

Senators propose first US carbon tax

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Senators Bernie Sanders and Al Franken attend the 2013 Green Inaugural Ball at NEWSEUM on January 20, 2013 in Washington, DC.

US senators proposed a tax on carbon emissions Thursday amid growing calls for action on climate change, but the bill is expected to face staunch opposition from many conservatives.

Two days after President Barack Obama urged Congress to tackle the emissions blamed for rising temperatures, two senators laid out a plan that would for the first time set a price on carbon throughout the United States.

The plan by staunch environmentalists Barbara Boxer and Bernie Sanders would charge \$20 per ton of carbon from major polluters such as coal mines and oil refineries, rising 5.6 percent annually over 10 years.

"We are looking at the danger of a planetary crisis," said Sanders, an independent from Vermont who generally votes with Obama's Democratic Party.

"When scientists tell us that the temperature of this Earth may go up at least eight degrees Fahrenheit (4.4 Celsius) by the end of this century, that means cataclysmic changes to the planet. We have to act," he told reporters.

In hopes of shielding consumers from higher costs, 60 percent of the generated revenue would be sent back in a monthly rebate to every US resident. Much of the rest would go to improve energy efficiency at homes and promote renewable energy such as wind and solar in a bid to create jobs.

The senators, citing the Congressional Budget Office, said that the carbon fee would generate \$1.2 trillion over 10 years. They said that around \$300 billion would be devoted to bringing down the ballooning US debt.

Senator David Vitter, the top Republican on the Environment and Public Works Committee that will take up the bill, attacked the proposal.

"It's not just energy prices that would skyrocket from a [carbon tax](#), the cost of nearly everything built in America would go up," he charged.

Democrats control the Senate but Republicans lead the House of Representatives, where many of the party's lawmakers contest the view of mainstream scientists that human activity is causing temperatures to rise.

A proposal to set up a "cap-and-trade" system—which would restrict emissions and provide a market incentive to businesses by allowing a trade in credits—died in the Senate in 2010.

Europe pioneered the cap-and-trade system but the idea of switching to a straightforward carbon tax has increasingly come into favor. Australia last year introduced a carbon tax of Aus\$23 (US\$23.8) per ton.

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