

RESOLUTION NO. 33 - 2019

**EXPRESSING** the ongoing support of the Mayor and City Council for a prompt and major shift away from fossil fuels in the United States as a necessary cornerstone to any meaningful response to climate change; and further **SUPPORTING** the proposed Energy Innovation and Carbon Dividend Act, which if enacted, would endorse a carbon fee and dividend, and would return all revenues as they increase, minus fixed administration costs, to each American as a monthly dividend to offset expected higher prices for goods and services; and **URGING** our state and local representatives in the United States Congress to enact it into law.

WHEREAS, climate scientists worldwide are in near-unanimous agreement that the planet Earth is warming rapidly and to a degree that is perilous to human civilization, to numerous species, and to the global ecosystem; and

WHEREAS, human activity is a significant contributor to global warming, especially through the accelerating combustion of fossil fuels that create carbon dioxide and other greenhouse gases as a byproduct; and

WHEREAS, the City of Cincinnati has experienced steadily increasing numbers of heavy rainfall events over the past decade, causing localized flash flooding, landslides, and damage to public and private property, and increasingly intense heat waves that threaten our most vulnerable neighbors; and

WHEREAS, the Cincinnati Mayor and Council have a record of acknowledging the reality of climate change as well as the City's responsibility to reduce its contribution to the causes of global warming, as evidenced by: the Green Cincinnati Plan, originally adopted in 2008 with major updates adopted in 2013 and 2018; the Ready for 100 Resolution which commits the City to use 100% renewable energy by 2035; the We're Still In resolution, which commits to meeting the commitments of the Paris Climate Accord; and numerous greenhouse gas emissions inventories and climate protection measures; and

WHEREAS, a prompt and major shift away from fossil fuels is a necessary cornerstone to any meaningful response to climate change; and

WHEREAS, the recently published Intergovernmental Panel on Climate Change SR1.5 Report (<<https://www.ipcc.ch/sr15/>>) states that, "Policies reflecting a high price on emissions are necessary" as a key component of any effort to limit global temperatures increases to 1.5 degree centigrade; and

WHEREAS this IPCC report also suggests that any carbon pricing policy should be designed to "balance between incentivizing low-carbon behavior and mitigating the adverse distributional consequences of higher energy prices"; and

WHEREAS, the introduction of the Energy Innovation and Carbon Dividend Act (H.R. 763) in the US House of Representatives on January 24, 2019 demonstrates that there is increasing bipartisan support for Climate Solutions, and would establish a steadily increasing fee on fossil fuels at the point of their entry into the economy, which fee on fossil fuels would be straightforward and make effective use of free-market mechanisms to promote the transition to greater energy conservation and renewable sources of energy; and

WHEREAS, the Energy Innovation and Carbon Dividend Act would return all revenues as they increase (minus fixed administration costs) to each American as a monthly dividend, to offset expected higher prices for goods and services; and

WHEREAS, this revenue-neutral carbon fee and dividend is an effective method to reduce carbon emissions for the following reasons:

1. The fee would motivate everyone to conserve and adopt renewable energy without the need for extensive governmental regulatory controls or infrastructure, encouraging consumers and the market to replace consumption of carbon-based energy with innovative, sustainable energy sources, whether by being efficient or choosing other, less carbon intensive energy sources;
2. The fee would employ a market approach to encourage innovative processes, not only in energy production, but also in every field in which energy is consumed (*e.g.*, electric cars, mass transportation, architectural planning and construction, water heating, lighting, and air conditioning in residential and commercial buildings);
3. Levying the fee at the point of production would be more efficient, less expensive, and provide more accurate signals than would doing so at the point of consumption;
4. The fee would incentivize the development and use of alternative energies and attendant technologies, eliminating the need for government subsidies that attempt to forecast alternative energy winners and losers;
5. Because the fee is levied on the same basis on all businesses, it is fairer to every business and easier to administer than alternatives, such as a cap and trade system;
6. A border adjustment would assess a fee on goods traded with countries without a comparable carbon price, thereby maintaining the competitiveness of U.S. businesses and discouraging relocation to such countries and also encouraging other countries to price carbon; and

WHEREAS, such a policy would protect lower and middle-income households, as the dividend would allow nearly two-thirds of American households to benefit financially, break even, or have only minimal increased costs (<0.2% income) from this policy, and this policy would also create jobs, as the dividend puts money back into local economies; and

WHEREAS, this resolution in itself does not have a fiscal impact on the City of Cincinnati; and

WHEREAS, further delay in responding to this crisis increases the risk of catastrophic climate change, imminently threatens low-lying coastal areas and land and sea species, threatens

water supplies, increases the frequency of severe weather events, increases the cost of undertaking adequate responses, and increases risks to the global economy; now, therefore,

BE IT RESOLVED by the Council of the City of Cincinnati, State of Ohio:

Section 1. That the Mayor and City Council hereby express their ongoing support for a prompt and major shift away from fossil fuels in the United States as a necessary cornerstone to any meaningful response to climate change, and further express their support for the proposed Energy Innovation and Carbon Dividend Act, which if enacted, would endorse a carbon fee and dividend, and would return all revenues as they increase, minus fixed administration costs, to each American as a monthly dividend to offset expected higher prices for goods and services.

Section 2. That copies of this City of Cincinnati Resolution of Support be sent to President Donald Trump, Vice President Michael Pence, Governor Michael DeWine, Representatives Steve Chabot and Brad Wenstrup, Senators Rob Portman and Sherrod Brown, and Ohio State Senators Louis Terhar, Cecil Thomas, and Steve Wilson.

Passed: May 8, 2019

Attest: [Signature]  
Clerk

[Signature]  
John Cranley, Mayor