



The policy significance of the Polluters Pay Climate Fund Act

BY KAREN C. SOKOL, OPINION CONTRIBUTOR — 08/12/21 05:30 PM EDT
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On Aug. 9, the Intergovernmental Panel on Climate Change (IPCC) published the [first installment](#) of its latest report assessing the state of scientific knowledge about the climate crisis. As United Nations Secretary-General António Guterres put it in a press release, the report is nothing less than ["a code red for humanity."](#)

"The alarm bells are deafening," Guterres said, "and the evidence is irrefutable: greenhouse gas emissions from fossil fuel burning and deforestation are choking our planet and putting billions of people at immediate risk."

The good news is that the science indicates that there is still time to respond by taking drastic and rapid action to shift from fossil fuels to clean, renewable energy and to keep people safe in the face of the dangerous changes in the climate system that have already taken place. That is, we must both prevent further catastrophes and repair the damage that has already been done to people and the planet.

That will be expensive, and a group of senators led by Sen. Chris Van Hollen (D-Md.) plan to introduce legislation based on the well-established legal and moral principle that those who cause damage should pay for it. The [Polluters Pay Climate Fund Act](#) would require fossil fuel companies that are responsible for at least 0.05 percent of total carbon dioxide and methane emissions between Jan. 1, 2000, and Dec. 31, 2019, to pay a modest share of the climate damages bill: \$500 billion over the next 10 years.

As Van Hollen [explained](#), the legislation would help hold accountable those who are the most responsible for the climate crisis. The 0.05 percent requirement "would limit the total number of payors to the 25-30 biggest polluters, with those who polluted the most paying the most," he said. The money would be used to help fund climate resiliency and a just transition to clean, renewable energy, including by providing communities with resources to adapt to extreme weather events and other dangers fueled by the climate crisis.

The Polluters Pay Climate Fund Act makes legal and moral sense not only at the general level but also as a small step toward correcting a long-standing inequity infused throughout U.S. law and policy related to the

fossil fuel industry. These companies have long enjoyed not only direct government subsidies, such as tax breaks and below-market royalty rates for extraction on federal lands and waters but also indirect subsidies in the form of weak to nonexistent regulation that has allowed the industry to evade paying the incalculable costs of its polluting activities and justly compensating the people it has harmed — especially the [Black, brown and Indigenous communities](#) who have been suffering on the frontlines of the industry's polluting infrastructure for decades.

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Indeed, [a recent report by the International Monetary Fund \(IMF\)](#) found that in recent years, the U.S. government spent more on fossil fuel industry subsidies than on the defense budget. Considering that the IMF's calculation is necessarily an underestimate since the costs of things such as lost lives, destroyed homes and living with debilitating diseases are ultimately immeasurable, requiring the top 25 to 30 emitters to pay \$500 billion over 10 years falls far short of what is owed.

In this sense, the Polluters Pay Climate Fund Act is merely the start of what is needed to ensure that fossil fuel companies pay the true costs of the myriad and severe harms that they have caused. The legislation is, however, an important, long-needed recognition that the industry should be held legally responsible for the catastrophic damages it has wrought, and that responding to the planetary "code red" means putting people and the planet first.

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