

How to Make the Case for
Fair Carbon
Pricing in MA

***to a Democratic or
Republican Town
Committee***

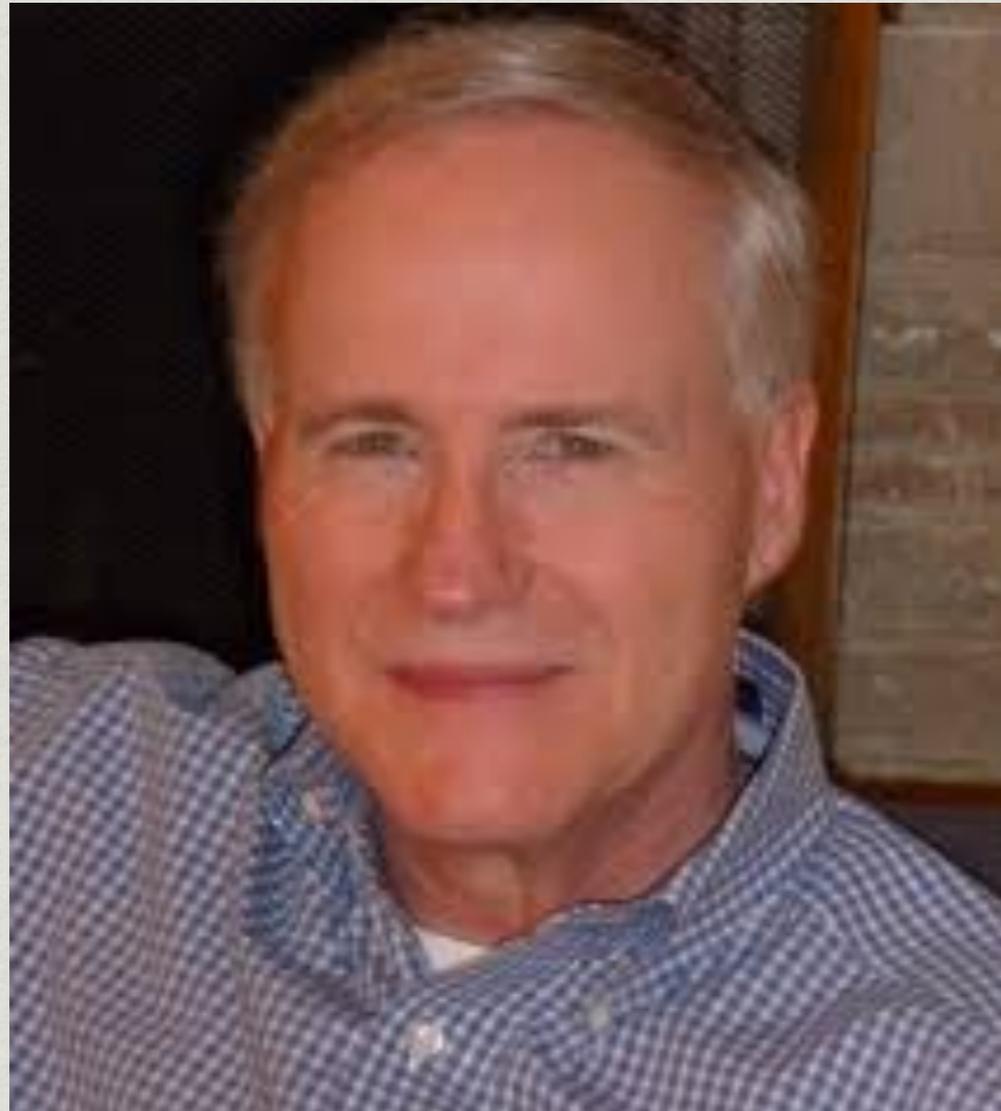
JESSICA LANGERMAN
www.Climate Xchange.org
jhlangerman@mac.com

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FIRST, shore up your relationships with prominent environmentalists in your town (preferably those serving on town or other sustainability committees).





**Brendan Berger,
Senator Barrett's aide:**

Brendan.Berger@masenate.gov

Or

617 722-1572

**Or, contact someone at:
www.climate-xchange.org**





Now, for the hard part.

What do you SAY?!



You want to remind your audience of the relationship between this...



...and this:



Deep Water Horizon oil spill



Childhood Asthma

You want to then establish the relationship between this...

Your Paycheck Stub				
Employee Beakens, Joe	Employee Identification 201-92-4856	Check # 164	Check Amount \$987.98	
Employee Address 293 Michael Grove Billings, MT 59102				
	Pay Type - Gross Income	Payroll Withholdings	Current	Year-to-date
	\$1,353.33	Federal Withholding State Withholding Social Security Medicare Medical 401K	\$106.00 \$40.82 \$83.91 \$19.62 \$65.00 \$50.00	\$1,060.00 \$408.20 \$839.10 \$196.20 \$650.00 \$500.00
		Totals	\$365.35	\$3,653.50
Pay Period 5/17/2011-5/31/2011				

Personal Information—Purple

Mandatory Deductions—Orange

Optional Deductions—Green

Pay Period—Blue

...and this.



Deep Water Horizon oil spill



Childhood Asthma

“Have you ever wondered who pays for the damage caused by fossil fuels?”



Deep Water Horizon oil spill



Childhood Asthma

Example:
Someone had to fund this cleanup.



