US House Committee on Science, Space and Technology
Roundtable Panel on Climate Change, June 20, 2017

Statement from Manish Bapna
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Opening remarks as prepared

I am delighted to be here before you today.

Thank you, Congresswoman Johnson, for organizing this event.

President John Adams once said, "**facts are stubborn things**". At WRI, we believe in getting facts right. We are committed to rigorous and evidence-based analysis and the importance this should play in informing policy.

I'd like to make four specific points but first I would like to say a word about an important event that took place today – the launch of the Climate Leadership Council.

The Climate Leadership Council has an impressive list of founding members including large companies like GM, P&G, Exxon, J&J and senior political figures from both parties including James Baker, George Schultz and particularly smart people like Stephen Hawking. The Council's proposal consists of a tax on CO_2 and return of tax revenues to all Americans in the form of monthly dividend payments. It's a "carbon dividend" proposal.

Although I have concerns over certain elements of this particular proposal, the headline here is that **the politics of climate policy is changing fast**. While a nation-wide price on carbon may seem far off in the U.S., over 40 countries and 20 sub-national jurisdictions are now pricing carbon. There is also strong and rising support for carbon taxes among businesses and public, including more than two-thirds of all Americans and more than half of Republicans. We are increasingly confident that what has seemed inconceivable in the U.S. will soon seem inevitable.

Now to my four points.

First: Trump specifically called out China and India as not being serious about tackling climate change. He is mistaken.

I just returned from New Delhi over the weekend.

India is aggressively working toward its ambitious renewable goals. A couple of years ago, it set a target of 100 GW of solar in 2022 when it had <3GW of capacity in 2015. For comparison, the

United States has 45 GW of solar today. India, a country with GDP per capita around 5% of what it is in the United States, set what is arguably the boldest target any country has taken on renewable energy.

In a surprise move, the Indian Government also indicated that it won't initiate any new coal plants beyond what's already in development until 2027. By then, renewable energy will be far cheaper than coal.

There is similar ambition in China.

It is hard to believe but China may have already peaked coal consumption and possibly CO2 emissions – well ahead of their commitment from Paris to peak by 2030.

Coal consumption has been declining since 2013. Over the last 4 years, CO2 emissions in China have been flat or slightly declining. China's emissions have probably reached a plateau. It is unclear whether they have peaked already, but it will most likely happen no later than 2025.

China and India are acting on climate because it makes good economic sense, because of air pollution, because of national security interests. Climate is a co-benefit. But that should give us confidence that their commitment will be sustained.

My second point is that, despite the void left by this administration, U.S. businesses, states and cities are stepping up.

The irony of President Trump's decision on Paris is that we are now seeing a greater outpouring of support for the climate agreement than ever before. More than 2,000 businesses, states, and cities have pledged their continued commitment to the agreement through the "We Are Still In" Coalition.

More than 1,500 companies (with $2.1 trillion in annual revenue, 4.7 million American jobs) have joined We Are Still In, including Walmart, Microsoft, and Nike. More than 270 companies have committed to reduce their emissions in line with climate science. 96 large companies have committed to going 100% renewable.

300 U.S. cities have pledged to adopt the Paris commitments (including the Republican Mayors of Miami, San Diego) and also your city, Dallas, Congresswoman, as well as Houston and Austin, which your counterpart (Chairman Lamar Smith), I believe, covers.

22 states, Puerto Rico and DC representing half of the U.S. population have pledged their support to the Paris Agreement.

Michael Bloomberg has launched America's Pledge, a process to formally quantify the subnational pledges and actions and submit them to the UN.

That said, we need to recognize that while subnationals are stepping up, it won't be enough without federal action. Without federal policy, (a) it will be difficult to meet the U.S. commitments for carbon reductions by 2025; (b) it will be nearly impossible to begin the deep decarbonization we need after 2025 and (c) it's going to be a lot more expensive. Congressional action is needed.

My third point is about the economics – about why the economic benefits of climate action far outweigh the costs.

One of the most frustrating aspects of the U.S. administration's U-turn on climate is that it rests on a deep misunderstanding of the evidence.

Trump continues to perpetuate the old-fashioned view that one has to choose between economic growth and climate action. But this is a false choice. His approach is like trying to bring back the horse and buggy, when we know electric vehicles are the future.

Trump has said that the Paris Agreement would cost $3 trillion and 6.5 million jobs by 2040. This is a based on flawed analysis that assumes a highly unrealistic and unnecessarily expensive pathway to achieve the U.S. emissions targets. It also reflects an incredibly low view of American ingenuity. No gains from technology and a dismal view of the US private sector.

On the contrary, US entrepreneurs, businesses and investors will respond.

Smart climate policy can lead to more technology, more jobs and more growth.

Why? Three reasons:

1. **Efficiency.** Smart climate policy leads to greater resource efficiency. Think about light bulbs: Residential LEDs use at least 75% less energy, and last 25 times longer, than incandescent lighting. Good for the bottom line. Good for climate.

2. **Innovation.** Smart climate policy leads to technological innovation – think about the dramatic decline in solar prices. Who would have thought that the Kentucky Coal Mining museum will soon be powered by solar power because the owners say it will save them money?

3. **Predictability.** Smart climate policy provides long term policy consistency. What business is looking for is a clear, unequivocal market signal. That is why businesses are adamant about backing Paris.

By refusing to act on climate, what Trump has actually done is create uncertainty for business. That will delay investment and job growth, which is neither what Trump nor we want to see.

This brings me to my fourth point. We need clear policy signals from you in Congress to ensure the path to a low-carbon economy is efficient and dynamic.

A $40 and rising carbon tax, the core of the Climate Leadership Council proposal, is an impressive goal. Implementing this proposal, along with complementary regulations where needed, could reduce emissions more deeply, more cheaply and more effectively.

A carbon price is often the cheapest and most efficient way to reduce emissions.

To conclude, despite Trump's announcement, we are not backing down. And we hope you won't either.

Climate change is undeniable and a low carbon, resilient future is inevitable. The only question is whether we will get there fast enough and whether the United States decides to lead or follow.

We need ***your leadership*** to make sure the United States isn't stuck in a 20th century economy that is high carbon and less efficient, but instead looks to the future to embrace a 21st century economy that is low carbon and more efficient.

Thank you.