

CEO CLIMATE DIALOGUE

February 28, 2022

The Honorable Chuck Schumer
Senate Majority Leader
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker of the House
1236 Longworth House Office Building
Washington, D.C. 20515

The Honorable Mitch McConnell
Senate Minority Leader
317 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Kevin McCarthy
House Minority Leader
2468 Rayburn House Office Building
Washington, D.C. 20515

Dear Majority Leader Schumer, Speaker Pelosi, Minority Leader McConnell, and Minority Leader McCarthy:

As the work of the 117th Congress continues, we, the members of the CEO Climate Dialogue, urge you to make 2022 a year of climate policy action. As a broad-based coalition of leading businesses and institutions representing multiple sectors across the U.S. economy — environmental advocacy, manufacturing, utilities, agriculture and food, energy and resources, automotive, chemicals, and financial services — we are calling on you to re-energize the discussion around climate and energy policy and to enact climate policy that puts us on the path to a sustainable and prosperous future.

Climate and energy-related tax incentives that are already under consideration would make historic investments in emissions reduction and significantly enhance our ability to meet the goal of achieving net zero emissions by 2050. Congress should look for a way to advance these specific provisions, as well as prioritize enactment of an economy-wide price on carbon. The Congressional Budget Office estimates a carbon price could raise more than one trillion dollars over ten yearsⁱ while reducing emissions by 790 million metric tons.ⁱⁱ The revenue raised by an economy-wide price on carbon could play a vital role in funding the development and deployment of innovative, emissions reducing technology and offsetting costs associated with the United States' transition to a low-carbon economy.

We would welcome the opportunity to engage in constructive conversations with you and your staff regarding an economy-wide price on carbon, as well as additional policies that could help meet the scope and urgency of today's climate challenges. Areas where we believe the federal government can, and should, make progress on climate this year include:

- Tax incentives for near-, mid- and long-term investments in low-carbon technologies that will decarbonize the power sector, electrify the transportation sector, mitigate costs for low-income communities, enhance energy efficiency throughout the economy, and strengthen our domestic manufacturing base and supply chains
- Incorporating climate and emissions considerations into trade and competition policies
- Development and deployment of Carbon Capture, Utilization, And Sequestration technology and infrastructure
- Evaluating of reforms that can facilitate the responsible siting and construction of clean energy technology and infrastructure
- Development of climate-related financial services policies that are influenced by or consistent with existing frameworks

The CEO Climate Dialogue sees the current opportunity to make progress on climate change as too important to waste, and we look forward to working with you and your staff to move climate and energy policy forward.

Sincerely,



Addendum:

CEO Climate Dialogue Guiding Principles for Federal Action on Climate

It is urgent that the President and Congress put in place a long-term federal policy as soon as possible to protect against the worst impacts of climate change. Acting sooner rather than later allows us to meet the climate challenge at the least possible cost and put the necessary investments in place in time to meet our emissions targets. Adherence to the full set of the following principles can help ensure success:

1. Significantly reduce U.S. greenhouse gas emissions so that the U.S. is demonstrably a leader on global efforts to effectively limit climate change. Specifically, U.S. policy should ensure the country is on a path to achieve net-zero emissions across the economy by 2050 with aggressive near and mid-term emission reductions commensurate with this goal.

2. Effective: A key test of any climate policy is whether it will deliver timely emissions reductions across the economy and includes mechanisms that provide certainty that emission goals are met. The timeline for reductions must allow capital intensive industries to adjust in an economically rational manner. Policies must encourage investment and planning decisions consistent with the timeframes needed. Policies must focus on emissions reductions outcomes, not specific resources or technologies.

3. Market-based: An economy-wide price on carbon is the best way to use the power of the market to achieve carbon reduction goals, in a simple, coherent and efficient manner. We desire to do this at the least cost to the economy and households. Markets will also spur innovation, and create and preserve quality jobs in a growing low-carbon economy.

4. Durable and responsive: Well-designed and stable policies will deliver predictable results and increase public support over time, providing durability across time and political cycles. Policies should be adaptive over time in terms of pace and scope of reductions as our understanding of climate change, policy impact, and technological changes evolves.

5. Do no harm: Policies must support the competitiveness of the U.S. economy. Policies must address emissions leakage that can undermine climate objectives. Policies must also safeguard against negative impacts on biodiversity, land and water.

6. Promote equity: Unabated climate change is a major threat to the U.S. economy. Therefore, policies to address climate change, which may also entail some cost, must provide transparency and promote affordability while distributing costs and benefits in such a way that promotes equity. Policies must include mechanisms to invest in American workers, and in disadvantaged communities that have the least resources to manage the costs of climate change.

ⁱ [Impose a Tax on Emissions of Greenhouse Gases | Congressional Budget Office \(cbo.gov\)](#)

ⁱⁱ [How Carbon Dioxide Emissions Would Respond to a Tax or Allowance Price: An Update: Working Paper 2021-16 | Congressional Budget Office \(cbo.gov\)](#)