

How to Cut U.S. Carbon Pollution by Nearly 40 Percent in 10 Years

A bill in Congress could slash American greenhouse-gas emissions. It's even bipartisan—if you squint.

[Robinson Meyer](#) 12:18 PM ET



Jonathan Ernst / Reuters

In Washington, the immaculate solution to climate change has a name: a bipartisan, revenue-neutral carbon tax.

The idea should have wide appeal. Under the plan, the government would charge companies for every ton of greenhouse gas they emit. Instead of spending that money, the government would immediately send it back to Americans as a tax cut or check. Over time, Americans would make greener choices (a win for Democrats) without growing the size of the government (a win for Republicans). And so climate change would slow (a win for everyone).

The research is promising. Last week, a study from economists at Columbia University [found](#)

[that the tax plan](#) with the most support in Congress would slash American carbon pollution by almost 40 percent within a decade. It would outperform any Obama-era climate policy and go well beyond the United States' 2015 commitment under the Paris Agreement.

There's only one hitch: the politics. There *is* a popular, revenue-neutral carbon-tax bill in Congress, but it is only "bipartisan" on a technicality. Dozens of Democrats support the plan. Its sole GOP backer is planning to leave politics.

That bill is the [Energy Innovation and Carbon Dividend Act](#) (EICDA), the subject of the recent Columbia analysis. Of its 71 co-sponsors, 70 are

Democrats. Representative Francis Rooney of Florida, its only Republican co-sponsor, said in October [that he would retire from Congress after the current term](#). His announcement came several days after he refused to rule out voting to impeach President Donald Trump. (He says the two events are unrelated.)

“A lot of Republicans are at least getting the intellectual argument” for a carbon tax, Rooney told me recently. But actually joining a bill is risky for them. “It’s like walking out in muddy water—you’re not sure whether there’s a stingray down there or something.”

The new study—which Columbia conducted along with the Rhodium Group, an energy-research firm—finds no stingrays. If the EICDA passes next year, it would cut American carbon emissions by at least 36 percent by 2030 as compared with their all-time high. It would also slash toxic air pollution and save most Americans money.

The bill is “a very aggressive, climate-hawk version of a carbon tax,” [Noah Kaufman](#), an economist at Columbia University and an author of the study, told me. In the bill’s first year, it imposes a price of \$15 on every ton of carbon pollution. That fee then rises by at least \$10 a year—except in years when pollution does not decrease fast enough, in which case the fee would increase by \$15. By 2030, the United States could see a carbon price in excess of \$100 a ton, adding at least 90 cents to the cost of a gallon of gas.

Yet the study highlights why a carbon tax could be politically challenging. Nearly all of the bill’s carbon cuts will arrive by 2025, when the study projects that carbon emissions will have declined by about 32 percent. (Under President Barack Obama’s policies, emissions would have fallen by 28 percent by 2025. Emissions have risen under President Trump.) And most of the bill’s declines come from the power sector.

“Coal is basically gone in 2030 under the carbon tax,” Kaufman said. At the same time, renewables grow to generate nearly half of American power.

But as the 2020s wear on, the tax will apply across nearly the entire economy—and it will keep rising. By the end of the decade, the coal industry will probably be dead. But its death will be associated with a rise in the cost of gasoline, the energy cost that Americans notice most. It’s possible that a carbon tax of about \$80 a ton would face diminishing returns, Kaufman said, though he noted that might be a result of the energy-system model used by the study.

There is one big benefit associated with high taxes: bigger checks. In 2020, every adult with a Social Security number would receive a monthly check for \$50, the study projects. But after a decade, those same checks would come to roughly \$275 a month, or \$3,300 a year. Children with a Social Security number would receive a check half that size.

And while household energy costs would also rise under the plan, they would not grow as quickly as the checks. Most families would come out ahead. “It’s a very progressive policy, because rich people spend so much more in aggregate terms on energy than lower-income people,” Kaufman said.

[Read: The Green New Deal is younger and cooler than a carbon tax](#)

<https://www.theatlantic.com/science/archive/2019/06/green-new-deal-may-be-more-popular-carbon-tax/592201/>

In a recent interview on Capitol Hill, Rooney and Representative Ted Deutch, a Democrat of Florida and a co-sponsor of the bill, said the study validated their approach. “This is far and away the most unburdensome, nonbureaucratic, cheapest means of sorting this out,” Rooney said. His bet is that most Americans won’t notice the

higher gas prices, which will increase by about 10 cents every year.

