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## Breaking The Climate Impasse

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**A**S FORMER leaders of our parties in the United States Senate, we know what it takes to achieve a bipartisan breakthrough in Congress. For all the talk of discord in Washington, we see the possibility of finding common ground on a divisive issue. As surprising as it may sound, climate change offers a chance for both parties to come together and deliver a victory — and cash dividends — to the American people.

Climate change is one of the great challenges of our generation. The politics of the issue have been divisive for decades and a new approach is needed to address this urgent problem.

Both Democrats and Republicans can find that solution. America has always come together at moments of crisis or opportunity, from the shadows of economic depression and world war to the promise of the technology revolution and our rise to global energy dominance. America now must marshal its political will to lead on climate as well.

There is only one lever powerful enough to solve this problem at the required scale and speed. Congress should approve legislation to place a meaningful fee on carbon-dioxide emissions that ripples through all sectors of our economy, and return the revenues it generates to the American people in the form of cash payments. We must set it high enough to encourage a turn to cleaner energy sources and accelerate our transition to a low-carbon future. If America leads on carbon pricing, the rest of the world will follow.

We can do this. We are proposing that Democratic and Republican leaders put their differences aside and support a plan proposed last year by two former Republican secretaries of state, James Baker and George Shultz. The Baker-Shultz plan has been endorsed by two former heads of the Federal Reserve, by Treasury secretaries from both parties, and by leading corporations from nearly every sector.

The plan is simple and elegant. It calls for an initial fee of \$40 on every ton of carbon-dioxide emissions at the source, and raising it each year until we reach the necessary emissions reductions as businesses and consumers move to cleaner sources of energy. All revenue would then be disbursed to Americans. A family of four would receive approximately \$2,000 a year. We would then export this approach and leadership on this issue to every corner of the global economy, while protecting the competitiveness of American companies.

If Exxon Mobil and the Nature Conservancy can back this common-sense solution, shouldn't Democrats and Republicans be able to do so as well? Indeed, the Baker-Shultz carbon dividends plan is based on a few grand bargains meant to offer everyone with a stake in the climate debate an important win.

### A fee on emissions could be a boon for American wallets.

For example, it would achieve far greater emissions reductions than all Obama-era climate regulations combined, which will appeal to Democrats and environmentalists. At the same time, this market-based solution would render carbon regulations unnecessary, which will appeal to Republicans and business interests. And according to the Treasury Department, 70 percent of Americans, including the most vulnerable, would come out ahead economically.

Economists have long agreed that putting a price on emissions is the most cost-efficient way to tackle climate change. The ground rules make intuitive sense: The more businesses pollute, the more they pay; the less they pollute, the more they come out ahead. That goes for

consumers and the cars they drive as well.

We should push this breakthrough carbon-dividends plan more squarely into the political arena through a national campaign. That is why we signed on as co-chairmen of the new nonprofit group Americans for Carbon Dividends, which will roll out a multifaceted media and lobbying campaign to promote this winning solution. (This group has hired our firm to help with the campaign.)

Americans already like the idea. A poll released Tuesday by Americans for Carbon Dividends shows that 81 percent of likely voters — including 71 percent of moderate Republicans and 58 percent of conservative Republicans — agree the government should take action to limit carbon emissions. And by a 2-to-1 margin, likely voters support taxing carbon emissions and rebating the money directly to the American people. Support for this concept among Republicans is similarly strong, with Republicans favoring the dividends plan by a 23-point margin.

There are various policy details that will need to be addressed. But this is the only realistic, workable path now open to us if we want to solve one of the most daunting challenges of our time. We must put a meaningful price on carbon in America, and then convince the rest of the world to follow our lead.

To do so, we must set our politics aside for the greater good. America has done it before, time after time. We believe the country will do so again. □

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