It was you.

You didn't pay here.



You paid here.

Your Paycheck Stub				
Employee Beakens, Joe	Employee Identification 201-92-4856	Check # 164	Check Amount \$987.98	
Employee Address 293 Michael Grove Billings, MT 59102				
	Pay Type - Gross Income	Payroll Withholdings	Current	Year-to-date
	\$1,353.33	Federal Withholding State Withholding Social Security Medicare Medical 401K	\$106.00 \$40.82 \$83.91 \$19.62 \$65.00 \$50.00	\$1,060.00 \$408.20 \$839.10 \$196.20 \$650.00 \$500.00
		Totals	\$365.35	\$3,653.50
Pay Period 5/17/2011-5/31/2011				

Personal Information—Purple

Mandatory Deductions—Orange

Optional Deductions—Green

Pay Period—Blue

And you will continue to pay here for cleanups and other damages caused by fossil fuels...

Your Paycheck Stub				
Employee Beakens, Joe	Employee Identification 201-92-4856		Check # 164	Check Amount \$987.98
Employee Address 293 Michael Grove Billings, MT 59102				
	Pay Type - Gross Income	Payroll Withholdings	Current	Year-to-date
	\$1,353.33	Federal Withholding State Withholding Social Security Medicare Medical 401K	\$106.00 \$40.82 \$83.91 \$19.62 \$65.00 \$50.00	\$1,060.00 \$408.20 \$839.10 \$196.20 \$650.00 \$500.00
		Totals	\$365.35	\$3,653.50
Pay Period 5/17/2011-5/31/2011				

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Optional Deductions—Green

Pay Period—Blue

As long as **this** price doesn't reflect the damage this product causes.



That's called a
“negative cost externality,”

which means that the total cost of using a certain product doesn't show up in its price tag. In this instance, the cost shows up in your taxes rather than at the pump – breaking the connection between the product and its true cost.

We complain about high taxes
while gas remains artificially
cheap.

This deprives us of the ability to avoid unnecessary costs.

The commodity this woman is putting in her car creates expensive problems.

