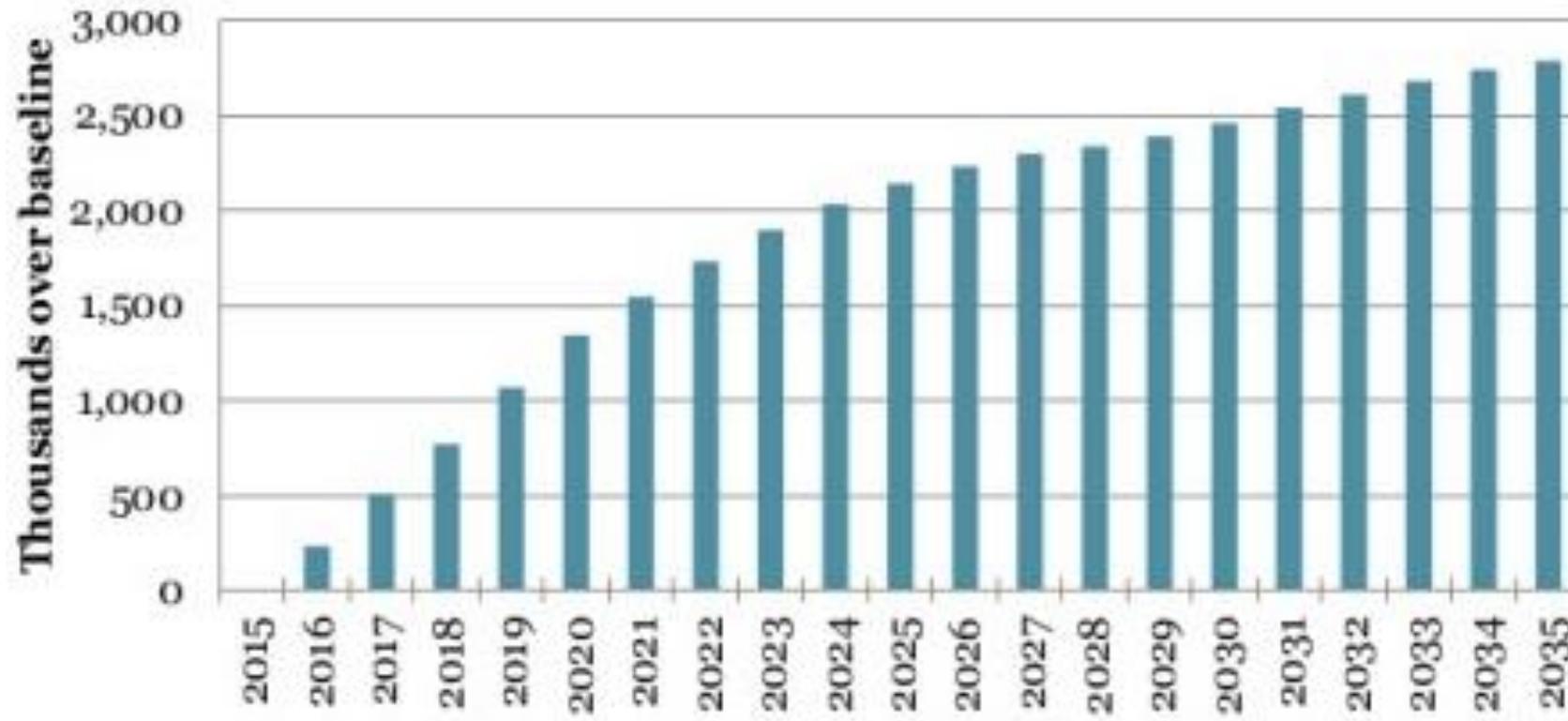
ConocoPhillips



devon

# Job Growth Under Carbon Fee & Dividend

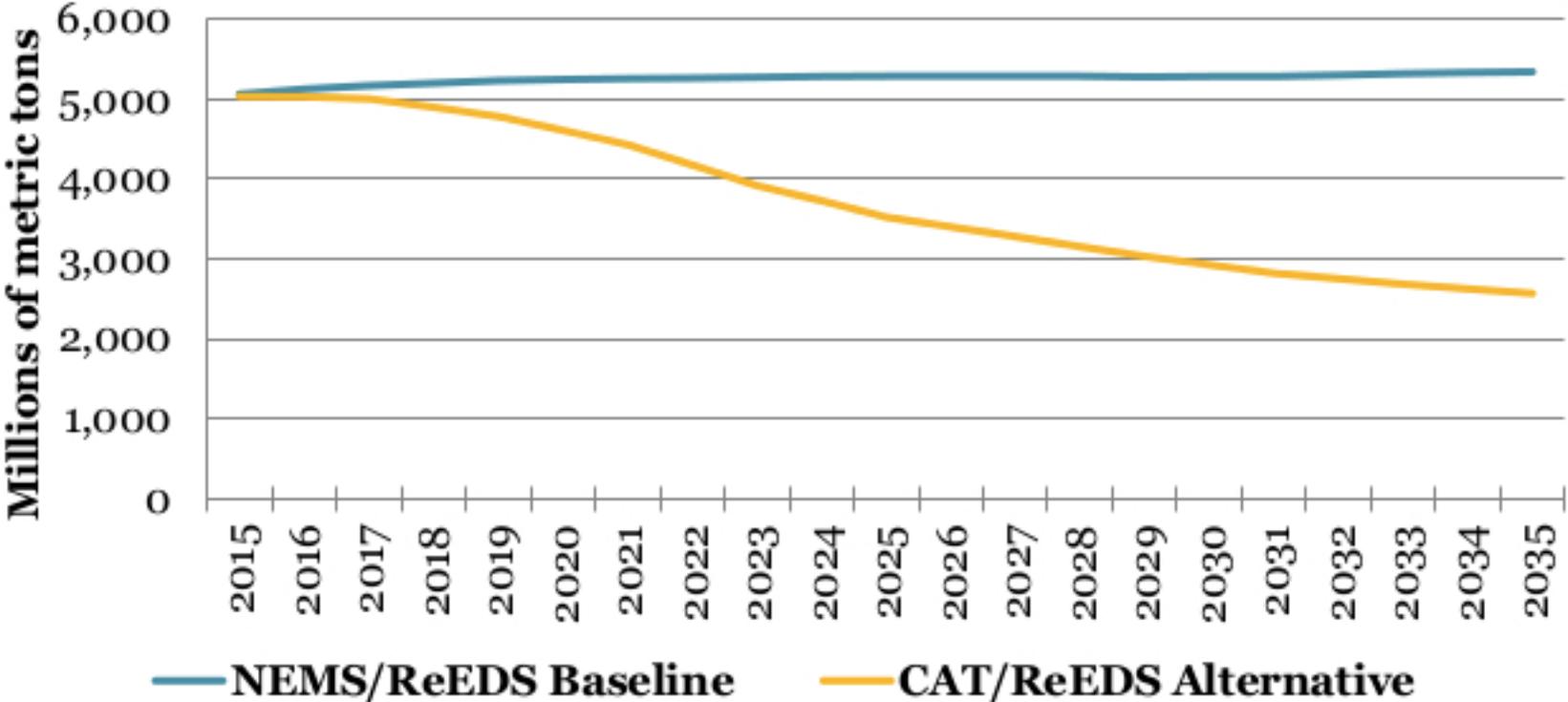
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2014 study by Regional Economic Modeling, Inc.

# Emissions Reductions

Carbon Dioxide Emissions (annual forecast, national level)



50% below  
1990 levels  
in 20 years

# Arizona Support for Carbon Pricing

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Sen. Flake sponsored “Raise Wages, Cut Carbon Act” of 2009

Sen. McCain has sponsored 3 Climate Stewardship Acts

U of A survey, 2014: 70%  
Arizonans favor government action  
to limit emissions



# In Response to Council's Questions

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## Support for Fee & Dividend

Salt Lake City, UT

Philadelphia, PA

San Francisco, CA

Santa Fe, NM

Las Cruces, NM

Dona Ana County, NM

Carbondale, CO

Pitkin County, CO

Ancram, NY

Syracuse, NY

Cooperstown, NY

Taghkanic, NY

Fayetteville, AR

Eureka Springs, AR

# In Response to Council's Questions

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## “Fee” vs. “Tax”

Former Secretary of State under President Reagan  
George Schultz:

Tax generates revenue for government

Fee recovers cost of providing a service

# In Response to Council's Questions

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## Administration of Dividend

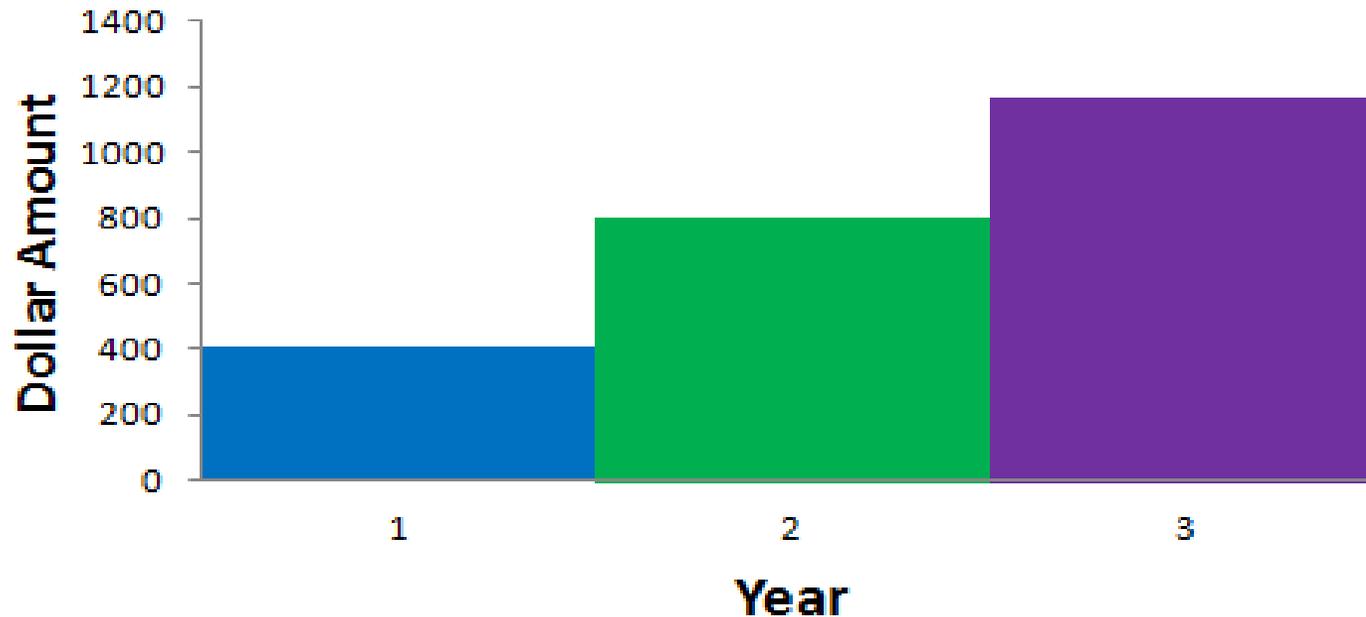
SCENARIO	WORST-CASE	INTERMEDIATE-CASE	BEST-CASE
<i>Assumptions determining scenario</i>	All households get monthly check	CFD piggybacks on SNAP and SSA	Direct deposit is used at historical rate by non-SNAP and non-SSA households.
<i>2014 Total Costs</i>	\$3.8 Billion	\$2.5 Billion	\$0.572 Billion
<i>2014 Costs as % of Revenue</i>	4.8%	3.2%	0.7%
<i>2015 Costs as % of Revenue</i>	3.0%	1.9%	0.4%

# In Response to Council's Questions

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Estimated \$9.4 million/yr in the first year

**Dividend Size per Year (City of Flagstaff)**



# In Response to Council's Questions

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## Cost Increases

Gasoline: \$0.15/gallon in the first year  
\$0.10/gallon subsequent years

Average electric bill: no more than \$2.80/mo in 1<sup>st</sup> year  
No more than \$1.86/mo subsequent years

Cost of living: 1.7-2.5% over 20 years

Over 60% of households break even or come out ahead

# Summary

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A solution to a worldwide problem with enormous local impacts

Supported by American businesses and market-based

Local government calling on Congress to act

Get on with the work of running our City

# Questions?

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Thank you for your service!