



TOMPKINS COUNTY
ENVIRONMENTAL MANAGEMENT COUNCIL

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EMC RESOLUTION NO. 01-2008 – Resolution Recommending County Support for a Federal Carbon Tax

WHEREAS, global warming, characterized by extremes of climate change, has been identified by an overwhelming consensus of scientists as caused primarily by carbon dioxide emissions from manmade sources and by widespread deforestation, and

WHEREAS, global warming threatens economies and ecosystems throughout the world, and

WHEREAS, legislation at the federal level is being considered for reductions in heat-trapping emissions of greenhouse gas emissions including carbon dioxide, through either a federal carbon tax or emissions trading, and

WHEREAS, the outcome of this legislative debate will substantially affect residents of Tompkins County for decades, and

WHEREAS, both tradable pollution permits and taxing environmental pollution are economic methods to reach environmental goals, with the main difference between them being that (1) with permits, government sets the amount emissions that are allowed and lets the market set the price of the permits as they are auctioned off or traded; in contrast, (2) with an environmental tax the price of the environmentally destructive pollution is set by the government as the tax rate, and the market determines the amount of pollution that will occur at that price, and

WHEREAS either auctioning pollution allowances or implementing a tax will raise federal revenues that can be used to relieve the cost burden on low-income persons and to underwrite the development of alternative sustainable energy systems, and

WHEREAS both carbon taxes and cap-and-trade systems can be effective means of reducing emissions of CO₂, so from the perspective of economic theory they are equivalent, but from the regulatory and administrative perspective a tax is more cost effective, and

WHEREAS offsets and trading across national borders make the system particularly hard to monitor and enforce, inviting noncompliance, now therefore be it

RESOLVED, that for these environmental, economic, and administrative reasons, the Tompkins County Environmental Management Council recommends that the Tompkins County Legislature declare its support for enactment of a federal carbon tax on importers and domestic extractors and refiners of fossil fuels, to be levied upstream in order to minimize the number of entities being directly taxed and the expense of monitoring compliance, with revenues directed to tax relief for low- and moderate-income households and financial support for conservation and sustainable energy programs, with public monitoring to assure compliance, and be it further

RESOLVED, the Tompkins County Environmental Management Council also recommends that, if a carbon tax becomes politically or economically infeasible, the Tompkins County Legislature declare its support for a cap-and-auction system as a next- best alternative. Polluters should pay for the right to pollute, using auctions not allotments, and should not be given permits at zero cost. The cap-and-auction should be implemented as far upstream as possible, with auction via a single open market that is national not global, and with public monitoring to ascertain the validity of the system. The system should be strictly national; offsets would not be allowed; a significant penalty should be imposed for fossil-fuel use without allowances. A “hard cap” should be set for all large users of fossils fuels together, reduced every year, and reach 80% reduction in greenhouse gas emissions (as CO2 equivalents) by 2050.

Date: May 14, 2008

Voting In Favor: 13

Voting Against: 3

Abstentions: 1