

The Boston Globe

Mass. should establish fees on carbon pollution

By State Senator Mike Barrett June 5, 2015

Climate change is definitely happening and means rising oceans, extreme temperatures, wilder storms, and worsening droughts. That's not me talking; that's the Pentagon's analysis. A 2014 Department of Defense report calls climate change a "threat multiplier" for its "potential to exacerbate" challenges for the U.S. That does not sound good for our kids and grandkids -- or for us.

Despite the implications for global warming, energy companies push excess consumption of coal, oil and natural gas by selling below cost -- and still make billions in profit. How? By refusing to factor the proven health and environmental impacts of climate change into the prices they charge for fossil fuels.

Economists call this underpricing a "market failure." It's great for boosting sales. But when firms offload downstream costs onto our healthcare system and onto the environmental cleanup budgets of state and local governments, we citizens pick up the tab. For energy companies, this is brilliant corporate strategy, a classic case of socializing losses while privatizing gains.

Carbon fees fight back against the rigged game. We're talking simple economics: consumers react to carbon fees by reducing their fuel use. Which reduces unjustified corporate profit and, with it, air pollution and carbon emissions. Which reduces sickness and environmental harm. Interesting: charge a full, honest price for fossil fuels today, and we value them more, waste them less, and avoid all kinds of problems tomorrow.

Carbon fees in energy-importing states like Massachusetts do lead to job cuts -- in fossil fuel-producing places like North Dakota, Oklahoma, and the Middle East. But the decline in out-of-state expenditures keeps more money in Massachusetts, where it's eventually spent, creating jobs here -- 4,000-10,000 of them by 2030, according to a recent analysis.

Carbon fees mean higher rates at the pump. Thank goodness we have a success story in British Columbia, whose right-of-center party instituted carbon pricing in 2008. Its system is "revenue-neutral," meaning B.C. rebates fee proceeds to residents, so that, even as people conserve, government budgets grow no larger. Result: emissions are down, GDP is up, and public polls show voter satisfaction -- a triple win.

Revenue-neutral carbon fees unite progressives and conservatives to fight climate change. Please encourage your legislator to consult her inner centrist and enact the fees.