

FACT SHEET: “TWO BEGICHES”

ANNOUNCER: Can we believe Mark Begich?

In Washington, Begich pushes Harry Reid to make the carbon tax a priority.”

FACT: On July 16, 2010, Senator Begich, along with 11 other senators, sent a letter to Majority Leader Reid arguing that “America’s current energy policy is untenable and that the Senate must take action...”

(<http://americanenergyalliance.org/wp-content/uploads/2014/03/12-Senator-letter-to-Reid.pdf>) Furthermore, Begich and other senators argue that their approach “is an economic, national security and environmental priority.”

FACT: Part of the actions these senators want as a priority is a carbon tax. The letter calls for “a price on greenhouse gas emissions.” (<http://americanenergyalliance.org/wp-content/uploads/2014/03/12-Senator-letter-to-Reid.pdf>). Putting a “price on greenhouse gas emissions” is a carbon tax, just as paying a “price on income earned” is an income tax.

FACT: Putting a “price on greenhouse gas emissions” is not the same policy as cap-and-trade, for example. Cap-and-trade is based on a placing a hard cap on greenhouse gas emissions and then allowing the emitters to trade carbon allowances. If coal-fired power plants had allowances for a certain number of tons of carbon dioxide, under a carbon tax they would pay a price for each ton of greenhouse gases (*i.e.*, carbon dioxide) emitted, but under cap-and-trade, as long as they stay under their cap, they would not pay a price on greenhouse gas emissions.

ANNOUNCER: “In Alaska Begich claims– ‘I am fighting against a carbon tax.’

Is he?”

FACT: Begich radio ad “Alaska update.” (<http://americanenergyalliance.org/wp-content/uploads/2014/03/Begich-radio-ad.m4a>)

ANNOUNCER: “The D.C. Begich works and votes with liberals to advance their carbon tax agenda.”

FACT: On March 22, 2013, Sen. Begich voted against Amendment 261 offered by Sen. Roy Blunt.

(http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=113&session=1&vote=00059)

The purpose of the amendment was “To create a point of order against legislation that would create a Federal tax or fee on carbon emissions.” This amendment would have required three fifths of the Senate to vote in favor of a carbon tax in order for a carbon tax to become law.

FACT: Similar to the debate in the Senate on the amendment offered by Sen. Sheldon Whitehouse, the debate on the Blunt amendment also makes clear that the vote was about whether or not to impose a carbon tax. In the debate (transcript below), Sen. Blunt explains why Senators should vote for the amendment and Sen. Whitehouse argues why Senators should vote against it. According to both Senators, this is about a carbon tax:

Mr. BLUNT. This amendment would protect consumers from energy price spikes and workers from significant job loss **by providing a point of order against a carbon tax or a fee on carbon emissions.**

Energy-intensive jobs are the first to go when you utility prices get uncompetitive. Your ability to compete in the

world marketplace, the price of American-made goods, what families pay at the pump, what they pay for heating and cooling, what they pay for every American product they make would be impacted by a carbon tax.

I urge the support of this amendment.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. I yield 1 minute to the Senator from Rhode Island.

Mr. WHITEHOUSE. Mr. President, except perhaps in Congress, and in the boardrooms of ExxonMobil, it is no longer credible to deny what carbon pollution is doing to our atmosphere and to our oceans. **We aid and abet that harm by subsidizing carbon, distorting the market, by violating the rule that the cost of a product should be in its price.** Nonrepealable laws of nature, laws of physics, laws of chemistry are at work. History's judgment will be harsh if we continue to fail in respecting those laws.

I urge a “no” vote and yield back to the Senator from Washington. [emphasis added] (<http://www.gpo.gov/fdsys/pkg/CREC-2013-03-22/pdf/CREC-2013-03-22-senate.pdf> p. S. 2271)

Sen. Blunt argues that the point of his amendment was to reject a carbon tax, and Sen. Whitehouse agrees, arguing that we need to increase the cost of emitting carbon dioxide. Sen. Begich sided with Sen. Whitehouse and voted against the amendment.

FACT: Also on March 22, 2013, Sen. Begich voted for Amendment 646 offered by Sen. Whitehouse regarding the disposition of fees from a carbon tax.

(http://www.senate.gov/legislative/LIS/roll_call_lists/roll_call_vote_cfm.cfm?congress=113&session=1&vote=00058)

According to the amendment itself, the purpose of the amendment was to “establish a deficit-neutral reserve fund relating to ensuring that all revenue from a fee on carbon pollution is returned to the American people.”

FACT: The debate in Senate surrounding the bill makes clear that the purpose of this amendment is to support a carbon tax. Sen. Whitehouse, the sponsor of the amendment, stated on the Senate floor:

Mr. WHITEHOUSE. Mr. President and colleagues, we have a new Pope, Pope Francis, who said last week that our relation with God's creation is not very good right now. God's creation runs by laws—the laws of nature, the laws of physics, the laws of chemistry—and God gave us the power of reason to understand those laws. But they are not negotiable. They are not subject to amendment or repeal. And the arrogance of our thinking that they are is an offense to His creation.

We can ignore obvious facts, we can ignore the essentially unanimous science, we can ignore our generals and admirals, we can ignore the insurance industry's warnings, but we ignore carbon pollution at our peril, and we have subsidized it long enough. It is past time to wake up from our sleepwalking. This vote is a test. Whether we pass or fail is a measure of us.

