

From: Patrino Beth
Sent: Monday, April 13, 2015 2:31 PM
To: Mickelson Anastasia
Subject: FW: Climate change bills hearing tomorrow
Attachments: ucs-confronting-climate-change-oregon-2015(1).pdf

From: JT Nigg [<mailto:jtnmail99@gmail.com>]
Sent: Monday, April 13, 2015 2:29 PM
To: Patrino Beth
Subject: Climate change bills hearing tomorrow

Dear House Energy and Environment Committee Chair and Honorable Members:

I am writing to urge the committee to maintain forward movement on the bills being considered that would create either a tax (price) or a cap (cap and trade or cap and dividend) mechanism to handle fossil fuel pollution that contributes to global warming and climate change. I co-launched with colleagues the Northwest Friends of the Union of Concerned Scientists a few years ago to help promote effective solutions to environmental challenges in Oregon. We work closely with the Union of Concerned Scientists to promote their suggestions. The Union has been able to document the serious economic costs that Oregon is suffering due to global warming/climate change and I enclose a summary of their findings for your record as part of my written testimony. This indicates that inaction also has costs here, and this adds urgency to these bills.

In addition, I'm familiar with the bills before your committee now because I have subsequently been asked to join the Board of the Oregon Environmental Council and I have also talked with other groups. I have also done extensive reading and study of various studies related to "market-based strategies" for reducing fossil fuel emissions and thus slowing the pace of global warming pollutants. Every book and study I have read including the study in Oregon commissioned by the State and reported by the Northwest Economic Research Center reaches the same conclusion. That conclusion is that market based strategies are incredibly intelligent solutions, and many different types of market based plan can work well. A actual or de facto price (whether via a tax, fee, or cap) on fossil fuel and global warming pollutants has the following advantages according to all of these studies.

- 1) Low cost to implement--that is, it doesn't grow the government bureaucracy.
- 2) Flexible--revenues can be used in any number of ways. A dividend back to citizens, a tax reduction in individual and/or business taxes, or investments in building the state's economy. All of these can be very positive simply depending on the secondary priorities you want to address.
- 3) No real economic downside--net economic benefit. Yes, utilities pay more and consumer fuel and heating costs go up, but consumers come out ahead if the policy is sensibly designed with either tax cuts or rebates or if it includes enough investment in job creation to grow the economy. And yes, some fuel-intensive industries are hit--but they can be compensated to soften the transition, without losing the benefit of the policy.
- 4) Reduces air and water pollution with attendant economic savings.
- 5) Improves citizen health as a result, with attendant economic savings.
- 6) Puts us ahead of the inevitable curve of economic and energy change that is coming.
- 7) Effectively cuts emissions.
- 8) It is fair: polluters pay rather than getting "free dumping rights" to our atmosphere and water.

The bills your committee is considering differ in their particulars, but they agree on a market-based solution. All (once they are amended as some are now doing), are sound proposals that would help the state's citizens, improve our health, push our economy forward with new technology, spur investment, and avoid issues with equity by caring for our lower income citizens as part of the policy--either by a dividend or by other compensation. **I urge you to consider each of these bills as a viable option, and that their variations demonstrates the versatility of this basic policy approach, which enables you and our state to move into the future productively and intelligently.**

I would add, though you may already be aware, that policies similar to the bills proposed here have been implemented in more than 30 jurisdictions around North America and the world. The effects have born out the studies: good pollution reduction, growth of clean energy industry, and no harm to economic prosperity.

Sincerely yours,

Joel Nigg, Ph.D.
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