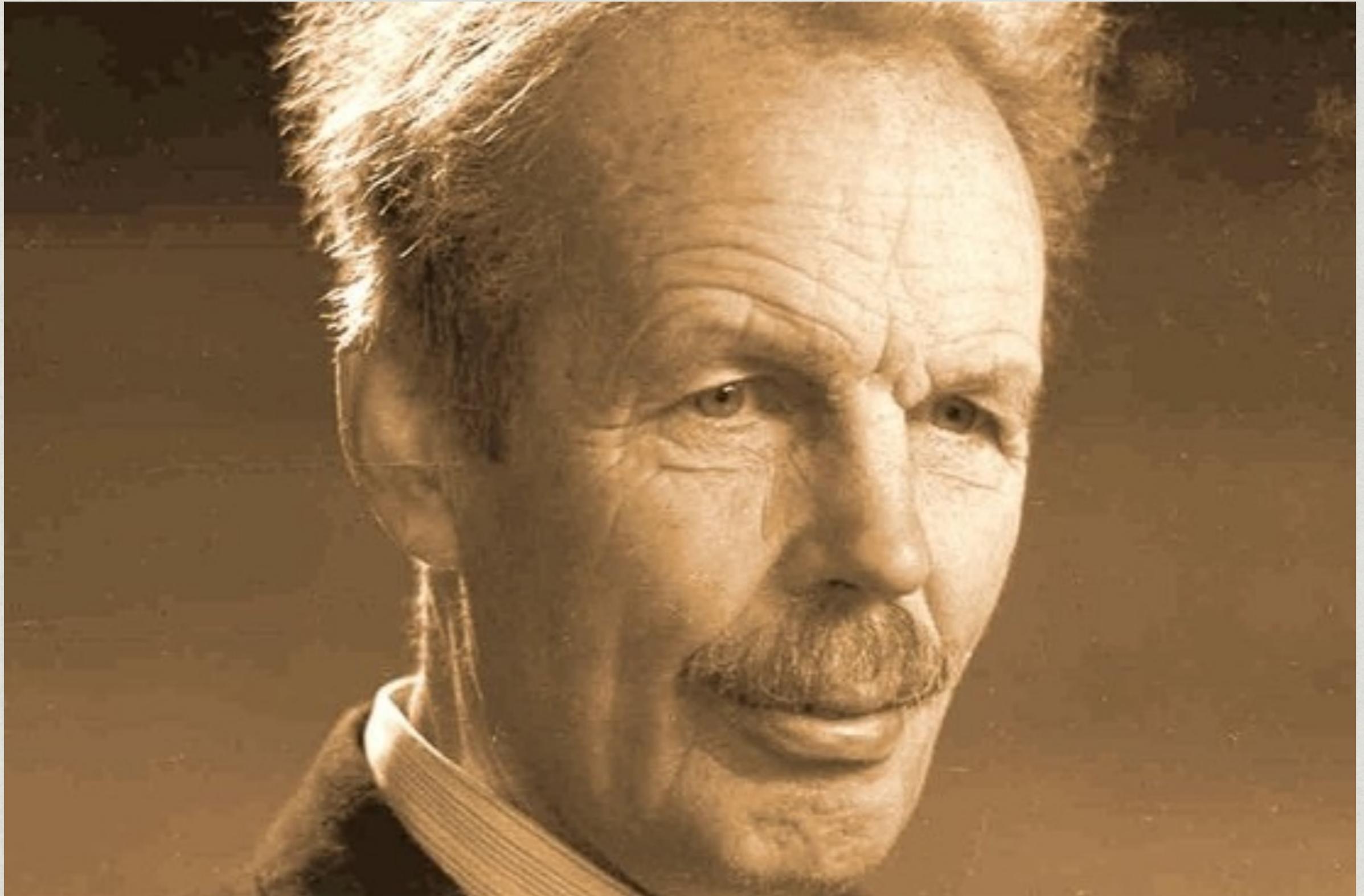


“The mother of all market failures is the failure to price carbon.”

- Eric Pooley

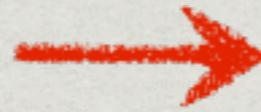
*The Climate War:
True Believers, Power Brokers, and the Fight to Save the Earth*





ARTHUR PIGOU, 1877 - 1959

EXTERNALITY



PRICE ASSIGNED TO EXTERNALITY

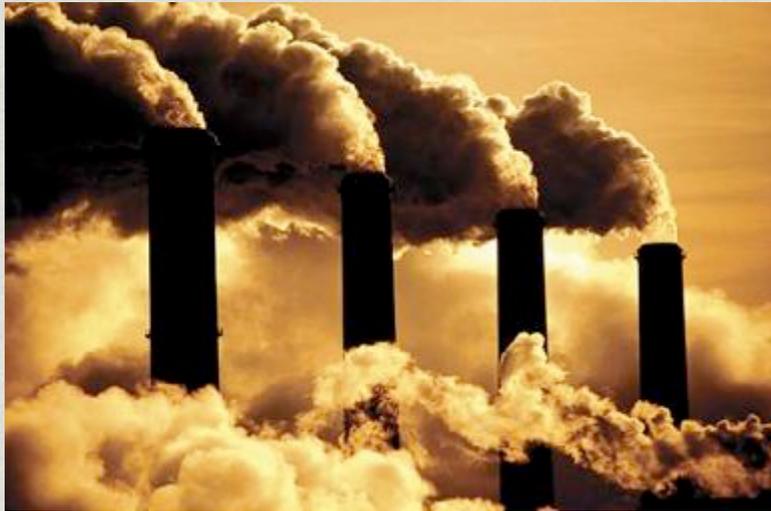
FUNDS USED FOR COMPENSATION



PRESSURE TO PAY MOTIVATES NEW TECHNOLOGIES, REMEDIATION



EXTERNALITY



PRICE ASSIGNED TO EXTERNALITY

FUNDS USED FOR COMPENSATION

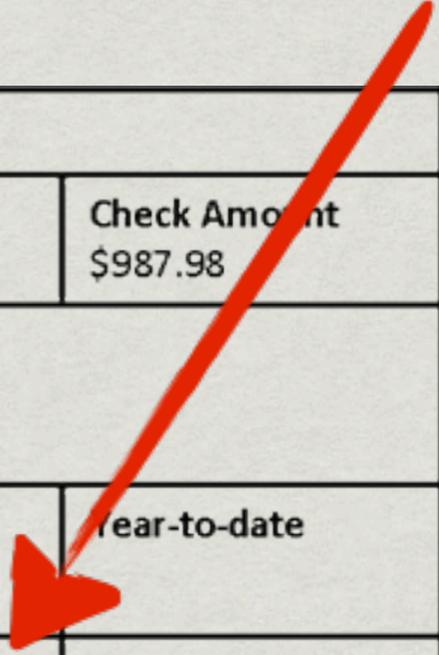


PRESSURE TO PAY MOTIVATES NEW TECHNOLOGIES, REMEDIATION



What if we began slowly reducing this...

Your Paycheck Stub			
Employee Beakens, Joe	Employee Identification 201-92-4856	Check # 164	Check Amount \$987.98
Employee Address 293 Michael Grove Billings, MT 59102			
	Pay Type - Gross Income	Payroll Withholdings	Current Year-to-date
	\$1,353.33	Federal Withholding State Withholding Social Security Medicare Medical 401K	\$106.00 \$1,060.00 \$40.82 \$408.20 \$83.91 \$839.10 \$19.62 \$196.20 \$65.00 \$650.00 \$50.00 \$500.00
		Totals	\$365.35 \$3,653.50
Pay Period 5/17/2011-5/31/2011			



Personal Information—Purple

Mandatory Deductions—Orange

Optional Deductions—Green

Pay Period—Blue

So you had more here...

Your Paycheck Stub				
Employee Beakens, Joe	Employee Identification 201-92-4856	Check # 164	Check Amount \$987.98	
Employee Address 293 Michael Grove Billings, MT 59102				
	Pay Type - Gross Income	Payroll Withholdings	Current	Year-to-date
	\$1,353.33	Federal Withholding State Withholding Social Security Medicare Medical 401K	\$106.00 \$40.82 \$83.91 \$19.62 \$65.00 \$50.00	\$1,060.00 \$408.20 \$839.10 \$196.20 \$650.00 \$500.00
		Totals	\$365.35	\$3,653.50
Pay Period 5/17/2011-5/31/2011				

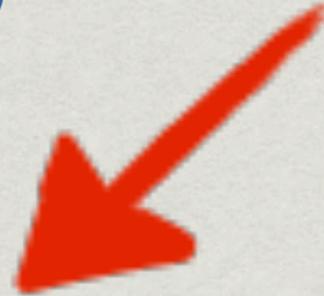
Personal Information—Purple

Mandatory Deductions—Orange

Optional Deductions—Green

Pay Period—Blue

...While **commensurately**
raising this?