I urge that we support this amendment that will allow us to put a price on carbon and protect the American people. [emphasis added] (<http://www.gpo.gov/fdsys/pkg/CREC-2013-03-22/pdf/CREC-2013-03-22-senate.pdf> p. S. 2270)

Putting “a price on carbon” is a carbon tax. According to Sen. Whitehouse, the vote on this amendment was a vote for a carbon tax. Sen. Begich sided with Sen. Whitehouse and voted for the amendment.

ANNOUNCER: “Back home, Begich tries to have it both ways.

Mark Begich will say anything—but the policies he supports will destroy thousands of Alaskan jobs.”

FACT: The National Association of Manufacturers (NAM) released a study by NERA Economic Consulting on the impacts of a \$20 a ton carbon tax (an amount typical in many carbon tax proposals). The study found that “This tax would deal a blow to employment in Alaska, with a loss of worker income equivalent to 7,000 to 21,000 jobs in 2013 and 9,000 to 12,000 by 2023.” (<http://www.nam.org/~media/3E3E8D29DC2745D68D073F9A814206AC.ashx>)

ANNOUNCER: “Tell Mark Begich a carbon tax will hurt Alaskan families.”

FACT: According to the Heritage Foundation, which examined an analysis from the Energy Information Administration, the impact of a \$25 a ton carbon tax that rises at 5 percent a year is that it would reduce the income of a family of four by \$1,900 a year, raise the family-of-four energy bill by more than \$500 per year (not counting the cost of gasoline), and cause gasoline prices to increase by up to \$0.50 gallon. (<http://www.heritage.org/research/reports/2013/01/carbon-tax-would-raise-unemployment-not-revenue>) These aggregate costs are well in excess of a \$2,000 a year for the average family of four.

FACT: The National Association of Manufacturers (NAM) released a study by NERA Economic Consulting on the impacts of a \$20 a ton carbon tax. The study found that “This tax would deal a blow to employment in Alaska, with a loss of worker income equivalent to 7,000 to 21,000 jobs in 2013 and 9,000 to 12,000 by 2023.” (<http://www.nam.org/~media/3E3E8D29DC2745D68D073F9A814206AC.ashx>)

ANNOUNCER: “All without helping the environment.”

FACT: The environmental issue a carbon tax is designed to address is carbon dioxide emission and global warming. The problem is that a unilateral carbon tax will force businesses to look outside the United States. The potential negative trade impacts of unilateral policies that increase the price of energy in the United States, such as carbon tax systems and cap-and-trade, are a well-recognized concern. The concern is that the policy “causes a shift in production to nations with weak or non-existent greenhouse gas regulations.” This phenomenon is called “leakage.” (<http://www.rff.org/documents/RFF-DP-09-02.pdf>)

FACT: The result of “leakage” could be so great that leakage rates could be “as high as 130%, in which case GHG control policies in the industrialized countries actually lead to higher global emissions” according to a paper by Mustafa H. Babiker published in the Journal of International Economics in 2005. (<http://www.sciencedirect.com/science/article/pii/S0022199604000467>)

FACT: Furthermore, a unilateral reduction of carbon dioxide in the United States, due to a carbon tax or other policy, will have a minimal impact on global temperatures. According to climatologist Paul Knappenberger, “if the U.S. as a whole stopped emitting all carbon dioxide (CO₂) emissions immediately, the ultimate impact on projected global temperature rise would be a reduction, or a “savings,” of approximately 0.08°C by the year 2050 and 0.17°C by the year 2100—amounts that are, for all intents and purposes, negligible.” (http://scienceandpublicpolicy.org/images/stories/papers/originals/state_by_state.pdf)

FACT: A carbon tax in the United States would likely lead to worsening air quality in other countries. According to the National Association of Manufacturers, a carbon tax would lead to “output from energy-intensive manufacturing sectors dropping as much as 15.0 percent” and “output from non-energy-intensive manufacturing sectors dropping as much as 7.7 percent.” (<http://www.nam.org/~media/ECF11DF347094E0DA8AF7BD9A696ABDB.ashx>) Furthermore, “losses of job equivalents relative to baseline levels ranging from about 1.3 million job equivalents in 2013 to almost 21 million job

equivalents by 2053.” (<http://www.nam.org/~media/ECF11DF347094E0DA8AF7BD9A696ABDB.ashx>) As noted above, this will result in “leakage” to other countries. Some of the countries that would like benefit are fast-growing countries like China and India. Air quality in these countries is much worse than the United States. Early last year, China’s air quality hit 517 on the air quality index at the U.S. Embassy in Beijing. (<http://www.nytimes.com/2013/01/31/world/asia/beijing-takes-emergency-steps-to-fight-smog.html>). To put that in context, the air quality in Reno, Nevada as a result of the big forest fires in Yosemite only read 135 on the air quality index—and that’s the worst air quality in the United States as of August 29. (http://airnow.gov/index.cfm?action=airnow.local_city&cityid=121). India’s air quality is also poor. In late 2012, the air quality index for PM 10 in New Delhi was over 1,000. (<http://blogs.wsj.com/indiarealtime/2012/11/08/delhis-air-pollution-now-worse-than-ever/>) U.S. jobs and manufacturing that go to China and India will only result in more poor air quality in those countries.

BEGICH: “I am fighting against the carbon tax”

ANNOUNCER: Really? Tell Senator Begich to live up to his words and oppose the carbon tax.