

May 29, 2019

The Honorable Richard E. Neal
Chairman
Ways and Means Committee
United States House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Kevin Brady
Ranking Member
Ways and Means Committee
United States House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Neal and Ranking Member Brady:

The CEO Climate Dialogue writes to thank you for holding a hearing entitled, “The Economic and Health Consequences on Climate Change.” We respectfully request that these remarks be included as part of the hearing record.

The CEO Dialogue is a group of 14 U.S. and Global Fortune 500 corporations or their subsidiaries and four leading environmental nonprofit organizations who are committed to advancing climate action and durable federal climate policy in the U.S. Congress.

Companies involved in The CEO Dialogue include BASF Corporation, BP, Calpine, Citi, Dominion Energy, Dow, DTE Energy, DuPont, Exelon, Ford Motor Company, LafargeHolcim, PG&E Corporation, Shell, and Unilever. With input from four leading environmental groups – the Center for Climate and Energy Solutions, Environmental Defense Fund, The Nature Conservancy, and World Resources Institute – the group is committed to working with lawmakers to explore various policies designed to address carbon pricing.

As our name implies, the CEOs of the organizations involved in the CEO Dialogue are personally involved and committed to our goal and Guiding Principles. We believe it is urgent that the Congress and the White House embrace and enact a long-term federal policy to protect against the worst impacts of climate change, in accordance with a set of [six Guiding Principles](#) for climate legislation. (The Guiding Principles are on the next page.) The group aims to build bipartisan support for climate policies that will increase regulatory and business certainty, reduce climate risk, and spur investment and innovation needed to meet science-based emissions reduction targets.

The CEO Climate Dialogue (CEO Dialogue) appreciates the time and consideration the Committee on Ways and Means and the U.S. House of Representatives are giving to climate change issues. We are encouraged by your efforts and believe this hearing provided an important opportunity to foster learning and dialogue, and understand critical perspectives from multiple stakeholders, including the business community, on the need to accelerate the transition to a low-carbon economy.

Thank you for convening the hearing and for the opportunity to submit this letter for the record. We look forward to working with Congress as you address these issues.

Sincerely,



Timothy J. Mealey
Senior Partner & Managing Director
Meridian Institute
Submitted on behalf of the Members of the CEO Climate Dialogue



Guiding Principles for Federal Action on Climate

It is urgent that the President and Congress put in place a long-term federal policy as soon as possible to protect against the worst impacts of climate change. Acting sooner rather than later allows us to meet the climate challenge at the least possible cost and put the necessary investments in place in time to meet our emissions targets. Adherence to the full set of the following principles can help ensure success:

1. **Significantly reduce U.S. greenhouse gas emissions** so that the U.S. is demonstrably a leader on global efforts to effectively limit climate change. Specifically, U.S. policy should ensure the country is on a path to achieve economy-wide emissions reductions of 80% or more by 2050 with aggressive near and mid-term emission reductions commensurate with this goal.
2. **Effective:** A key test of any climate policy is whether it will deliver timely emissions reductions across the economy and includes mechanisms that provide certainty that emission goals are met. The timeline for reductions must allow capital intensive industries to adjust in an economically rational manner. Policies must encourage investment and planning decisions consistent with the timeframes needed. Policies must focus on emissions reductions outcomes, not specific resources or technologies.
3. **Market-based:** An economy-wide price on carbon is the best way to use the power of the market to achieve carbon reduction goals, in a simple, coherent and efficient manner. We desire to do this at the least cost to the economy and households. Markets will also spur innovation, and create and preserve quality jobs in a growing low-carbon economy.

4. **Durable and responsive:** Well-designed and stable policies will deliver predictable results and increase public support over time, providing durability across time and political cycles. Policies should be adaptive over time in terms of pace and scope of reductions as our understanding of climate change, policy impact, and technological changes evolves.
5. **Do no harm:** Policies must support the competitiveness of the U.S. economy. Policies must address emissions leakage that can undermine climate objectives. Policies must also safeguard against negative impacts on biodiversity, land, and water.
6. **Promote equity:** Unabated climate change is a major threat to the U.S. economy. Therefore, policies to address climate change, which may also entail some cost, must provide transparency and promote affordability while distributing costs and benefits in such a way that promotes equity. Policies must include mechanisms to invest in American workers, and in disadvantaged communities that have the least resources to manage the costs of climate change.