“Commensurately”
is the key word. We
could raise the price of
fossil fuels **gradually** and
proportionately to a
decrease in taxes.

Or, rather than
decrease taxes,
we could offer
cash refunds.

In financial terms, that's
called

“revenue neutrality.”



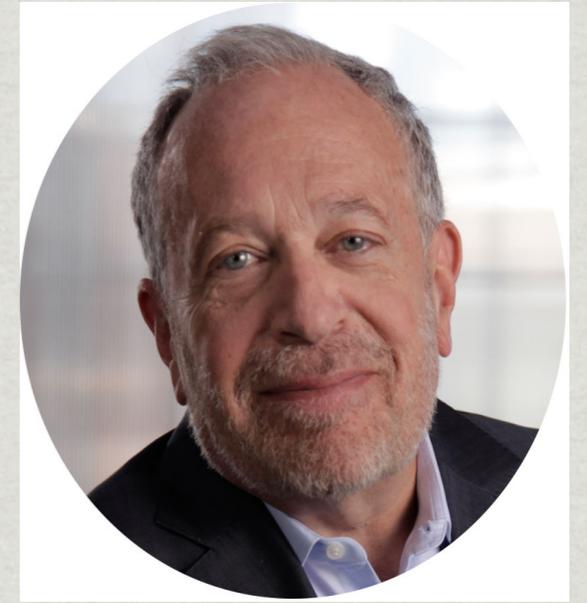
Nicholas
Stern



Joseph
Stiglitz



Jeffrey
Sachs



Robert
Reich



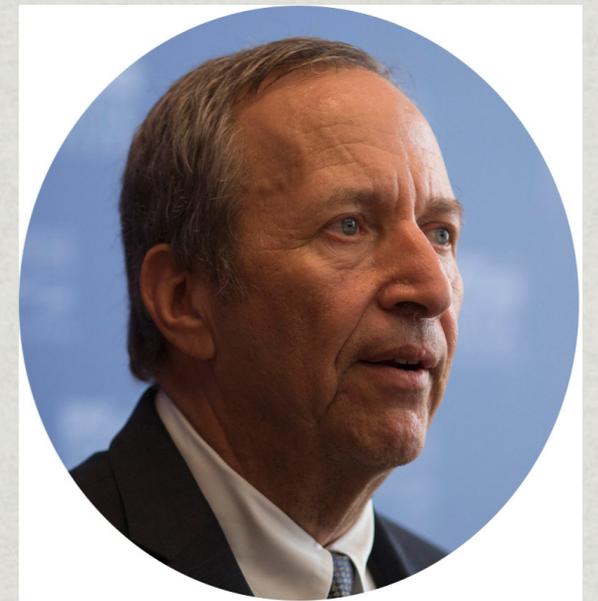
Gregory
Mankiw



Art
Laffer

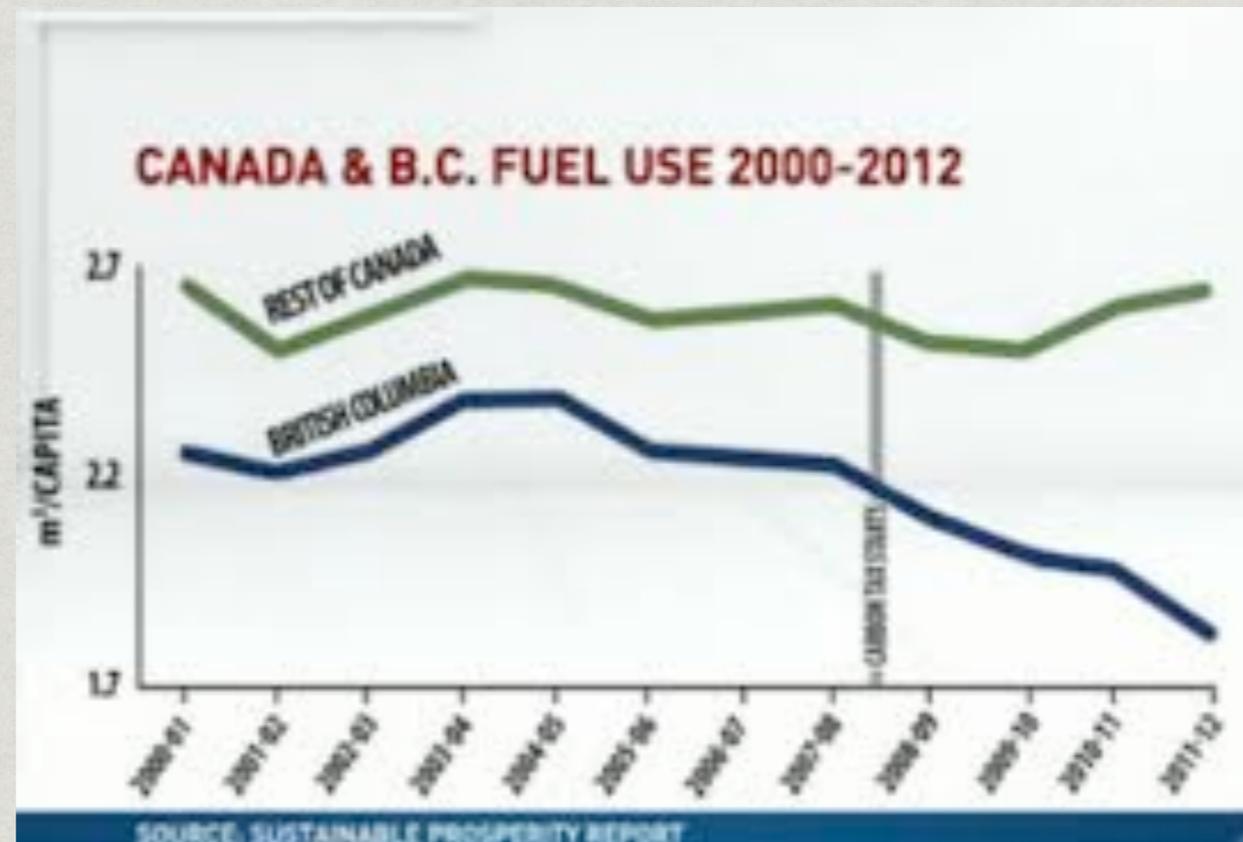


Milton
Freidman



Larry
Summers

BRITISH COLUMBIA CARBON TAX



July 1, 2008, the date the carbon tax took effect, to July 1, 2012, B.C.'s fuel consumption fell by 17.4 per cent, and nearly 19 per cent per capita. In contrast, over the same period, consumption rose 1.5 per cent in the rest of Canada. At the same time, B.C.'s economy slightly outperformed the rest of the country.



SENATOR MIKE BARRETT



REPRESENTATIVE TOM CONROY

HOUSE No. 2532

The Commonwealth of Massachusetts

PRESENTED BY:

Thomas P. Conroy and Michael Barrett

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to shifting from carbon emissions to transportation investment.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Thomas P. Conroy</i>	<i>13th Middlesex</i>
<i>Michael Barrett</i>	<i>Third Middlesex</i>
<i>William N. Brownsberger</i>	<i>Second Suffolk and Middlesex</i>
<i>Frank I. Smizik</i>	<i>15th Norfolk</i>
<i>Jason M. Lewis</i>	<i>31st Middlesex</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Alice Hanlon Peisch</i>	<i>14th Norfolk</i>
<i>Carl M. Sciortino, Jr.</i>	<i>34th Middlesex</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>Cory Atkins</i>	<i>14th Middlesex</i>
<i>Ruth B. Balse</i>	<i>12th Middlesex</i>



What does REMI Say?

