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CEO CLIMATE DIALOGUE

CEO Climate Dialogue Affirms Formation of Senate Climate Solutions Caucus

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WASHINGTON, DC (October 24, 2019) - The CEO Climate Dialogue, a coalition of 18 companies with over \$1.2 trillion in combined annual revenue and four environmental and climate NGOs committed to advancing bipartisan and market-based solutions to climate change, commends Senators Braun (R-IN) and Coons (D-DE) on their joint efforts to establish the Senate Climate Solutions Caucus.

The Caucus represents a promising avenue to have an honest dialogue that can lead to bipartisan solutions to climate change. Climate change is impacting the employees, customers, and communities of the CEO Climate Dialogue member organizations— regardless of their political affiliation. The Caucus presents a renewed opportunity for both political parties to engage in substantive dialogue on the risks and opportunities posed by climate change, and to establish public policies that can benefit citizens across the country.

Consistent with the six Guiding Principles found below, the CEO Climate Dialogue supports bipartisan development of legislation that will significantly reduce greenhouse gas emissions using market-based approaches that are durable, equitable, and supportive of the American economy. We believe a carefully crafted, economy-wide, market-based approach could both strengthen the U.S. economy and reduce carbon emissions by encouraging technological innovation, stimulating new investments in infrastructure, and creating a level playing field for American businesses.

In addition to generating vital greenhouse gas reductions, a price on carbon provides companies with much-needed certainty for making long-term investment decisions that can further mitigate climate-related risks to businesses, supply chains, and American communities.

We very much look forward to engaging with the Caucus in the future to advance the enactment of federal climate solutions in accordance with our Guiding Principles.

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GUIDING PRINCIPLES FOR FEDERAL ACTION ON CLIMATE

It is urgent that the President and Congress put in place a long-term federal policy as soon as possible to protect against the worst impacts of climate change. Acting sooner rather than later allows us to meet the climate challenge at the least possible cost and put the necessary investments in place in time to meet our emissions targets. Adherence to the full set of the following principles can help ensure success:

1. **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 economy-wide emissions reductions of 80% or more by 2050 with aggressive near and mid-term emission reductions commensurate with this goal.
2. **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.
3. **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.

4. 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.

5. 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.

6. 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.