



AMERICAN COUNCIL FOR CAPITAL FORMATION

May 17, 2016

The Honorable Roy Blunt
260 Russell Senate Office Building
Washington, DC 20510

Dear Senator Blunt:

On behalf of the clean energy program at the American Council for Capital Formation (ACCF), I write in support of your anti-carbon tax resolution.

ACCF supports a climate mitigation plan that focuses on accelerating the development and deployment of advanced, clean energy technologies, such as CCS for coal and natural gas, storage technologies for renewables, and safer, more efficient nuclear reactors. The Council also supports effective land and forest management, as well as the cost-effective phase-down of hydrofluorocarbons (HFCs) and other industrial chemicals when climate-friendly substitutes are readily available.

While we support climate mitigation and adaptation, ACCF opposes policies that damage the industrial competitiveness of America and harm our middle class and poor. Accordingly, we disagree with our colleagues who promote government regulation and measures like the national carbon tax that simply aim to increase the cost of conventional energy sources. Instead, we believe that the federal government should embrace free market strategies that lower the cost of clean energy technologies so that they are competitive with fossil fuels.

We agree with you that a carbon tax would be harmful to American families and the U.S. economy. ACCF also believes that a carbon tax would fail to produce any meaningful reductions in carbon dioxide emissions. Because the federal government would manage a carbon tax program, Washington would have a strong incentive to preserve the related revenue stream and find a price point that maximizes tax dollars without reducing real demand for fossil fuels. In practice, such an approach would simply punish working families by imposing a tax without driving real changes in energy consumption. Simply put, a carbon tax at the gasoline pump would never be high enough to influence consumer choices.

Congress needs to embrace a politically viable energy and environment policy that harnesses U.S. research and development dollars in a way that produces the technological breakthroughs and innovation needed to continue advancing the achievements that have already been made in managing global GHG emissions – a goal at which a national carbon tax fails miserably.

Sincerely,

George David Banks
Executive Vice President and Director, Clean Energy Program
American Council for Capital Formation

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