CEO CLIMATE DIALOGUE

The CEO Climate Dialogue is a broad-based coalition of four leading environmental organizations and 21 top businesses representing multiple sectors across the U.S. economy—manufacturing, utilities, agriculture and food, energy and resources, automotive, chemicals, and financial services—committed to advancing federal climate policy in the United States that will:

- Reduce carbon emissions and put us on path to net zero by 2050
- Accelerate the transition to a low-carbon economy
- Bolster investment and innovation in clean energy technologies
- Increase U.S. economic competitiveness
- Promote equity
- Create American jobs

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Unilever | Fabian Garcia, President
World Resources Institute | Ani Dasgupta, President and CEO

CEO CLIMATE DIALOGUE

THE BUSINESS CASE FOR CLIMATE ACTION

This is a pivotal moment for climate action in the United States that requires the public and private sectors to work together to address the growing climate crisis. Climate risks—economic, environmental, and health—continue to intensify and with it the need to put in place policies that will help us to significantly reduce carbon emissions and accelerate the U.S. transition to a low-carbon economy.

CEO Climate Dialogue urges the Biden administration and Congress to prioritize the enactment of market-based climate policies, like an economy-wide price on carbon, that are needed to meet the scope and scale of the climate crisis. When developing climate policy, we believe adherence to the following guiding principles can help ensure success.

CCD'S GUIDING PRINCIPLES

- Significantly reduce U.S. greenhouse gas emissions so that the U.S. is demonstrably a leader on global efforts to effectively limit climate change. Specifically, U.S. policy should ensure the country is on a path to achieve net-zero emissions across the economy by 2050 with aggressive near and mid-term emission reductions commensurate with this goal.
- Effective: A key test of any climate policy is whether it will deliver timely emissions reductions across the economy and includes mechanisms that provide certainty that emission goals are met. The timeline for reductions must allow capital intensive industries to adjust in an economically rational manner. Policies must encourage investment and planning decisions consistent with the timeframes needed. Policies must focus on emissions reductions outcomes, not specific resources or technologies.
- Market-based: An economy-wide price on carbon is the best way to use the power of the market to achieve carbon reduction goals, in a simple, coherent and efficient manner. We desire to do this at the least cost to the economy and households. Markets will also spur innovation, and create and preserve quality jobs in a growing low-carbon economy.
- Durable and responsive: Well-designed and stable policies will deliver predictable results and increase public support over time, providing durability across time and political cycles. Policies should be adaptive over time in terms of pace and scope of reductions as our understanding of climate change, policy impact, and technological changes evolves.
- Do no harm: Policies must support the competitiveness of the U.S. economy. Policies must address emissions leakage that can undermine climate objectives. Policies must also safeguard against negative impacts on biodiversity, land and water.
- Promote equity: Unabated climate change is a major threat to the U.S. economy. Therefore, policies to address climate change, which may also entail some cost, must provide transparency and promote affordability while distributing costs and benefits in such a way that promotes equity. Policies must include mechanisms to invest in American workers, and in disadvantaged communities that have the least resources to manage the costs of climate change.

WHY IS AN ECONOMY-WIDE PRICE ON CARBON IMPORTANT?

An economy-wide price on carbon is the most effective mechanism to harness market forces to create clean energy jobs, encourage the development and deployment of clean energy technologies, and accelerate the transition to the low-carbon economy that is needed to reach net-zero emissions by 2050.

The Congressional Budget Office estimates a carbon price could raise more than $1 trillion over ten years while reducing emissions by 790 million metric tons.

The revenue raised by an economy-wide price on carbon could play a vital role in funding the development and deployment of innovative, emissions reducing technology and offsetting costs associated with the United States' transition to a low-carbon economy.