The REMI model is a dynamic forecasting and policy analysis tool that can be variously referred to as an econometric model, and input-output model, or even a computable general equilibrium model. In fact, REMI integrates several modeling approaches.

[READ MORE](#)



PRODUCTS

The REMI model is a dynamic economic forecasting software application inspired by a single goal: to inform and improve the quality of public policy decisions. [learn more >>](#)



TOPICS & CLIENTS

When regions, states, and cities want need to make critical policy decisions, they turn to REMI to test the economic effects of their policies before they are implemented. [learn more >>](#)



EVENTS & WEBINARS

REMI offers an annual Users' Conference and periodic On-Site Seminars and On-line Seminars for all on the theoretical and applied aspects of PI+ and TranSights' unique regional modeling approach. [learn more >>](#)



WHAT'S NEW

What's new at REMI? See this section for the latest headlines and updates about REMI and our model users. [learn more >](#)



*MODELING THE ECONOMIC,
DEMOGRAPHIC, AND CLIMATE IMPACT OF
A CARBON TAX IN MASSACHUSETTS*

PREPARED BY

Regional Economic Models, Inc. (REMI)

PREPARED FOR

Committee for a Green Economy (CGE)

Supported by



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ALI ZAIDI

Assistant Economist

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THURSDAY, JULY 11, 2013



Summary of Preliminary Findings

MA Department of Energy Resources
study on

Implementing a revenue-neutral carbon
fee

October 2014

Design of fee

State government sets a fee equal to dollar amount/ton of CO₂ emitted.

Fee rises each year at a rate fixed several years in advance, starts at \$10/ton and in the 5th year reaches \$30/ton

Revenue-neutral means state government returns all revenues to the public

Households as a whole get back the amount they paid in;
businesses & institutions as a whole also get back what they put in

