



NATIONAL WILDLIFE FEDERATION
BIPARTISAN CARBON PRICING PRINCIPLES
DISCUSSION DRAFT

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Across the United States and around the world, climate change poses a dire threat to wildlife, communities, and public health. Changes to our climate are, among other impacts, destroying critical wildlife habitat, causing habitat ranges to shift, increasing incidence of pests and invasive species, decreasing available food and water, raising sea levels, and dramatically increasing the rate of species' extinction.

While U.S. states, cities, businesses, and individual Americans have taken important steps to curb greenhouse gas emissions (GHGs) – the leading driver of climate change – federal action is lacking, especially given recent pullbacks from policies and international agreements that sought needed pollution reductions. As a result, the United States is not on track to make the necessary reductions to avert dangerous levels of warming. Given the magnitude of the climate threat, strong, market-based federal action is needed. Congress must craft such a comprehensive solution that delivers significant pollution reductions swiftly. Work to pass bipartisan legislation must begin now. Additionally, given the political realities of near-term of Congressional action, it is equally vital that state and local efforts to reduce carbon continue to move forward aggressively and in a manner that creates models and momentum for federal action. Below are principles that should guide Congressional and, where applicable, state and local action to reduce carbon emissions and protect wildlife.

1. **Put emissions on a path to help keep global temperature increases well below 2 degrees Celsius (with an aspiration of below 1.5 degrees Celsius).** The U.S. Congress should pass a bill that ensures we meet the reductions scientists tell us are needed to ensure a safe climate. This means the equivalent of an 80-90 percent reduction in GHGs by 2050, with meaningful reductions occurring quickly in the near term and building over time. This target represents the best available science and is necessary to prevent catastrophic consequences of climate change. While progress is being made toward achieving emissions reductions through local and state policies and market changes, we are not on pace to achieve reductions needed to avoid dangerous levels of warming. Congressional action is critical. State and local leaders acting on climate should also look to the 2 degrees Celsius (or the aspirational 1.5 degrees Celsius) goal to guide their efforts at carbon reduction.
2. **Establish a single, economy-wide system to price GHG emissions.** A broad system that includes pricing carbon pollution (e.g., carbon dioxide) improves efficiencies and cost-effectiveness, as well as delivers the greatest emissions benefits. All major sectors of the economy should be included in the system, including energy, transportation, and other industries.
3. **Include a mechanism to review and require mandatory adjustments to the price to achieve emissions reductions goals.** The most important objective of a carbon pricing mechanism is to reduce GHG emissions to meet needed reductions as determined by science to keep warming below 2 degrees Celsius and ideally below 1.5 degrees Celsius. Legislation should require

periodic review requirements to ensure emissions reductions are occurring at the pace and scale needed. If needed reductions are not occurring, prescribed mandatory adjustments in pricing and/or complementary policies should be automatically required to ensure such reductions occur.

4. **Protect low-income individuals and communities most vulnerable to the impacts of climate change.** Through appropriate revenue use, a carbon pricing policy should avoid disproportionately impacting lower-income citizens and financially safeguard those exposed to the most damaging consequences of climate change.
5. **Invest in transition for affected workers, families, and communities.** As the U.S. transitions away from fossil fuels, some workers, communities, and wildlife and habitat areas will be negatively impacted. A variety of mechanisms can be used to provide assistance and help workers transition to other areas of the economy, as well as clean up degraded areas and restore habitat. Congress should ensure such measures are put in place in coordination with or as part of legislation to price carbon. States and localities can and should also look to invest in transition as they implement carbon reduction policies.
6. **Invest revenue in wildlife and natural resources.** The price on carbon is likely to generate significant revenue. It is imperative that an adequate amount of revenue be directed to the protection of wildlife, habitat, and natural resources, which are affected first and most severely by climate change impacts, many of which will be unavoidable under any carbon pricing structure. Revenues should also be directed to the preservation and restoration of natural systems that can improve the resilience of communities and national security.
7. **Preserve the competitiveness of U.S. business and labor.** The carbon price should include a mechanism that protects U.S. business competitiveness and labor against nations that have no or laxer standards.
8. **Protect authority to reduce carbon pollution through other means, but recognize redundancies.**
 - a. **GHG regulatory authority:** Existing federal and state legal *authority* to address carbon emissions and climate change impacts should be preserved in order to be able to address new and ongoing climate threats and changed scientific understanding. For example, EPA’s authority under the Clean Air Act should be retained, as well as the ability of states and regions to pursue solutions. States and localities should be allowed to pursue sensible, creative policies that reduce carbon emissions while bolstering their economies.
 - b. **Complementary policies and redundancy:** Other carbon reducing measures can correct or account for carbon pricing failures or weaknesses. However, we recognize that duplicative policy measures are often unnecessary. Thus, if a price is high enough to meet needed emissions reductions, certain duplicative policy measures can be considered for suspension or phase out. However, a carbon pricing system should include regular evaluation of emissions reductions achieved. Certain state and federal complementary policies should be retained or implemented at least temporarily to provide needed reductions in greenhouse gas pollution, especially to address emissions from sources not covered by the price, or in sectors such as transportation and land use (e.g., forestry) that are responding slowly or inadequately to the price.