

## Golden Opportunity

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James Hansen

My “Declaration” in support of a lawsuit of two Oregon youth against the Governor of Oregon was due the same day last week that I gave a talk in California on the urgency of fossil fuel phase-out. This provided a chance to stress a golden opportunity for West Coast Governors.

First let me note the dedicated, brilliant work on behalf of young people by Mary Wood (legal scholar at the University of Oregon, author of [Nature’s Trust](#)) and Julia Olson (Director of [Our Children’s Trust](#)), highlighted last week by:

- (1) Mary’s passionate, persuasive 25 minute interview on [the final “Bill Moyers & Company” program](#), describing our governments’ failure in their trust responsibilities to young people, and
- (2) a motion filed by Our Children’s Trust before a state district court in which two courageous teenagers (Kelsey Juliana and Olivia Chernaik) sue Oregon Governor John Kitzhaber for not living up to trusteeship obligations to young people. They ask him to make a plan to phase down Oregon’s CO<sub>2</sub> emissions at a rate science indicates is necessary to stabilize climate this century.

The district court is forced to reconsider this case. They had “punted” when the case first came before them. The court simply found for the Governor, without ruling whether the state had any trust obligations protecting young people and future generations from harmful climate change. Fortunately, the Oregon Supreme Court found this ruling to be unacceptable. They returned the case to the district court, requiring the court to first rule explicitly whether the youth, in describing the impacts of climate change, had identified natural resources that are “trust resources” that the state has a fiduciary obligation to protect.

My [Declaration](#) in support of the youth discusses the curious arguments by which Governor Kitzhaber attempts to avoid an inconvenient obligation to young people, and it describes the scientific basis for the relief that the youth are requesting.<sup>1</sup>

### **Climate, Energy & Intergenerational Justice: Our Golden Opportunity.**

The climate and energy story is frustrating. Governors of West Coast states have the opportunity to be saviors of the planet, forever heroes to young people and future generations. Instead, they fritter. Unlike most political leaders, they lead a public that would quickly support an effective climate policy. One or more of these states, preferably including California because of the size of its economy, could demonstrate a policy that rapidly phases down fossil fuel use, is of a nature that eventually will be accepted by conservatives, and is capable of quick global implementation.

My talk, “[Our Golden Opportunity](#)”, includes several strong criticisms, beginning with scientists. We scientists are certain that humanity faces an emergency, right now. Yet as Naomi Oreskes points out in “Playing Dumb” (NY Times, 03/01/2015), we don’t make that clear enough.

We face obstacles in communication with the public, but many are self-imposed. It took over a year to publish [our paper that provides the scientific basis for the legal cases](#), in part because an

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<sup>1</sup> The requirement is described in [a paper published by an international team of scientists](#). Removing the drive for further climate change requires restoring Earth’s energy balance. Energy balance and minimizing climate impacts implies a need to reduce atmospheric CO<sub>2</sub> to about 350 ppm this century. In turn this implies a need to reduce fossil fuel emissions by about 6%/year. Given the practical difficulty of achieving such rapid emissions reductions, governments may need to achieve an equivalent result with a somewhat lesser rate of emissions reduction complemented by a massive effort to remove atmospheric CO<sub>2</sub> via improved agricultural and forestry practices.

anonymous editorial board member (a scientist) insisted we remove “normative” statements. When he stated that “dangerous” was a normative word, I withdrew the paper from that journal. Yet when I read the Abstract of the paper now, I am disappointed that we did not make a more crystal clear statement that 2°C global warming is a disaster scenario that must be avoided.

We can still avoid cataclysmic climate change, keeping global warming much less than 2°C. However, we need a nation or state that will showcase an across-the-board rising carbon fee. The public, including conservatives, will accept a simple, honest carbon fee if all of the money is distributed to the public, not one dime to make the government bigger and more intrusive.

### **Golden Opportunity.**

Current low oil and gas prices present a golden opportunity to solve the climate problem.