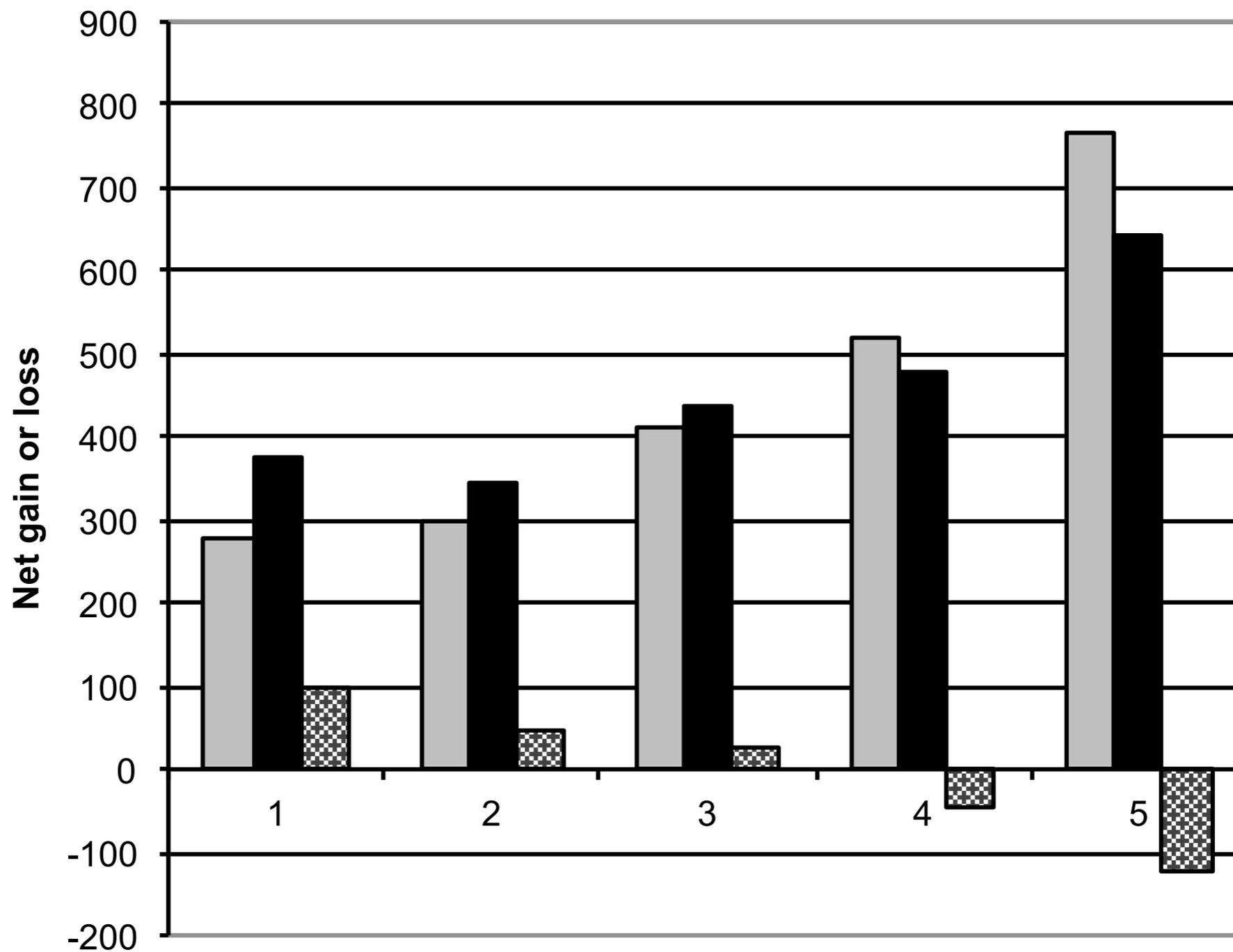
Household sector: every person gets the same rebate

Business/institutions: businesses get money back in proportion to their share of total employment in the state

The Carbon fee and Rebate Proposal could...

- **Create over 10,000 jobs by 2025**
- **Increase real personal income in Massachusetts by over \$2 billion**
Cut emissions by over 6 million metric tons per year
- **The bottom 80% of households come out ahead or about even**
- **The top 20% of households come out \$120 behind per year on average.**

Greatest job growth will be found in industries such as health care, real estate, finance and construction.



