

Odds of gas-tax hike grow with quiet support of GOP senators

By Carolyn
Lochhead

Updated 9:06 pm, Monday, January 19, 2015



-
-

Photo: Tim Hussin / Special To The Chronicle

Image 1 of 2

Tsegni Berhe of San Francisco fills up his truck at the Arco station on Divisadero Street on Friday.

Image 2 of 2



Santa Rosa Rep. Jared Huffman (center) said a few Republicans have “quietly said they’d be open” to changing the

calculation of the gas tax to reflect the carbon content of various fuels over their life cycle. But he won't name them because "I don't want to get them into trouble."

With Washington's most famous climate-change skeptic expressing interest in raising the federal gasoline tax, Bay Area Rep. Jared Huffman sees an opening to grab the brass ring of the environmental movement: a tax on carbon.



Taxing gasoline is, after all, a form of taxing carbon — a step that environmentalists believe could reduce America's global-warming emissions. Huffman reasons that if Oklahoma Republican Sen. James Inhofe, who once wrote a book calling climate change "The Greatest Hoax," can get Washington talking about raising the gas levy, it's a good time to make the tax a little more sophisticated so it reflects the carbon content of all fuels.

The San Rafael Democrat said a few Republicans have "quietly said they'd be open" to changing the calculation of the gas tax to reflect the carbon content of various fuels over their life cycle. But he won't name them because "I don't want to get them into trouble."

With gas prices plunging, "it's absolutely just a no-brainer that we should do it," said Dan Kammen, co-director of the UC Berkeley Institute of the Environment and former chief technical specialist for renewable energy at the World Bank. "What Jared is doing makes perfect sense."

A carbon tax is about the last thing most Republicans in Congress would embrace in public. But suddenly confronted with the necessity of paying for repairs to crumbling highways and bridges, Inhofe is among several who have said they would consider raising the federal gasoline tax.

The gas tax is the main source of money for federal transportation projects, but has been stuck at 18.4 cents per gallon since 1993 and produces increasingly less revenue as cars become more fuel efficient.

When gasoline prices topped \$4 a gallon, raising the tax was tantamount to political suicide in both parties. But since gas has plunged to just over \$2 a gallon nationally, and about \$2.50 in California, a tax increase would be far less noticeable.

May deadline

Republicans face a May deadline when the federal Highway Trust Fund will run out of money because falling gas tax revenue will leave a \$100 billion hole in highway and transit funding over the next five years, according to the Congressional Budget Office. The Senate committee in charge of the issue, Environment and Public Works, is now chaired by Inhofe, who replaced California Democrat Barbara Boxer this month when the GOP assumed majority control.

'One of the options'

Inhofe said raising the gas tax is "clearly one of the options" to fix roads and bridges. Two other Senate Republicans with leadership responsibilities in the area, Orrin Hatch of Utah and John Thune of South Dakota said they were open to the idea, and GOP Sen. Bob Corker of Tennessee, a former mayor fed up with Congress' refusal to pay for road and bridge upkeep, has sponsored a bill to raise the tax.

Conservative groups have mobilized to kill the idea.

"It's a little bit of a shock to us that it's happening and it's coming from Republicans," said Diana Banister, director of Citizens for the Republic, a conservative political action committee. The influential Club for Growth warned Republican leaders last week not to touch the gas tax, saying that while rebuilding the nation's infrastructure is a top priority, highway projects should be returned to the states.

But borrowing from former President Ronald Reagan's playbook, Inhofe has called the gas tax a user fee. Reagan won a gas tax increase in the 1980s, arguing that taxing the users of public services where possible makes sense, and that a gas-tax increase would cost the average driver less than a new pair of shock absorbers.

Changing the tax

Huffman's bill, introduced last week mainly as a discussion point, would tax gasoline and other fuels based on their life cycle for carbon emissions.

Gasoline, corn ethanol and biofuels made from urban or agricultural waste have wildly different carbon emissions over their "well-to-wheel" lives. Even the carbon content of power for electric cars can vary dramatically, Kammen said. A car charged by a coal plant in Wyoming will have much higher emissions than a car charged by a solar plant in California.

"Our mixture of fuels is changing pretty dramatically," Kammen said. "It's not just about the physical amount of liquid in your tank."

Calculating fuel taxes based on their life cycle for carbon emissions is much more complex than the current flat tax on gasoline, but California and the Environmental Protection Agency already have developed such measures. A tax that reflects the carbon content of various fuels "will lead you down different roads in the long term," Kammen said.

All quiet in California

On Jan. 1, California began imposing a form of carbon tax on gasoline as it brought transportation fuels under its cap-and-trade system to reduce greenhouse gas emissions. Despite organized opposition from the oil industry, the transition occurred with little outcry from motorists.

For one thing, no one noticed because gas prices were plunging, and for another, [the move has had no discernible effect on gas prices](#), said Dave Clegern, spokesman for the state's Air Resources Board, which runs the cap-and-trade system.

"Right after Jan. 1, the price went up a couple of pennies in some places and down a couple pennies in some places," Clegern said. Whether refineries pass the added cost to consumers is up to them, but Clegern noted that emissions prices have remained quite low, at about \$12 a ton of carbon.

With a range of vehicles now coming to market powered by electricity, natural gas and a wide range of biofuels, Huffman said it makes sense to change the gas tax to reflect the total carbon content of fuels.

"We're going to use less gasoline in the next 10 years and in the next 20 than we have in the past," Huffman said. "But our infrastructure funding needs are going to stay the same, if not grow. We have to think beyond this completely gasoline-based revenue stream."

Carolyn Lochhead is The San Francisco Chronicle's Washington correspondent. E-mail: clochhead@sfnchronicle.com

H E A R S T *newspapers*

© 2015 Hearst Communications, Inc.