Today we could jump-start a carbon fee at a large rate, say \$100 per ton of CO<sub>2</sub>, collected from fossil fuel companies on the first sale at domestic mines and ports-of-entry. This initial fee generates more than \$600B per year in the U.S., which should be 100% distributed electronically (to bank accounts or debit cards) to all legal residents. With half a share for children up to two per family, a family of four or more would receive about \$6000/year. Subsequent increase of the carbon fee would be slow, e.g., \$10/ton per year, to allow people and entrepreneurs time to make changes and investments, as we move toward carbon-free energies and energy efficiency.

\$100/ton would increase the price of gasoline at the pump about \$1/gallon. However, such a price rise will occur in the near future anyhow. It is only a matter of whose pocket the added money will go into: the fossil fuel industry’s pocket or the public’s pocket.

The ultimate price at the pump will be similar in carbon-fee and no-carbon-fee cases. In the carbon-fee case, fuel demand falls over time as fuel use declines, [in the U.S. by more than 30% in 10 years and 50% in 20 years.](#) Thus conventional fossil fuels will suffice to carry us beyond fossil fuels. Expensive unconventional fossil fuels such as tar sands and deep Arctic oil would mostly be left in the ground, regardless of pipelines.

Technology development is crucial to move us to a clean energy future, but it will be rapid only if there is a carbon fee that entrepreneurs and business people can count on to continue to rise. Government R&D was once a prime driver of technology progress, but not today. I speak from experience and understanding of how government bureaucracy has grown and now slows technical progress in even the most “can do” of agencies. Yes, it is worth reforming present agencies, but primarily so they can facilitate progress in private enterprise, rather than impede it.

### **Impediments.**

What prevents us from moving onto a course that not only solves the climate problem, but also modernizes infrastructure, spurs the economy, increases GNP, and creates millions of jobs?

On the one side, conservatives are concerned that liberals will use the climate issue to increase taxes, regulations and control over people’s lives. This results in conservatives denying human-caused climate change, or at least an assertion that the threat is greatly exaggerated.

On the other side, liberals accept the reality of climate change, but then propose remedies that are ineffectual and confirm the fears of conservatives. Liberals refuse to give up on the “cap-and-trade” approach of the Kyoto Protocol, even though it was completely ineffectual.

Cap-and-trade will never be accepted by conservatives, who can characterize it as cap-and-tax. Liberals in Australia adopted a cap-and-tax, and, as expected, when conservatives took power they threw it out. Fee-and-dividend, in contrast, would stick, as most people come out ahead financially and all witness the benefits to the national and global economy and the environment.

### **Why a Compromise Makes Sense.**

Thoughtful conservatives recognize that climate change denial may threaten their values. As the public recognizes the reality of human-caused climate change, they will demand action. In that situation it may be difficult to achieve a conservative solution, even if it is the best approach.

Liberals are beginning to recognize that cap-and-trade locks-in growing climate change. As long as fossil fuels are the cheapest energy their use continues, with more invasive mining practices and expanded fracking. A “cap” approach cannot be made global. Why, e.g., would India accept a cap? Their per capita contribution to present carbon excess is one-twentieth that of the U.S.

The compromise should be a simple honest across-the-board rising carbon fee, with no money to the government. It is a populist approach, as it gives the little guy a chance to make money, and a conservative approach because it lets market forces work for the common good.

### **Is Fee-and-Dividend Possible in the United States Today?**

It is just conceivable. Assiduous work of Citizens Climate Lobby has informed many politicians.

On the liberal side, Barbara Boxer introduced a fee-and-dividend bill, but gives the public only 60% of the money (40% to “pay down national debt”, i.e., throw it in the government pot, and energy research of her choice). Bad idea. Taxes are high enough already. With 100% dividend people have the money to deal with energy prices and make changes so their carbon footprint declines, the economy grows, and jobs increase. Boxer’s approach depresses the economy.

