

Mickelson Anastasia

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**From:** Patrino Beth  
**Sent:** Tuesday, April 21, 2015 10:53 AM  
**To:** Mickelson Anastasia  
**Subject:** FW: Put a price on Carbon

-----Original Message-----

From: OIGP - Dick [<mailto:dick@oigp.net>]  
Sent: Tuesday, April 21, 2015 10:48 AM  
To: Patrino Beth  
Subject: Put a price on Carbon

Dear Chair Vega Pederson and members of the House Energy and Environment Committee,

I enjoyed your hearing last Tuesday - it was interesting, informative and well conducted.

It looks as though the CAP route has the support. I would prefer a FEE based price on Carbon [GHG equivalents]:

1. It is simple and straight-forward and the revenue sources are limited and already in place for other taxes, fees and information collection. These would be the ports of entry statistics. CAP would require additional reporting requirements to be accepted by perhaps reluctant parties.
2. Most large businesses have honestly supported a fee based approach over a CAP system, including Exxon. The big thing for them is the ability to forecast their expenses. With an auction based CAP with a secondary Casino Market for Goldman Sachs, et al to manage there is no way to forecast future expenses reliably - you should keep Enron and LIBOR manipulations in mind.
3. Multiple revenue sources would need to be audited - this is not cheap.
4. CAP will most certainly include offsets - do you want to audit and verify claims of some forest in Borneo for their carbon sequestration claims?
5. The EU experience with CAP and Trade demonstrated the fallacies of this approach.
6. I don't think the California example can be cloned. Can you achieve a 'buy in ' quickly? If it takes six years [AB32 -2006, CAP and Trade scheme announced 2012] that would put your program 2 years after the 2020 target date.
7. On the back end you would have a lot of lobbying and meetings to accomplish the desired social engineering - a distribution to the people would be more efficient. Fuel prices have been a reliable driving force in consumer behavior in the past. A dividend is simple after the payees are determined.

I tend to agree with with James Hansen. When he received the Outstanding Climate Sciences Communications award - he said a carbon tax would be more efficient than California's 'half-baked' and 'half-assed' system - Jerry Brown was in attendance.

[<http://www.sfgate.com/business/article/James-Hansen-blasts-cap-and-trade-4094663.php>].

Follow the numbers, if a meal ticket depends on someone nattering on over details of a CAP permit take it with a grain of salt.

Regardless of the final measure, PLEASE ENACT A PRICE ON CARBON [GHG EQUIVALENTS]. I'm fine with 3250 or 3470. We don't have six years to get it done like California.

Thanks for your efforts - you have brought this issue a long way in a short time, Richard Hughes

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