Handling Opposition - Reconciliation

For reference: Handling difficult questions on EICDA (some of these have talking points there)
Guidance for Volunteers on handling negative Press

From the Left

Fossil Fuel Companies Support This

Since some fossil fuel companies have supported this type of policy it must be bad, despite that their support has often seemed tepid or rhetorical.

Background

Because some fossil fuel companies have voiced support for carbon pricing, some people assume that anyone who supports pricing is on their side.

Confusingly, they argue both that fossil fuel companies support it because it would be ineffective, and because they think it would never pass.

Ironically, when climate advocates question carbon pricing they are helping them fulfill the “never pass” theory.

What you might say

Carbon taxes work. They cut emissions quickly. Whenever real carbon pricing gets serious consideration, fossil fuel companies are suddenly AWOL or funding the opposition. If you want to fight climate change, let’s make polluters pay.

Poison Pill

Other climate advocates worry that carbon pricing will sink the reconciliation bill. Sometimes saying that fossil fuel interests push them specifically for this purpose.

Background

Polling shows again and again that carbon pricing has strong support among voters.

- 73% of Americans support taxing corporations based on their carbon emissions
- 70% of registered voters would support a candidate who wants a price on carbon
- 60% of Americans support a carbon fee and dividend

There is strong support across the political spectrum for carbon pricing bills in Congress, with 38% of Democrats in the House cosponsors of carbon pricing bills (including 45% of the Progressive Caucus).

What you might say

Carbon pricing is popular with voters, with business leaders, and with Congress (45% of the Congressional Progressive Caucus are cosponsors on carbon pricing bills).

Why would anyone who claims to be a climate advocate oppose a climate policy that we know would be effective when it's under active consideration by the people who actually have voting cards in Congress?

Instead of

Other climate advocates fear that we'd get a carbon price instead of other policies that they prefer, rather than in addition to.

Background

Carbon pricing is not a silver bullet. Other efforts are also be needed to reduce emissions fast enough to stay under 1.5 or 2 degrees temperature rise.

Some may try to advocate that carbon pricing should be used instead of other provisions in the budget bill. Whether you agree or disagree with this notion, it is not a good political position for us to take at this moment.

What you might say

We need all of the policies in the package, including carbon pricing, so we can be assured of reaching our emission reduction targets while supporting our economy and American Households.

False Solution - Distrust of Market Solutions / Equity and Justice

Concern that carbon pricing does not address equity concerns. General distrust of markets.

Background

This concern arises primarily from the far left. While a carbon price alone does not address all concerns around equity and justice, the broader reconciliation package does include some attempt to do so.

What you might say

Markets are a powerful tool that we can and should harness in solving climate change. A carbon price aligns everyone's financial incentives with reducing emissions, and complements the standards, investments, and justice provisions of the budget bill

Breaks Biden's Promise

Concern that this would break Biden's promise to not raise taxes for those earning under $400K. Could be genuine concern for regressivity, or just political rhetoric.

Background

President Biden has said things like “Under my plan, if you make less than $400,000, you won’t pay a single penny more in taxes. You have my word on it.”

A carbon fee is not a tax on individuals, but is imposed on corporations selling fossil fuels. Biden supports raising taxes on corporations.

But Biden came out against raising gasoline taxes, and some might claim that a carbon fee is similar. But gasoline taxes are imposed on consumers at the pump, rather than on corporations.

So while a carbon tax may raise prices for consumers it is not a tax on individuals, plus with a carbon cashback most households would come out ahead, with no net increase in costs.

What you might say

Carbon pricing is a corporate tax. Period. It is not a tax on individuals.

Plus the Senate's proposed plan includes rebates to households, in effect lowering their tax burdens.

This is a tax break for families.

This is 100% in line with Biden’s pledge to support American families in building back better while reducing emissions 50% by 2030.

What about Manchin

Concern that Manchin will never support this.

Background

Senator Joe Manchin has expressed concerns about both the $3.5 trillion of spending in the budget bill, and some of the climate provisions proposed for it.

