



The Honorable Steve Scalise
 U.S. House of Representatives
 2338 Rayburn House Office Building
 Washington, DC 20515



February 24, 2016



Dear Majority Whip Scalise:



We write to collectively voice our support for House Concurrent Resolution 89, expressing the sense of Congress that a carbon tax would be detrimental to the United States economy.



As organizations that support free markets as a fundamental pathway to American prosperity, we oppose government policies – such as a carbon tax – that punish some and reward others in accordance with the government’s prevailing viewpoint on market ideals. Such marketplace manipulation represents a recipe for unintended consequences and self-inflicted economic damage. Too often, poor and middle class families bear the burden.



Indeed, independent studies demonstrate that a carbon tax would impose considerable harm on Americans. Such a tax will lead directly to higher electricity and transportation fuel costs for American families and businesses. This, in turn, will inexorably lead to increased costs for consumer goods across the board. Furthermore, a carbon tax would be regressive, imposing disproportionately high costs on middle- and lower-income families and thereby harming most those who can afford it least.



The Congressional Budget Office (CBO), in its 2013 assessment titled “Effects of a Carbon Tax on the Economy and the Environment,” plainly states: “A carbon tax would increase the prices of fossil fuels in direct proportion to their carbon content. Higher fuel prices, in turn, would raise production costs and ultimately drive up prices for goods and services throughout the economy.”



A report from the National Association of Manufacturers (NAM) echoes that finding, stating that “the increased costs of coal, natural gas and petroleum products due to a carbon tax would ripple through the economy and result in higher production costs and less spending on non-energy goods.” As a result of decreased economic activity, a carbon tax would eliminate up to 21 million job equivalents over the next four decades. It would also reduce workers’ wages: The NAM report goes on to say that “[f]or workers, a carbon tax would lead to lower real wage rates because companies would have higher costs and lower labor productivity.” The report estimates wages could fall by up to 8.5 percent.





The negative impacts of a carbon tax would be distributed regressively across America. Such a tax would disproportionately punish lower-income Americans because, as the CBO points out, “low-income households spend a larger share of their income on goods and services whose prices would increase the most, such as electricity and transportation.” In its modeled case of a \$28 per ton carbon tax, CBO found that resultant costs would be more than 2 ½ times higher for the poorest one-fifth of American households than for the richest one-fifth.

Our nation’s citizens expect – and deserve – their duly elected lawmakers to institute policies that move our economy forward and allow all Americans an equal opportunity to succeed. A carbon tax would fail resoundingly on both of these fronts. Thank you for your leadership in introducing H. Con. Res. 89 in the 114th Congress, and we hope that this resolution soon gets the consideration before the full U.S. House of Representatives that it merits.

Sincerely,

- Thomas Pyle, President - American Energy Alliance
- Brent Wm. Gardner, VP for Government Affairs - Americans for Prosperity
- Myron Ebell, Director of Center for Energy & Environment - Competitive Enterprise Institute
- Adam Brandon, President and CEO - FreedomWorks
- Phil Kerpen, President - American Commitment
- Harry Alford, President and CEO - National Black Chamber of Commerce
- Matthew Kandrach, Vice President - 60 Plus Association
- Craig Richardson, Executive Director - Energy & Environment Legal Institute
- David Williams, President - Taxpayers Protection Alliance
- Jonathan Lockwood, Executive Director - Advancing Colorado
- George Landrith, President - Frontiers of Freedom
- Richard Manning, President - Americans for Limited Government
- Seton Motley, President - Less Government
- Tom Schatz, President - Council for Citizens Against Government Waste
- Joseph Bast, President - The Heartland Institute
- Amy Oliver Cooke, Executive Vice President - Independence Institute
- Sabrina Schaeffer, Executive Director - Independent Women’s Forum
- Tom Brinkman, Jr., Founder - Coalition Opposed to Additional Spending and Taxes
- Marita Noon, Executive Director - Energy Makes America Great, Inc.
- Heather Higgins, President and CEO - Independent Women’s Voice
- Kristin Fecteau, Co-Founder - Coalition to Free America
- Judson Phillips, Founder - Tea Party Nation