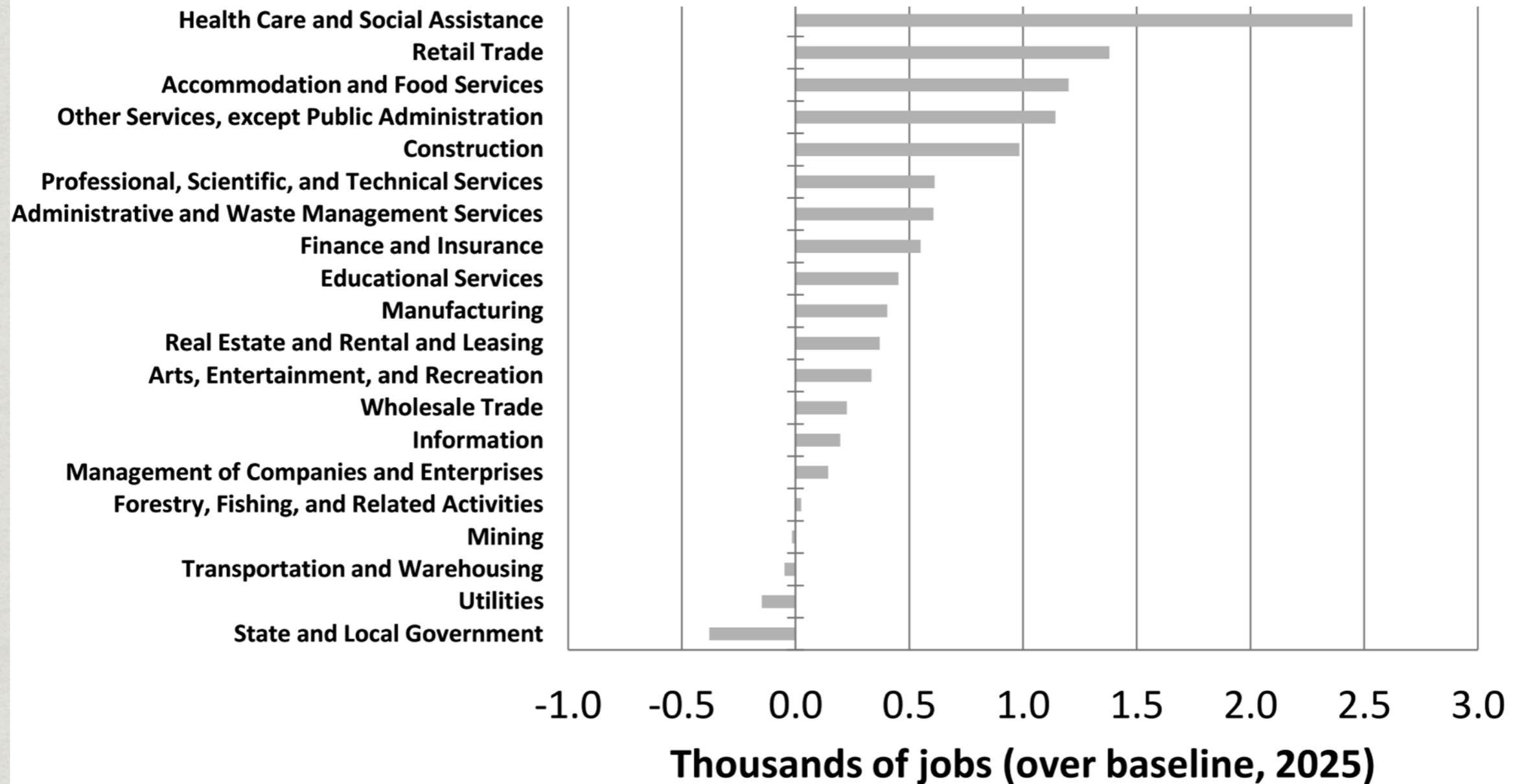
Income quintiles - by household

- carbon tax per household
- Rebate per household if equal per person
- ▣ Net impact per household

Business & institution impact

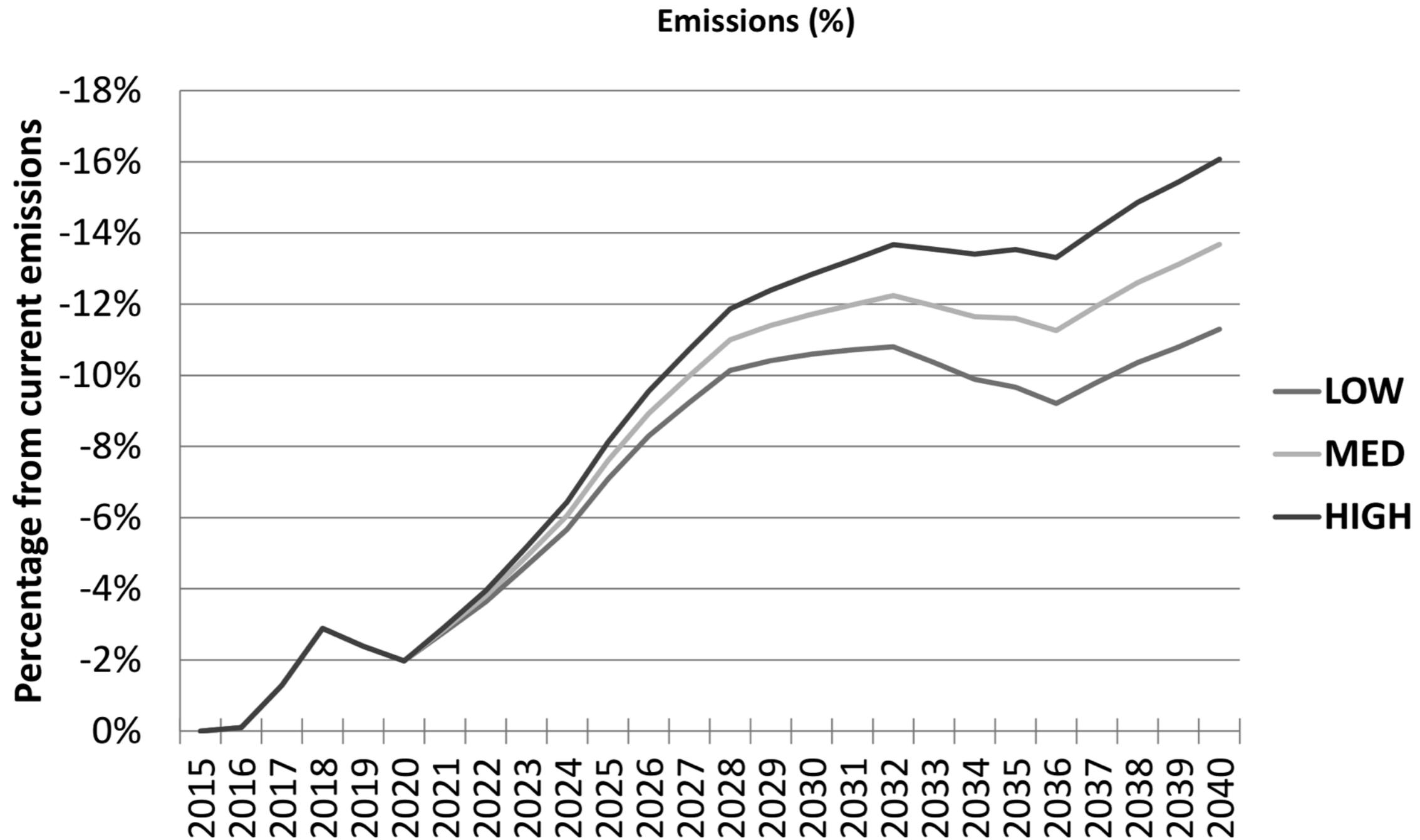
- Gain or loss as a percentage of total expenditures is small, less than 0.1% for most industries. Only a few energy-intensive industries come out behind after receiving a rebate.
- Most industries in the state gain in terms of employment.

