

## A Call to Paris Climate Negotiators: Tax Carbon.

**T**axing carbon pollution will spur everyone — businesses, consumers and policymakers — to reduce climate-damaging emissions, invest in efficient energy systems and develop low-carbon energy sources.

This single policy change — explicitly using prices within existing markets to shift investment and behavior across all sectors — offers greater potential to combat global warming than any other policy, with minimal regulatory and enforcement costs.

We urge negotiators at the upcoming UN Climate Conference in Paris to pursue widespread implementation of national taxes on climate-damaging emissions.

We endorse these four principles for taxing carbon to fight climate change without undermining economic prosperity:

1. Carbon emissions should be taxed across fossil fuels in proportion to carbon content, with the tax imposed “upstream” in the distribution chain.
2. Carbon taxes should start low so individuals and institutions have time to adjust, but then rise substantially and briskly on a pre-set trajectory that imparts stable expectations to investors, consumers and governments.
3. Some carbon tax revenue should be used to offset unfair burdens to lower-income households.
4. Subsidies that reward extraction and use of carbon-intensive energy sources should be eliminated.

Signed,

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