On the spending side a carbon price could address his concerns because it can help us meet emissions targets without additional government spending.

On his resistance to climate policy in general, the problem is that any effective climate policy will be a challenge for coal and gas in West Virginia. It’s important to Manchin that policy drive innovation and be technology neutral, including allowing carbon capture utilization and storage. Carbon pricing fits those parameters.

It’s likely that the way to get Manchin to support the budget bill will be to provide solid support for the people and economy of West Virginia, something he would want regardless of which emissions reduction policies are included.

What you might say

The key to Joe Manchin's support is a budget bill that supports the people of West Virginia, and that goes way beyond just the climate provisions of the budget package. All climate policies will surely be under close scrutiny and a carbon price has many features (technology neutral, encourages innovation, allows for carbon capture and storage, does not rely on government spending) that a moderate Senator like Manchin can support.

A Low Carbon Price is Ineffective

Concern that a low carbon price would not make meaningful emissions reductions, so is not worth doing.

Background

It is true that the higher the price the greater the emissions reductions. But it is not true that a low price will have no effect.

Much of the modeling for carbon pricing has analyzed it as a stand alone policy. In such a case you do need a carbon price at the level of the Energy Innovation Act to meet emissions targets (example: $77 to $124 in 2030).

But a lower carbon price would still make substantial reductions in emissions. As an example, RFF's modeling shows that a $15/ton price that rose at 5% per year could reduce emissions to 39% below 2005 levels by 2030. When coupled with other policies, as is expected in the budget reconciliation a carbon price can make a big contribution to lowering emissions.

What you might say

Carbon taxes work. While a high price is better, even a modest price can take a big chunk out of emissions quickly, especially when paired with other important policies in the reconciliation package. Models show that even a price as low as $20 in 2030 could reduce emissions by 39% from 2005 levels.

High Energy Prices

Concern that "Democrats would be crazy to pass a carbon tax while fuel prices are surging during this energy crunch."

Background

Prices for energy are rising around the world for a variety of reasons, but mostly related to the economy springing back from the pandemic and demand coming back faster than supply.

It is true that higher energy prices, and greater public attention on energy prices, can affect public sentiment for climate action, and anything that might raise their prices.

This is an opportunity to lean into the dividend, and how it puts money into people's pockets so they are supported during the transition to clean energy.

Some other points you can make:

- a carbon price would not go into effect until 2023 at the earliest
- clean energy will be cheaper and less vulnerable to these supply shocks
- When energy prices go up now, fossil fuel companies get richer. Corporate polluter fees can be returned to the people rather than enriching polluters.

What you might say

Volatile energy prices are a problem, but corporate polluter fees can be part of the solution. Money from the fees will go back to families so they can pay their bills and will shift us to reliable and affordable clean energy which is not vulnerable to these kinds of supply shocks and market manipulation by oil cartels.

From the right

It’s a tax

This is just another tax, another chance for Democrats to tax and spend.

Background

Many Americans dislike taxes. Whether we call it a fee or a tax, opponents will likely describe it as a tax.

What you might say

Carbon pricing is not a tax on individuals, it’s a tax on companies that emit carbon pollution.

Carbon pricing is cost-neutral for most American families when the policy includes a "carbon cash back" payment, funded by the money collected from fossil fuel companies.

Reliability

Will cause blackouts like in TX etc.

Background

Nobody likes a blackout. People want their electricity to be reliable. There is a fear that as we increase clean energy that grids might become less reliable. Numerous reports and studies show that we can have a clean and reliable electricity grid.

The truth is that it is climate change that is causing much of the instability people have seen lately. In California, wild fires and heat waves have caused issues. In Texas, a winter storm amplified by climate change disrupted power. Hurricanes have cut power across the southeast. Storms across the country are more violent due to climate change.

What you might say

The climate crisis is causing much of the reliability issues we see today. Fires, heat waves, and storms, are all amplified by climate change, and fossil fueled electricity is the cause of those problems, not the solution. Action on climate, including a carbon price, is the solution.