Employment by Industry



Emissions impact:

- Under this revenue-neutral carbon tax, emissions are estimated to reduce by about 11% to 16% of current levels by 2040.



We don't have to choose
between a healthy
economy and a healthy
environment. We can
have both.

It's time to align our economy with our values: to reward work and investment, and disincentivize pollution.

We can choose this...



...instead of this.



And, we can choose this...



...instead of this.



Once Massachusetts demonstrates to the world that fair carbon pricing would not only decrease emissions, but *benefit* the economy, other states will follow.

Catastrophes like this would become less frequent, because demand for this product will decrease.



Deep Water Horizon oil spill

The market for renewable energy, finally able to compete against subsidized fossil fuels, would begin to take off.



...and she, along with thousands of children like her, would get better.



Childhood Asthma

The nation has followed us
before.



CHARGE OF THE 54th MASSACHUSETTS COL. JULY 18TH 1862. UNION SOLDIERS IN BLUE AND CONFEDERATE SOLDIERS IN GRAY. COURTESY OF THE NATIONAL ARCHIVES.

COPYRIGHTED 1893 BY KURTZ & ALLISON, ART PUBLISHERS, 76 & 78 WABASH AVE., CHICAGO.

STORMING FORT WAGNER.







Massachusetts “Firsts”:

free, public school (the Mather, in Dorchester, in 1639)

library in the nation (1653)

battle of the Revolution (1775)

State Constitution (1780)

church built by free blacks (1806)

**The first African-American legislators in New England
(1866)**

NONE OF THIS WAS EASY.

PRESS RELEASE

For Immediate Release

July 1, 2014

Wellesley Dems Voice Support for a Revenue Neutral Carbon Tax

The Wellesley Democratic Town Committee at their monthly general meeting on June 26 unanimously passed the following motion supporting Massachusetts' adoption of a revenue neutral carbon tax:

We, the Wellesley Democratic Town Committee, believe a policy of environmental tax reform can simultaneously reduce greenhouse gas emissions, strengthen our economy, and help move our state away from its dependence on fossil fuels. We urge the Massachusetts Legislature to pass legislation that imposes a fee on the carbon content of fossil fuels, and returns that revenue to households and businesses. In particular, we commend Representative Alice Peisch for co-sponsoring environmental tax reform legislation filed in this session by Senator Mike Barrett (D-Lexington) and Representative Tom Conroy (D-Wayland), and urge her and our State Senators – Richard Ross and Cynthia Creem – to co-sponsor the legislation when it is re-filed at the beginning of the 2015-16 session.

The Committee was addressed by Representative Alice Peisch who gave the Committee an up-date of the legislative process regarding the Carbon Tax bill in the just ending legislative session and what is planned for the up-coming session.

The next meeting of the Wellesley Democratic Town Committee will take place on Tuesday August 12 at 7:30PM in the Community Room at the Wellesley Police Department, 485 Washington Street. All are invited. More information can be found at wellesleydems.org.

The complete text of the bill, <https://malegislature.gov/Bills/188/House/H2532>.

We, _____, urge the Massachusetts Legislature to pass legislation that imposes a fee on the carbon content of fossil fuels and returns that revenue to households and businesses. We commend Senator Mike Barrett (D-Lexington) and former Representative Tom Conroy (D-Wayland) for drafting such legislation, and urge our state senators and representatives who haven't yet done so to co-sponsor the bill when it is re-filed at the beginning of the 2015-16 session.

For those who are interested, here are the co-sponsors of the original bill, H 2532:

Petitioners: Thomas P. Conroy, Michael Barrett, William N. Brownsberger, Frank I. Smizik, Jason M. Lewis, Kay Khan, Sean Garballey, Denise Provost, Alice Hanlon Peisch, Carl M. Sciortino, Jr., James B. Eldridge, Cory Atkins, Ruth B. Balsler

More info at: <https://malegislature.gov/Bills/188/House/H2532>

List of all MA DTCs: <http://massdems.org/your-party/towns-and-wards/>

FAIR CARBON PRICING

Climate
× Change

climate-xchange.org