

RECORD OF RESOLUTIONS

1st reading: 11-6-23
2nd reading: 11-20-23
3rd reading: 12-4-23

BEAR GRAPHICS 800-325-8094 FORM NO. 30045

Resolution No. 3859 Passed December 4, 2023

RESOLUTION IN SUPPORT OF A MARKET-BASED
COMPONENT TO ENHANCE CITIZEN QUALITY
OF LIFE THROUGH IMPROVED AIR QUALITY

WHEREAS, Bowling Green City Council is both interested in the quality of life of the residents of Bowling Green, Ohio and has certain limited responsibilities to enhance the quality of life of those residents; and

WHEREAS, our capitalist economic system functions well with certain “guardrails” in place (e.g., regulation of weights and measures, “truth in advertising”, regulation of food safety, etc.); and

WHEREAS, one of the essential roles of government is to assure that the parameters are in place to allow the market system to work effectively; and

WHEREAS, one of the weaknesses of the market system is related to the “tragedy of the commons”—a situation in which individuals with access to a public resource (also called a common) act in their own interest and, in doing so, ultimately deplete the resource; and

WHEREAS, those who pay for a product (e.g., electricity, cement, steel), generally do not directly pay for the harm due to byproducts of the production process, thereby, not accurately reflecting the proper total cost of production AND passing that portion of the cost to others who are not involved in the transaction; and

WHEREAS, one specific example of this weakness in the market system applies to companies that produce a product but do not directly pass along the environmental cost of the product as related to air quality in general; and

WHEREAS, there is a bi-partisan history of government regulation of air quality, going at least as far back as the creation of the Environmental Protection Agency (EPA) during the Nixon Administration; and

WHEREAS, a vital component of air quality and important environmental concern involves carbon (CO2) emissions; and

WHEREAS, simple corrective government regulation would be of limited effectiveness due to a number of factors (e.g., it would not incentivize emissions reductions in other countries, costs of compliance would be passed on to citizens in a regressive fashion); and

WHEREAS, innovation in a number of areas (e.g., scientific, engineering, and economic) will be needed to effectively reduce carbon emissions (Lomborg, *Imprimis*, April/May 2023); and

WHEREAS, the various components of a solution mix will incorporate an “all-of-the-above” mix of energy production and use; and

WHEREAS, a market-correction mechanism that both more accurately allocates cost to the customer and incentivizes reduction in CO2 emissions globally could be effective; and

WHEREAS, a great deal of research has been conducted to fashion a partial solution with the above in mind; and

WHEREAS, a market-based solution generally known as a Carbon Fee and Dividend policy, could provide a partial yet significant solution—if *fashioned correctly in a bi-partisan manner with the strengths and weaknesses honestly identified and properly balanced*; and

WHEREAS, over 3,500 U.S. economists, 28 Nobel Laureates in Economics, and 4 previous Chairs of the Federal Reserve have signed an open letter published in the Wall Street Journal on January 17th, 2019, supporting the use of a steadily rising fee on carbon emissions with revenue returned to US citizens, and a border carbon adjustment system, as the “most cost-effective lever to reduce carbon emissions at the scale and speed that is necessary”; and

WHEREAS, the U.S. Chamber of Commerce supports “a market-based approach to accelerate GHG [greenhouse gas] emissions reductions across the U.S. economy”, and the American Petroleum Institute, the Electric Power Supply Association, and the Business Roundtable all support putting a price on carbon emissions; and

WHEREAS, a Carbon Fee and Dividend policy would return all revenues as they increase (minus fixed administration costs) to U.S. households as a monthly dividend, to offset expected higher prices for goods and services; and

WHEREAS, such a policy would protect lower and middle-income households, as the dividend would allow an estimated 85% of U.S. households to benefit financially, break even, or have only minimal increased costs (<0.2% income) from this policy [Household Impact Study II, Kevin Ummel, August 2020, Figure D1, p. 37]; and

WHEREAS, this revenue-neutral emission fee and dividend policy is an effective method to reduce carbon emissions for the following reasons:

1. The fee would motivate businesses and consumers alike to conserve energy and reduce carbon emissions without the need for governmental regulatory controls or infrastructure;
2. The fee would incentivize the elimination of waste and inefficiency;
3. The fee would be refunded in the case that emissions from burning fossil fuels are captured and sequestered;
4. The fee would act as a flexible, market-based approach to encourage innovation, thereby reducing carbon emissions, not only in energy production, but also in every field in which energy is consumed (e.g., electric vehicles, architectural planning and construction, water heating, lighting, and air conditioning in residential and commercial buildings);
5. The fee is levied at the point of production, which is more efficient, less expensive, and provides more accurate signals to the marketplace than a fee levied at the point of consumption;
6. The fee would eliminate the need for government subsidies of alternative energy sources;
7. The fee is fairer to all businesses and consumers because it will more accurately reflect production costs,
8. A carbon border adjustment mechanism would assess a fee on goods traded with countries without a comparable emission fee, thereby maintaining the competitiveness of U.S. businesses, ensuring that no competitive advantage would be created under this policy from relocating operations to other countries, and also incentivizing other countries to establish a matching price on carbon emissions; and

WHEREAS, the City of Bowling Green has demonstrated leadership in adoption of low-carbon sources of energy, as acknowledged by the designation of the City's Municipal Utilities as one of only 60 “Smart Energy Providers” nationwide; and

WHEREAS, the City Council has acknowledged the priority of dealing with sustainability issues by reorganizing to include, amongst its seven Council Committees, a Council Sustainability Committee; and

WHEREAS, the City Council has approved Resolution 3799 on July 19, 2021 calling on the City to create a sustainability and climate plan where "the City will endeavor to reach net zero greenhouse gas emissions from electricity production and city operations ..." where "net zero emissions will be achieved when greenhouse gas emissions released by electricity production and city operations are counterbalanced by removing an equivalent amount of greenhouse gas emissions from the atmosphere".


BE IT RESOLVED BY THE COUNCIL OF THE CITY OF BOWLING GREEN, OHIO:

SECTION 1: That City Council; on behalf of and representing the citizens of Bowling Green; acknowledges—and wishes to clearly communicate—that the solution to environmental issues will necessarily be multifaceted; involving innovation in a number of areas including scientific, technological, engineering, economic, and/or governmental areas.


SECTION 2: That, as part of the comprehensive solution, City Council hereby expresses their support for a well-balanced, practical and pragmatic, bi-partisan federal Carbon Fee and Dividend policy as a means to reduce the environmental and human costs of the emissions generated by burning fossil fuels. Said policy may result in establishment of a fee on said emissions and a carbon dividend, through which all revenues from the fee, minus fixed administration costs, could be distributed equally to all US citizens on a monthly basis to offset any potential increase in the cost of goods and services resulting from the fee.

SECTION 3: That copies of this City of Bowling Green Resolution be sent to President Joe Biden, Vice President Kamala Harris, Governor Michael DeWine, Congressman Robert Latta, Senators Sherrod Brown and J.D. Vance, Ohio State Senator Theresa Gavarone, and Ohio State Representative Haraz Ghanbari.

SECTION 4: This resolution shall take effect at the earliest time permitted by law.

Passed: December 4, 2023 
Date President of Council, Mark Hollenbaugh

Attest: 
Clerk of Council, Jodi Sickler

Approved: December 5, 2023 
Date Mayor, Michael A. Aspacher

HUNTER BROWN
CITY ATTORNEY
jls

CERTIFICATION
This is to certify that the foregoing is a true copy of **RES 3859** passed by the Council of the City of Bowling Green, Ohio, **December 4, 2023**


Clerk of Council