

# Why Exxon Mobil Is Now Lobbying for a Carbon Tax

By Ben Rosen, The Christian Science Monitor, 30 June 16



*A worker adjusts the valve of an oil pipe at West Qurna oilfield in Iraq in 2010. Exxon Mobil is lobbying other American oil producers to support a revenue-neutral carbon tax. (photo: Atef Hassan/Reuters)*

***The world's largest publicly owned company is lobbying other American energy firms to get behind it.***

**I**n an attempt to combat climate change, the world's largest publicly traded oil company is asking to be taxed.

Exxon Mobil [is lobbying](#) the rest of the American industry, as well as Capitol Hill, for a revenue-neutral carbon tax, The Wall Street Journal reported Thursday. Exxon has welcomed a tax on carbon emissions since 2009. But December's Paris Agreement, aimed specifically at keeping most fossil fuel reserves [in the ground](#), has prompted the company to increase its efforts over the past six months to convince the rest of the industry to get on board.

Exxon Mobil's efforts indicate a shift among American oil producers that follows their European counterparts, including Royal Dutch Shell and BP. Coupled with the Paris agreement and national and sub-national pressures, the industry's new attitude reflects "a widening acceptance of climate change as a challenge humanity should – and can – tackle," as Cristina Maza wrote for The Christian Science Monitor when [chief executives of oil supermajors](#), such as BP, Eni, and Statoil, wrote a letter to the United Nations Framework Convention on Climate Change to advocate for a carbon tax in the hottest June on record in 2015.

"Previously Exxon's positioning on a carbon tax had been passive – 'Hey, we're not loving it, but we're not going to get in the way of it,' " Michael McKenna, president of the energy lobbying firm MWR Strategies, whose clients include oil and refining companies, but not Exxon, told the Journal. "In just the last six months, there's been an uptick in how they are asserting themselves in meetings about how to address this issue."

"Of the policy options being considered by governments, we believe [a revenue-neutral carbon tax is the best](#)," Suzanne McCarron, Exxon's vice president of public and government affairs, wrote in May in the Dallas Morning News.

A carbon tax is just what it sounds like: a tax on fossil fuels, typically levied at the first point-of-sale, coal mine, oil or gas wellhead, or the port or border crossing. The type of tax Exxon Mobil supports is revenue-neutral, meaning the tax would be offset by other taxes being lowered.

A carbon tax has [much support](#) among academics, economists, and others in the public policy sector, according to Howard Gleckman of TaxVox. Energy producers, however, have historically resisted it.

As global temperatures have warmed, and the industry has come under fire, its resistance to the tax has subsided. The European oil executives indicated this in their letter to the United Nations.

"Pricing carbon obviously adds a cost to our production and our products," [reads the letter](#) the group sent the United Nations, "but carbon pricing policy frameworks will contribute to provide our businesses and their many stakeholders with a clear roadmap for future investment, a level playing field for all energy sources across geographies and a clear role in securing a more sustainable future."

From their perspective, increasing the price of carbon emissions is far simpler than regulations imposed on them. And some of the revenue could alleviate how much it hurts customers, wrote Mr. Gleckman of TaxVox.

"Some of the revenue generated by such a tax could be used to cushion the economic blow suffered by low-income households as well as coal mining communities," he writes. "Extra revenue could be used to reduce individual or payroll tax rates, help finance corporate tax reform, or trim the budget deficit."

There are skeptics of Exxon's motives. It began publicly supporting a carbon tax, as the cap-and-trade model – in which a limit is placed on the industry's carbon production – gained popularity. If any firm exceeds the amount of carbon it can emit, it is penalized. Exxon is also facing two inquiries from Democratic attorney generals over [whether it conspired](#) to cover its knowledge about the impact of global warming.

But a carbon tax could become a reality, especially in a Democratically controlled White House or Senate.