

Congress of the United States
Washington, DC 20515

September 3, 2021

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Steny Hoyer
Majority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable James Clyburn
Majority Whip
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi, Leader Hoyer, and Whip Clyburn,

Thank you for your steadfast leadership in shepherding our party’s visionary “Build Back Better” agenda into law, including an historic budget reconciliation bill that will strengthen our social safety net and address the climate crisis. As Congress fleshes out the details of this legislation, we believe there is a crucial opportunity to design revenue raising measures that not only offset the critical investments we need, but that also align with the values, goals, and urgency with which we must tackle challenges like climate change. High on the list is a simple but powerful idea: polluters must pay.

To that end, we write to urge inclusion in the bill of an assessment on the largest fossil fuel producers, in accordance with their past contribution to global greenhouse gas emissions. This groundbreaking proposal was recently unveiled by Senators Chris Van Hollen, Bernie Sanders, Ed Markey, Sheldon Whitehouse, Elizabeth Warren, and Jeff Merkley, with the backing of a diverse coalition of grassroots organizations.¹ Such an assessment would finally begin to make historic climate polluters, those most responsible for our current crisis, pay for a small fraction of the enormous damages their companies continue to cause.

¹ “Van Hollen Leads Senate Democrats in Announcing New Legislation to Make Polluters Pay for Climate Damage.” August 4, 2021. <https://www.vanhollen.senate.gov/news/press-releases/van-hollen-leads-senate-democrats-in-announcing-new-legislation-to-make-polluters-pay-for-climate-damage>; Friedman, Lisa. “Democrats Seek \$500 Billion in Climate Damages from Big Polluting Companies.” New York Times, August 4, 2021. <https://www.nytimes.com/2021/08/04/climate/tax-polluting-companies-climate.html>

With the latest report from the UN Intergovernmental Panel on Climate Change (IPCC), the world's climate scientists have sounded an urgent "code red for humanity." The report makes clear that unchecked carbon pollution has brought us to the brink of planetary catastrophe. Already, extreme weather linked to climate change is displacing millions of people around the world every year.² Billion-dollar disasters are becoming more frequent and expensive in the United States, with 8 such events in the first half of this year alone.³ In recent months, we have all been experiencing the mounting costs of rapid warming to human life, well-being, and economic health – whether scorching heat waves that have caused hundreds of deaths in the Pacific Northwest, brutal winter storms that brought down Texas' electricity grid, or Western wildfires that are destroying entire towns in California, while worsening asthma and impacting COVID rates from the Midwest to New York.

But we are not all equally responsible for creating these conditions. According to peer-reviewed research conducted by the Climate Accountability Institute, over 70% of global greenhouse gas emissions between 1988 and 2015 can be attributed to 100 companies, and over half to just 25 companies.⁴ The fossil fuel industry has known about the life-threatening consequences of its products for decades – but rather than take action to protect the public, these corporations instead spent billions to sow denial, doubt, and confusion about the science (including their own research) and have sought to block meaningful climate action at every turn.⁵ While this policy proposal is not about guilt and innocence, but rather cause and effect, it is noteworthy that the response of the fossil fuel industry to climate change is perhaps the most consequential corporate deception of all time.

Moreover, these companies have profited with the aid of tens of billions in subsidies from our government. All Americans are suffering as a result, and particularly Black, brown, and other marginalized communities that have been hit hardest by co-pollutants from fossil fuel burning and extreme weather. As we finally embark on the necessary investments to shift our economy in a new direction and pursue environmental justice, financial contributions from climate polluters must be part of the solution.

In U.S. environmental law, the principle that polluters should pay to clean up their messes is a bedrock one, underlying programs like the Superfund that enjoy strong bipartisan support. This is common sense. And as noted by the Senators who have proposed an assessment on fossil fuel

² Internal Displacement Monitoring Centre. 2020 Internal Displacement. <https://www.internal-displacement.org/database/displacement-data>

³ National Oceanic and Atmospheric Administration. Billion-Dollar Weather and Climate Disasters: Overview. <https://www.ncdc.noaa.gov/billions/>

⁴ CDP Carbon Majors Report 2017. CDP Worldwide and Climate Accountability Institute, June 2017, page 8. <https://climateaccountability.org/pdf/CarbonMajorsRpt2017%20Jul17.pdf>

⁵ InsideClimateNews. "Exxon: The Road Not Taken." <https://insideclimatenews.org/project/exxon-the-road-not-taken/>

producers, “Congress has a clear right to require members of an industry to help fund a response to a problem caused by that industry.”⁶

