

Hearing assesses social cost of carbon

February 28, 2017

How should the federal government price carbon in its assessments? This was the topic of debate at a House Science, Space, and Technology Committee hearing on February 28. Witnesses from the Brookings Institute, Heritage Foundation, Cato Institute, and the University of Chicago testified on how the social cost of carbon is currently evaluated.

Under the Obama administration, federal agencies valued the damage of climate variability on the scale of a carbon dioxide at \$40/metric ton. This value is used by agencies when they are creating new policies and rules. The Congressional Research Service cites that this value has been used in more than 150 regulatory actions since 2008.

During the hearing Kevin Dayaratna, a senior statistician at the Heritage Foundation's Center for Data Analysis argued that increased CO₂ concentrations were not harmful. On the other side of the discussion, Michael Greenstone, director of the University of Chicago's Interdisciplinary Energy Policy Institute, stated that changing the evaluation of the social cost of carbon to only consider domestic benefits of carbon reduction, and ignore climate change outright, would encourage the rest of the world to increase carbon emissions.

Several witnesses recommended replacing the EPA's regulatory authority over carbon with a revenue neutral carbon tax as means to address various environmental concerns of changing climate.

Sources: The House Space, Science, and Technology Committee, the Congressional Research Service
