Global warming talk heats up, revisits carbon tax

SETH BORENSTEIN AP Science Writer

WASHINGTON (AP) -- Climate change is suddenly a hot topic again. The issue is resurfacing in talks about a once radical idea: a possible carbon tax.

On Tuesday, a conservative think tank held discussions about it while a more liberal think tank released a paper on it. And the Congressional Budget Office issued a 19-page report on the different ways to make a carbon tax less burdensome on lower income people.

A carbon tax works by making people pay more for using fossil fuels like coal, oil, and gas that produce heat-trapping carbon dioxide.

The idea was considered so radical that in 2009, when President Barack Obama tried to pass a bill on global warming, that he instead opted for the more moderate approach of capping power plant emissions and trading credits that allowed utilities to pollute more. That idea, after passing the House, stalled in the Senate in 2010 and has been considered dead since.

Even so, the Obama administration has no plans to push for a carbon tax now, said a White House official who spoke on condition of anonymity because there are no discussions about the issue.

The whole issue of climate change was virtually absent during the presidential campaign until Hurricane Sandy hit the East Coast. The devastating superstorm - a rarity for the Northeast - and an election that led to Democratic gains have shoved global warming back into the conversation. So has the hunt for answers to a looming budget crisis.

So the carbon tax idea has been revived by some on both the right and left and is suddenly appearing in newspaper and magazine opinion pieces and in quiet discussions.

"I think the impossible may be moving to the inevitable without ever passing through the probable," said former Rep. Bob Inglis. The South Carolina Republican lost his seat in 2010 in a primary fight, partly because he acknowledged that global warming exists and needs to be dealt with. Now he heads a new group that advocates a carbon tax and the idea is endorsed by former Ronald Reagan economic adviser Arthur Laffer.

The right-leaning American Enterprise Institute held an all-day discussion of it Tuesday. At the same time, the more liberal Brookings Institution released a "modest carbon tax" proposal that would raise $150 billion a year, with $30 billion annually earmarked for clean energy investments. Brookings senior policy fellow Mark Muro called it a "perfect storm" of science and politics.

The conservative Competitive Enterprise Institute is so concerned about a carbon tax that on Tuesday it filed a lawsuit seeking access to Treasury Department emails discussing the idea.

There's no question a carbon tax would stir huge opposition. A tax of $20 per ton of carbon dioxide emissions would add up to 9 to 10 percent to the price of gasoline and electric power, said Muro of Brookings.

Experts on all sides of the issue have watched climate proposals fail in the past. Congress is still split and many in the Republican party deny the existence of man-made climate change, despite what scientists say. Congress also on Tuesday blocked the European Union from imposing a tax on American airliners flying to the continent as part of an effort to reduce greenhouse gases.

Energy industry lobbyist Scott Segal said many utilities will fight a carbon tax. "The conditions are far from ripe for a carbon tax, if for no other reason than a carbon tax is a tax on economic growth."

But environmental advocates are seizing the moment, determined not to let the interest in climate change subside with the floodwaters.

On Wednesday, former Vice President Al Gore launches a 24-hour online talkfest about global warming and disasters. Another group, 350.org, headed by environmental advocate and author Bill McKibben, is in the midst of a 21-city bus tour.

Gore compared the link between extreme weather and "dirty energy" from coal, oil and natural gas to the links between cigarette smoking and lung cancer or the use of steroids and home runs in baseball.

"Mother Nature is speaking very loudly and clearly," Gore said in a phone interview from San Francisco. "The laws of physics do apply and when we put 90 million tons of global warming pollution into the atmosphere every day, it traps a lot of heat."

Climate change worries have had a high profile in New York, post-hurricane. Mayor Michael Bloomberg, who had not planned to endorse a presidential candidate, changed his mind after Sandy struck, throwing his support to Obama and citing climate change as an issue.

On Monday, New York Gov. Andrew Cuomo in a news conference said he had seen extreme weather with Hurricane Irene and Tropical Storm Lee in 2011 and now Sandy: "I get it, I've seen this movie three times."

"Climate change is real, it's here, it's going to happen again," he said. "What do we do about it and how do we harden our systems, how do we make sure this doesn't happen with the fuel system again? How do we make sure it doesn't happen with the cellphone system? Wanna talk about chaos!"

Gore said he's been pushing a carbon tax for decades. But his idea is not to use the money to lower the deficit, but to reduce payroll taxes in a revenue-neutral way.

"We should tax what we burn, not what we earn," he said.

Princeton University climate and political scientist Michael Oppenheimer likes the attention the issue has suddenly gotten, but isn't optimistic that a solution will be struck.

"Given the paralysis in U.S. politics, I really wonder if we're up to the challenge," Oppenheimer said. "And regrettably, it might take more than one Sandy to get people awake."

Associated Press writers Deepti Hajela in New York and Jim Abrams in Washington contributed to this report.

Online:

The Brookings Institution's proposal for a carbon tax: http://bit.ly/QELU5s [1]

The American Enterprise Institute on the economics of carbon taxes:

http://bit.ly/SZGEaZ [2]

Bob Inglis' Energy and Enterprise Initiative: http://energyandenterprise.com/ [3]

Al Gore's Climate Reality Project: http://climaterealityproject.org/ [4]

The Congressional Budget Office report: http://1.usa.gov/SKrvrq [5]

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