Capitalism and private industry are not enemies of the planet. On the contrary, they are a key part of the solution. I have spoken with utility CEOs and even oil executives. They are talented people with families. What they want from the government is sensible ground rules. A known rising carbon fee suits them just fine. Then they will know how to make their investments and bring the power of private enterprise, bright minds, and advanced technology to bear. Leave incentives as they are and we get more destruction to extract every fossil fuel that can be found.

On the conservative side, behind the scenes, there is talk about a carbon tax, balanced by a reduction of other taxes. Bad idea. They want to reduce taxes that rich people don’t like. A carbon tax without 100% dividend hits middle and lower income people hard.

We may need a populist conservative to introduce fee-and-dividend nationally. But don’t give up. Progress on informing the public about fee-and-dividend is growing, thanks to CCL.

### **West Coast States**

It is difficult to get governors on the West Coast to understand the potential they have to impact global climate change via an appropriate policy, but that capping their emissions does very little.

It is almost an extension of the Hollywood starlet’s vow to use only one square of toilet paper (and extra soap, presumably) and drive a Tesla. Her actions and California capping emissions are nice, but they make it easier for others to burn the fossil fuels. If we do not get an across-the-board rising fee on carbon, we will not phase out fossil fuels before they are mostly burned.

The West Coast states are the place where an effective system could be implemented quickly, an approach that could be imposed near-globally and be acceptable to conservatives and liberals.

My frustration in making clear the need for an across-the-board carbon fee if we are to phase out fossil fuels must have boiled over when I described California's cap-and-trade as "half-assed<sup>2</sup> and half-baked" with Governor Brown in the front row of the audience. Well, it is half-assed, because it cannot yield an effective global agreement (it is necessary to argue individually with 200 nations; start with one, India, what is its cap?). It is half-baked, and will always be half-baked, because conservatives will never accept cap-and-tax. Californians may be willing and able to pay higher prices and receive no dividends, but most people won't.

Based on our discussions, I believe that Governor Brown understands that fee-and-dividend is better, but he defended his cap-and-trade program as "pretty darned good". Unfortunately, that is not good enough. We need a global vision. It is unfortunate that California, as one of the world's 10 largest economies, does not lead.

### **What about the UN Process and Paris 2015?**

It seems that Paris may produce little, mainly promises to try to reduce emissions. That is a prescription for a Kyoto II disaster.

The problem starts with the UN "science", the claim that 2°C is the "dangerous" boundary. Actual science tells us no such thing. Physical science tells us that we are pushing dangerous already as we push above the Holocene climate range and that we need to reduce emissions as rapidly as practical. Economic science tells us that the implication is we must raise the price of carbon-based fuels across-the-board in a way that can readily be made near-global.

Fortunately, it does not require agreement of 200 nations. China + U.S. or China + EU would do fine. When either pair agrees on a carbon fee/tax, the fee/tax can promptly be made near-global via border duties on products from nations without an equivalent carbon fee and rebates to manufacturers for products shipped to nations without a carbon fee.

Nations cannot be told what to do with the collected fee (except that it not be rebated to the fossil fuel industry), so it may become a tax in some nations. However, a public dividend distribution makes sense in many nations, because income inequality has been growing in most nations.

Fortunately, China<sup>3</sup> has a strong incentive for an agreement, because of their desire to clean up air/water pollution, and because of their huge threat from climate change, with over 300,000,000 people living near sea level.

Senate approval of the deal would be required in the U.S. Conservatives should demand that the fee be revenue neutral, i.e., no money to the government. Liberals should require that the funds be distributed to all legal residents, none of it used to reduce taxes on the wealthy.

Don't give up if there is no such agreement in Paris. Useful things might be accomplished there, and discussions among the major powers will continue as climate reality sets in. The continuing discussions could include a few other major players, such as India. It sure would be helpful if some nation or state would demonstrate an approach with the potential to work globally.

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<sup>2</sup> One of my mother's favorite phrases. You would cuss too, if you were bringing up seven children essentially on your own.

<sup>3</sup> China and India should demand technical assistance. The U.S. and EU burned much of China and India's share of the global carbon budget.