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# Largest U.S. oil lobby backs carbon pricing in place of tougher regulation

Last Updated: March 25, 2021 at 2:24 p.m. ET First Published: March 25, 2021 at 1:32 p.m. ET

By Rachel Koning Beals

The American Petroleum Institute, the largest fossil-fuel lobby, is joining the call for pricing carbon as one way to lower U.S. emissions and slow global warming.

In its release out Thursday, API said it backs “sensible legislation that prices carbon across all economic sectors while avoiding regulatory duplication.”

The stance marks a shift for the oil and gas industry, but is largely positioned as a substitution for other, stricter regulations on the industry, analysts said.

It’s also a “market-focused” response to the push at the company level and by the federal government to work toward net zero emissions in coming decades.

A carbon price could take the form of a tax or be created in a cap-and-trade program.

The industry needs to do its part to cut emissions while providing more energy to the world, said API President Mike Sommers during a briefing.

Lawmakers and industry groups who most vocally express concern about an aggressive U.S. climate-change stance have typically stressed newly acquired U.S. energy independence and the significance of that leadership role as the nation navigates tough geopolitical and trade challenges. Lower energy costs are also cited.

But the U.S. is also seen as lagging major economic powers in combating climate change and the Biden administration returned the U.S. to the voluntary Paris Climate pact in a reversal of Trump administration policy.

“API is trying desperately to distract the Biden administration from the crucial work of keeping polluting fossil fuels in the ground. Biden must not allow rich oil companies to escape climate accountability with yet more self-serving greenwashing announcements,” said Kassie Siegel, director of the Center for Biological Diversity’s Climate Law Institute.

“Instead, the president should declare a climate emergency and permanently halt the leasing of public land for drilling and fracking,” she said.