America leads the world with technology innovation. Studies and real world examples show that through this innovation we can have a clean, affordable and reliable electricity grid.

Affordability

Concerns that this will raise prices, create inflation, etc.

Background

The Energy innovation Act is likely to **increase household energy costs**, but the dividend will help **most households come out ahead**.

In addition, when coupled with the other climate provisions in the reconciliation package, studies show that energy prices would remain affordable as we transition to clean energy.

What you might say

Carbon pricing is cost-neutral for most American families when the policy includes a "carbon cash back" payment, funded by money collected from fossil fuel companies. This protects low-and-middle-income Americans who otherwise might not be able to afford the transition.

Studies show that the monthly carbon cash back payments are enough to essentially cover increased costs of 85% of American households, including 95% of the least wealthy 60% of Americans.

This type of carbon tax is called a “carbon fee and dividend”. Citizens’ Climate Lobby has been advocating for this policy for over a decade.

Yellow Vests

Concern that carbon pricing will face resistance like the Yellow Vest Protests

Background

The Yellow Vests movement in France was motivated by a high cost of living and a tax reform that puts a disproportionate burden on the working and middle classes. This did include a tax on fuel, but that was only one concern that sparked the movement.

This is one reason why returning revenue to households as a dividend is so important. Through a dividend, the vast majority of households will come out ahead or have a negligible change in purchasing power. This will provide long-term support from the public, even as carbon prices rise, since dividends will rise in tandem with any price increases.

Rather than putting a burden on working and middle-class people, a carbon fee with a dividend will support households as we make the transition to a low-carbon economy. A U.S. Treasury report shows that with a full dividend the bottom two-thirds of households by income would benefit under this program.

What you might say

It is unacceptable and politically unviable to solve climate change on the backs of hard working Americans. That is why some form of rebate or carbon cashback is so essential to the success of any carbon price. With a carbon cashback low and middle income households will come out ahead.

Ruin the economy

Kills jobs, lowers GDP, etc.

Background

The economy is almost always a top issue for voters. Politicians love to focus on job creation and how policies will grow the economy.

Studies have shown that a carbon fee with a dividend or carbon cashback will have a net benefit for the economy and jobs. This is due to people spending their carbon cashback and the health and climate benefits from decreasing fossil fuel pollution.

In addition, given the level of government investment in the reconciliation package, it is expected to spur additional job growth and grow the economy.

What you might say

A carbon fee as part of budget reconciliation will incentivize innovation by America's businesses, creating millions of new jobs that will transform our economy and put Americans back to work.

Consider a link to this video.

Competition with China

Somehow this will hurt our competition internationally, especially with China. It won't matter what we do if China doesn't take action.

Background

China is a popular bogeyman right now on both the left and right. There are multiple issues intertwined here.

Some people are worried about economic competitiveness with China and the continued decline of manufacturing jobs in the US.

Some are worried that if we don't address China's GHG emissions we won't be able to solve climate change.

The two relate in that if climate policy raises any costs in the US it reduce competitiveness and both jobs and emissions could move overseas.

Sometimes people also use this as a deflection - 'What about China?' saying we shouldn't bother to act until China does.

More info in this laser talk.

What you might say

Carbon pricing is good economically for the US regardless of what China does, because clean energy will create jobs and improve our health. Plus with a border adjustment we can preserve a level playing field and put pressure on China to reduce their emissions.

On whole package - Deficit/Debt attacks

Budget package as a whole will raise the deficit, etc.

Background

Congress plans to pay for the full cost of the reconciliation package so that it will not increase the deficit. They have a list of provisions to raise revenue by reducing health care costs, closing tax loopholes and collecting unpaid taxes that are owed, and increasing taxes on corporations and high income tax payers.

A carbon fee would not add to the deficit as it would either raise revenue, or be deficit neutral is all revenue was rebated as a carbon cashback. It is one of the few provisions in reconciliation that decrease emissions without spending government money.

What you might say

A carbon fee will help support a healthy climate and a healthy economy without adding 1 penny to the deficit.