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FOR MARKET
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For Immediate Release

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Conservative groups send letter disapproving House vote on anti-carbon tax measure

Washington, D.C. – Leaders from the Alliance for Market Solutions (AMS), American Enterprise Institute, R Street Institute, republicEn, Evangelical Environmental Network, and Niskanen Center sent a letter to House Speaker Paul Ryan yesterday in advance of the House vote on an anti-carbon tax resolution expressing concern that it discourages a long-overdue discussion about sensible carbon policy.

“We are concerned that this resolution offers a limited perspective on carbon taxes and is blind to the potential benefits of market-based climate policy. Legislation that incorporates a carbon tax could include regulatory and tax reforms to make the United States economy more competitive, innovative, and robust, benefiting both present and future generations” the letter states. “Unfortunately, this resolution also fails to differentiate between proposals that would impose carbon taxes on top of existing regulations, and proposals that would impose carbon taxes in place of those existing regulations. Conservatives and free market advocates should embrace the latter, regardless of how they view climate risks.”

A copy of the letter can be found [here](#) and below.

July 18, 2018

The Honorable Paul D. Ryan
Speaker of the U.S. House of Representatives
Washington, DC 20515

Dear Speaker Ryan:

Congressman Scalise (R-LA1) has sponsored a resolution expressing the sense of Congress that a carbon tax would be detrimental to the economy of the United States. We are concerned that this resolution offers a limited perspective on carbon taxes and is blind to the potential benefits of market-based climate policy. Legislation that incorporates a carbon tax could include regulatory and tax reforms to make the United States economy more competitive, innovative, and robust, benefiting both present and future generations.

We recognize that a carbon tax, like any tax, will impose economic costs. But climate change is also imposing economic costs. This resolution falls short by recognizing the cost of action

without considering the cost of staying on our present policy course. There are, of course, uncertainties about the future cost of climate change and, likewise, the cost associated with a carbon tax (much would depend on program design and the pace and nature of technological progress). The need for action, however, is clear. A recent survey of economists who publish in leading peer-reviewed journals on these matters found that 93% believe that a meaningful policy response to climate change is warranted.

The least burdensome, most straightforward, and most market-friendly means of addressing climate change is to price the risks imposed by greenhouse gas emissions via a tax. This would harness price signals, rather than regulations, to guide market response. That is why carbon pricing has the support of free market economists, a majority of the global business community, and a large number of the largest multinational private oil and gas companies in the world (the corporate entities among the most directly affected by climate policy).

In reaching a conclusion, this resolution neglects the fact that the United States already has a multiplicity of carbon taxes. They are imposed, however, via dozens of federal and state regulations, are invisible to consumers, unevenly imposed across industrial sectors, unnecessarily costly, and growing in size and scope. The policy choice is not if we should price carbon emissions, but how.

Unfortunately, this resolution also fails to differentiate between proposals that would impose carbon taxes on top of existing regulations, and proposals that would impose carbon taxes in place of those existing regulations. Conservatives and free market advocates should embrace the latter, regardless of how they view climate risks.

An economy-wide carbon tax that replaces existing regulatory interventions could reduce the cost of climate policy and deregulate the economy. It could also provide revenue to support pro-growth tax reform, including corporate income or payroll tax cuts, which could dramatically reduce overall costs on the economy. Revenues could be applied to compensate those who suffer the most from higher energy costs; the poor, the elderly, and individuals and families living on fixed incomes.

Unfortunately, none of those options are presently available because Members of Congress have neglected opportunities to design and debate market-friendly climate policies in legislation. Instead, they have yielded authority in climate policy design to the Executive Branch. By discouraging a long-overdue discussion about sensible carbon pricing, this resolution frustrates the development of better policy.

Sincerely,

Jerry Taylor
President, Niskanen Center

Eli Lehrer
President, R Street Institute

Bob Inglis
President, republicEn

Alex Flint
Executive Director, Alliance for Market Solutions

Rev. Mitchell C. Hescox
President, Evangelical Environmental Network

Aparna Mathur
Resident Scholar, American Enterprise Institute

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[Alliance for Market Solutions](#) (AMS) is an organization of conservative leaders with experience in business, government, and the intellectual community who know that markets and economic incentives are the most powerful drivers of change and are more efficient and effective than top-down regulation. We aim to educate conservative policymakers on the benefits of market-oriented solutions to one of America's most pressing economic challenges: advancing clean energy and reducing carbon pollution.

The carbon tax policy we support is consistent with a pro-growth conservative agenda. It would replace costly regulations and prevent new regulations from burdening families and job creators. And it would eliminate economically harmful taxes on investment and family incomes. AMS is a 501(c)(3) non-profit educational organization. We don't engage in electoral politics on behalf of any candidate, campaign or party. We are recruiting allies and developing policy analyses to help conservative policymakers consider a pro-growth, conservative carbon tax policy.