

# THE WALL STREET JOURNAL.

TUESDAY, JANUARY 8, 2019

## Lessons from 2018: Republicans Must Deal With Climate Change

*My Party Will Never Earn the Votes of Millennials Unless it Gets Serious About Finding Solutions*

By Ryan Costello

As one of many Republican congressmen who just packed up their offices to make way for the Democratic majority, I've had time to reflect on what went wrong for the party. There are seismic political shifts under way on issues ranging from climate change to immigration to gun violence. If Republicans don't adapt by offering meaningful solutions, the midterm losses could be only the beginning.

The disconnect may be widest on climate change, in which the gap between Republican voters and their elected leaders continues to grow. More than 80% of Americans—including nearly two-thirds of GOP voters—believe the government should take action to reduce carbon emissions, according to an online survey released last fall. A May 2018 report from the Yale Program on Climate Change Communication found that a majority of Republicans believed the U.S. should remain in the Paris Agreement.

While climate change may not be a top-tier issue for many older Americans, it certainly is for millennials, who will soon be the nation's largest voting bloc. On the environment, the GOP is splintering along generational lines. Over the past two years, 23% of young Republicans abandoned the GOP for the Democratic Party. Importantly, those who remain support carbon dividends—charging fossil-fuel companies for their carbon emissions and returning the money to taxpayers—at the same rate as their Democratic counterparts, according to the previously mentioned online survey. The Republican Party needs to listen to these voters. Their generation is no longer passive: Young voter turnout in the midterms jumped 10 points above the 2014 numbers, a historic high. That electoral math should keep GOP strategists awake at night.

For Republicans to be the party of the future, we need a plan to protect the planet. With the early impacts of climate change plain for all to see in extreme weather patterns, it is high time for the GOP to renew its proud legacy of environmental conservation by proposing market-based climate solutions.

Environmentally sound policies can benefit business. Many of America's largest companies, including Exxon Mobil, Walmart and Apple, now go out of their way to tout their climate commitments, and they made it clear they wanted the U.S. to remain party to the Paris Agreement. American corporations understand that renewable energy and other low-carbon technologies are the way of the future, capable of unleashing trillions of dollars in economic gains and millions of new jobs, according to a recent study from the Global Commission on the Economy and Climate.

Some Republicans argue that reducing domestic emissions could put America at a competitive disadvantage. This gets it backward: U.S. industry is more energy-efficient than that of our largest trading partners, China and Canada. If the U.S. enacts border carbon adjustments to charge foreign companies for the carbon content of their imports, it would make its own industry more competitive and encourage trading partners to reduce their emissions.

Without a forward-looking plan to combat climate change, Republicans have ceded the debate entirely to Democrats, whose solutions of choice are often heavy-handed regulation and more government spending. A market-based solution would be more cost-effective. The GOP should wholeheartedly embrace this alternative, especially in the run-up to the 2020 election in which climate policy may become a bigger issue.

What would a Republican climate solution look like? Former GOP Secretaries of State James Baker and George Shultz recently introduced a climate plan that rests on four pillars: a robust and rising carbon fee, returning all the money raised directly to citizens on a quarterly basis, phasing out carbon regulations that are no longer needed, and a border carbon adjustment to level the economic playing field.

The Baker-Shultz Carbon Dividends Plan is a winner for the GOP and for the environment. First, it is widely popular. Surveys reveal that Republican voters support the plan by a 3-to-1 margin, and millennials support it by a 4-to-1 margin. Second, the majority of American families would receive more in quarterly dividends than they would pay in energy fees. Third, the plan would exceed the emissions reductions called for under America's Paris commitment. Finally, climate-conscious voters would have an alternative to more regulation and government spending.

America could thereby lead the way in developing the clean technologies of the future and solving the most pressing global challenge of our time. In short, this is the climate solution that the American people and the Republican Party have been waiting for.

**RYAN COSTELLO** is Managing Director of Americans for Carbon Dividends. He served as a Republican representative from Pennsylvania, 2015-19.