Based on the peer-reviewed attribution research cited above, an assessment on climate polluters could raise at least \$500 billion over 10 years for the essential priorities in the reconciliation bill, in support of the Biden Administration’s Justice40 Initiative. The measure would apply to U.S.-based extractors and refiners of fossil fuels, including subsidiaries of foreign-owned companies, that are responsible for a minimum of 0.05% of carbon dioxide and methane emissions during the years 2000-2019. Under these criteria, roughly 30 companies would be required to pay the assessment, in proportion with their pollution over the covered period. For the largest producers like ExxonMobil, BP, Shell, and Chevron, annual payments would be roughly \$5-6 billion per year. Importantly, this would not result in higher prices being passed onto consumers, since the measure would target only the past activity of the largest polluters, who must compete with other producers not covered by the same assessment.⁷ We believe this should be a first but meaningful step towards making these polluters pay for the costs they have imposed on society.

To stabilize warming and keep the target of the Paris Climate Agreement within reach, the IPCC warns that we need “immediate, rapid and large-scale reductions in greenhouse gas emissions.” This is our moment to finally begin heeding the imperatives of science and justice – and it will require using every tool at our disposal. The revenue raising measures in reconciliation have the potential not to only address some Members’ concerns about the size of the bill, but also to build a safer, more equitable economy in the process. We ask that you give serious consideration to including an assessment on the largest climate polluters, which would help achieve these objectives and more. All Democrats can agree that making polluters pay is the right thing to do.

Sincerely,

/s/
Jamaal Bowman, Ed.D.
Member of Congress

/s/
Jerrold Nadler
Member of Congress

⁶ Senators Chris Van Hollen, Bernie Sanders, Ed Markey, Sheldon Whitehouse, and Elizabeth Warren. “The Polluters Pay Climate Fund Act.”

<https://www.vanhollen.senate.gov/imo/media/doc/Polluters%20Pay%20Climate%20Fund%20Act%20White%20Paper1.pdf>

⁷ Senators Chris Van Hollen, Bernie Sanders, Ed Markey, Sheldon Whitehouse, and Elizabeth Warren. “The Polluters Pay Climate Fund Act.”

<https://www.vanhollen.senate.gov/imo/media/doc/Polluters%20Pay%20Climate%20Fund%20Act%20White%20Paper1.pdf>

/s/
Suzanne Bonamici
Member of Congress

/s/
Steve Cohen
Member of Congress

/s/
Ro Khanna
Member of Congress

/s/
Ilhan Omar
Member of Congress

/s/
Thomas R. Suozzi
Member of Congress

/s/
Alexandria Ocasio-Cortez
Member of Congress

/s/
Ritchie Torres
Member of Congress

/s/
Barbara Lee
Member of Congress

/s/
Jesús G. “Chuy” García
Member of Congress

/s/
Eleanor Holmes Norton
Member of Congress

/s/
Nanette Diaz Barragán
Member of Congress

/s/
Jared Huffman
Member of Congress

/s/
Jamie Raskin
Member of Congress

/s/
Carolyn B. Maloney
Member of Congress

/s/
Cori Bush
Member of Congress

/s/
Peter Welch
Member of Congress

/s/
Adriano Espaillat
Member of Congress

/s/
Rashida Tlaib
Member of Congress

/s/
Jan Schakowsky
Member of Congress

/s/
Dina Titus
Member of Congress

/s/
Ayanna Pressley
Member of Congress

/s/
Grace Meng
Member of Congress

/s/
Danny K. Davis
Member of Congress

/s/
Nydia M. Velázquez
Member of Congress

/s/
Mark DeSaulnier
Member of Congress

/s/
Yvette D. Clarke
Member of Congress

/s/
John B. Larson
Member of Congress

/s/
Mondaire Jones
Member of Congress

/s/
Pramila Jayapal
Member of Congress

/s/
Bonnie Watson Coleman
Member of Congress

/s/
James P. McGovern
Member of Congress

/s/
Doris Matsui
Member of Congress

/s/
Gregory W. Meeks
Member of Congress

/s/
Paul D. Tonko
Member of Congress

/s/
Henry C. "Hank" Johnson Jr.
Member of Congress

/s/
Andy Levin
Member of Congress

/s/
Ted W. Lieu
Member of Congress

/s/
Marie Newman
Member of Congress

/s/
Mike Quigley
Member of Congress

/s/
Mark Pocan
Member of Congress

/s/
Karen Bass
Member of Congress

CC: The Honorable John Yarmuth, Chair of the House Budget Committee, and the Honorable Richard Neal, Chair of the House Committee on Ways and Means