“They’re not gonna notice,” he said. “They’re gonna notice the checks.”

[Matto Mildenerger](#), a political scientist at UC Santa Barbara who studies carbon prices, is not so confident: Years of research have convinced him that many carbon taxes do not survive for very long after they pass. “It is very difficult to sustain political coalitions to pass and then maintain carbon prices,” he told me. “A cost is very easy to make salient for consumers.”

Carbon prices tend to focus all the political debate on a single number—the price of a ton of carbon. They place most of the benefits of that policy, and the cost of inaction on climate change, in the background. The regular checks guaranteed by the EICDA are a “really interesting, compelling idea” to surmount those political problems, he said. “But it’s not clear to me that there’s a lot of empirical evidence that it’s true.”

If that message is true, it hasn’t yet reached the Washington establishment. Last month, the day after Rooney said he would retire, the *Washington Post* editorial board [asked](#): “There’s an effective and progressive solution for climate change. Why won’t Democrats embrace it?”

But Democrats are not the main obstacle, an analysis shows. Seven carbon-price proposals are currently in the people’s chamber, according to the [Citizens’ Climate Lobby](#), a nonpartisan group that advocates for a carbon tax. Four of those bills have the support of one Republican: Representative Rooney.

The fourth and final bipartisan bill is supported by two Republicans: Rooney and Representative Brian Fitzpatrick of Pennsylvania. But that bill, [the MARKET CHOICE Act](#), is not revenue-neutral. Instead of sending out checks, it abolishes the federal gas tax and uses carbon-tax revenue to fund the federal Highway Trust Fund.

It also directs some grants to low-income households.

There used to be more climate-friendly Republicans in the House, but their numbers were “decimated” during the 2018 elections, Rooney said. [Half of the Republicans](#) in the bipartisan Climate Solutions Caucus lost their seats last year.

In the Senate, meanwhile, there is no bipartisan carbon-tax bill of any kind. In the past few weeks, nine bipartisan lawmakers—including Senator Chris Coons of Delaware, Senator Mitt Romney of Utah, and Senator Lindsey Graham of South Carolina—have established [a small working group](#) to consider climate policy. While they met with Bill Gates last week, they have yet to announce any firm policy ideas.

“We do believe that we will add Republicans in the coming months. This is not an exhaustive list,” [Ben Pendergrass](#), a senior director of the Citizens’ Climate Lobby, told me of the current bills. He expects some GOP lawmakers to join after June, when they better understand who might run against them in a party primary.

For advocates, the situation is frustrating. The idea of a carbon tax seems to have broad support, but no momentum. In January, [more than 3,500 economists](#)—including 27 Nobel laureates and every living former chair of the Federal Reserve—said that a carbon tax was “the most cost-effective lever to reduce carbon emissions at the scale and speed that is necessary.” The International Monetary Fund recently [called for](#) a global carbon price of at least \$75 a ton, a much heftier price than is in effect almost anywhere in the world.

Yet look around and you’ll notice: The idea has faltered in practice. There’s still not an economy-wide carbon tax in the United States. Washington State [has twice rejected a carbon tax](#) by ballot referendum. And the “yellow vest” protests in

France have been blamed on increases in fuel taxes.

For advocates, the brightest spot of late has shone in Canada, where Prime Minister Justin Trudeau introduced a carbon tax and then did not lose his election. Most Canadians [supported a pro-carbon-tax party](#) in the national vote last month.

“What did Cory Booker say about rejoining the Paris Agreement, that it’s like ‘kindergarten’? A carbon price should be first grade,” Kaufman, the Columbia economist, said. “We should agree on that and then fight over the details.”

Yet even if Congress passes such a proposal, it would only be a starting place. Kaufman’s study shows that a carbon tax alone will not decarbonize the American economy: The

government will need to get more aggressive if it wants to see the same level of carbon cuts from the transportation, building, and industrial sectors. (The EICDA does not apply to farms or vehicles used on farms.)

Deutch and Rooney continue to hope that a bipartisan tax could happen sometime soon. “This is broadly supported in the real world,” Deutch told me. “Doing it in a bipartisan way is the surest way to make sure it gets done quickly and that it isn’t just one more issue that we hold out hope that maybe we’ll tackle it in the next 10 or 20 years.”

“The bottom line is that you’ve got to change the market,” Rooney said. “CO₂. Can’t get around it.”

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