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- Exxon Mobil to Lawmakers: Tax Carbon, Don't Use Cap-and-Trade

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Exxon Mobil to Lawmakers: Tax Carbon, Don't Use Cap-and-Trade By: Paul Nastu

Exxon Mobil wants Congress to forego the cap-and-trade law it is considering and implement a \$20-per-ton "carbon tax" instead. It is the first clear call by the CEO for a price on carbon, [writes CNNMoney.com](#).

"My greatest concern is that policy makers will attempt to mandate or ordain solutions that are doomed to fail," CEO Rex Tillerson said last week, suggesting that a carbon tax would be a more direct, transparent, and more effective approach than the proposed cap-and-trade system ([via The Guardian](#)).

A cap-and-trade system would establish an economy-wide emission limits and a market for firms to buy and sell pollution allowances based on whether they were above or below their limit. Last month, for example, 69 participants from the financial, energy, and environmental sectors [bid in an RGGI auction](#) for the right to emit carbon dioxide from power plants in the US Northeast.

A [carbon tax](#), on the other hand, has been seen as politically unfeasible to pass. Unlike the cap-and-trade system, which could take the emphasis away from the goal of reducing carbon emission and focus attention on price volatility, a carbon tax is a more direct and efficient approach, Tillerson said.

The largest carbon emitters will continue to oppose the cap-and-trade system and fight for

the carbon tax, arguing that it will better reflect the actual costs of putting a premium on greenhouse gas emissions.

Exxon's plan to spend \$70 million to double its carbon capture capacity at a Wyoming facility and its \$100-million CO₂-stripping experiment has [won it recent favor](#) with environmentalists.

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