

Carbon Pricing Principles

Introduction

It is imperative that the United States demonstrate global leadership and accountability to address the dangers of climate change. One way this global leadership can be demonstrated is by passing ambitious legislation to reduce greenhouse gas emissions domestically. Faith organizations recognize that carbon pricing is one of many legislative and administrative tools that can be used to reduce U.S. greenhouse gas emissions and address injustices related to climate change both in the U.S. and abroad. Any carbon pricing policy should function to reduce greenhouse gas emissions to mitigate climate threats. Revenue generated should be used to negate climate impacts to vulnerable populations such as helping low- and middle-income households offset increased energy costs, increase community resilience to climate impacts and transition to renewable sources of energy.

In an effort to ensure that carbon pricing policy proposals are informed by vulnerable members of our communities and by those most impacted by climate change and the extraction of fossil fuels, we have developed the following principles:

Guiding Principles

1. **Stewardship:** We have a responsibility to be caretakers of our natural world and to preserve our ecosystems for future generations. Any carbon pricing proposal must ensure that the U.S. is on track to prevent the catastrophic impacts of climate change globally. Catastrophic warming would devastate God's creation and endanger the future of the planet.
2. **Sustainability:** We must cultivate and maintain a healthy and abundant planet that meets the needs of current and future generations. We seek to put our world on the path to a sustainable future by enabling biological and social systems that support life. Any carbon pricing proposal must advance economic justice so all communities can flourish for generations to come. To address the growing pattern of overconsumption, we prioritize systems and lifestyles of sufficiency.

3. **Justice and Human Dignity:** We strive for justice and human dignity with the understanding that all people are children of God, but the burden of environmental degradation, pollution, and lack of access to resources falls disproportionately on marginalized communities. In the spirit of justice, any carbon pricing proposal must not harm those populations that feel the worst impacts of climate change and are least able to respond. Instead, carbon pricing policies should be a net benefit to vulnerable populations.

4. **Dialogue:** As people of faith, we are uniquely able to serve as bridge-builders by finding common ground and reaching across political divides. Addressing climate change is not the responsibility of one person, one political party or one country, but U.S. leadership is essential for united global action. We are rooted in the practice of emphasizing our common values in order to advance cooperation and overcome partisanship at both the national and international levels.

Any carbon pricing policy **must** include the following:

- A carbon tax must be structured so as not to harm the health or economic wellbeing of vulnerable communities including communities of color, rural communities, indigenous communities, immigrant communities, those who are disabled or struggling with chronic health conditions, those not living in the wage economy and those living in poverty. Any carbon pricing mechanism can therefore, not be fiscally regressive.

- Emission targets should be ambitious based on the best assessments provided by the scientific community that will avoid the catastrophic impacts of climate change.

- An adjustment mechanism should be included to respond if the emission targets are not being met.

- Existing environmental and climate change protections should not be rolled back nor should limitations be placed on future regulation of greenhouse gas emissions as part of a carbon pricing effort.
- Where carbon pricing is the most effective tool, a carbon tax must be applied to as many sectors as possible to ensure that polluting industries do not escape paying the tax. This includes addressing border leakage and trade policy exemptions.
- The process for identifying and implementing solutions in any carbon tax proposal should be participatory and transparent for all stakeholders, including indigenous communities and people living near power plants and other fossil fuel infrastructure. Transparency includes making public the economic analyses used to develop the carbon pricing mechanism that shows the impact on all entities and communities.
- The pricing mechanism itself should be transparent and have government accountability built in to ensure that goals are being met.