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Testimony in Support of SB 1574, Submitted 2/1/16

Oregon Physicians for Social Responsibility, representing more than 2,000 health professionals and public health advocates in Oregon, supports SB 1574, the Healthy Climate Bill. This is an important and complex piece of legislation and numerous suggestions are offered to further strengthen this bill and accomplish its goal of protecting a health and safe climate while maximizing benefits to Oregonians.

As language in the bill expresses, climate change poses a serious threat to human health and wellbeing. In the Pacific Northwest we can expect to see health threats in the form of heat-related illness, increased respiratory problems from ozone (which is created in a heat dependent chemical reaction), impacted air quality from larger and more frequent fires, spread of insect diseases as they extend their range and seasons with warmer temperatures, waterborne illness due to heavy rain events leading to flooding and water pollution, and traumatic injuries and deaths related to more frequent and severe storms. In addition to these direct health impacts, climate change also threatens public health through droughts, crop failures, conflict over scarce resources, and mass migration of climate refugees.

The healthy climate bill puts a price on carbon, which is an essential step in retooling society to function in low-carbon manner. The bill also formalizes the states carbon reduction goals by introducing an enforceable cap on carbon emissions in line with the goal of decreasing carbon emissions by 75% (from 1990 baseline) by 2050.

Climate change is having and will increasingly continue to have disproportionate effects on disadvantaged communities. Climate change policies can take this into account and be designed to protect disadvantaged communities, rural communities, and workers who are impacted by the inevitable shift in work related to a low carbon economy. This bill seizes the opportunity to invest the revenue collected by pricing carbon and use it in ways that will further reduce carbon emissions and benefit disadvantaged and rural communities. Creation of the Climate Investment Account, Climate Investment Fund, and Just Transition Fund under this bill will provide funding for economic diversification, job creation, job education and training in disadvantaged and rural communities where it is needed most. Helping disadvantaged communities also has direct health benefits because poverty is directly related to higher rates of a number of negative health outcomes and diseases such as diabetes, heart disease, hypertension, fetal mortality, cancer, and infectious diseases.

The equitable reinvestment approach of Oregon's Healthy Climate bill mirrors that taken in California via the Greenhouse Gas Reduction Fund (GGRF) set up under AB 32 (California Global Warming Solutions Act). A recent study from UCLA's Luskin Center (*A Guide to Greenhouse Gas Reduction Fund Program Designs, Expenditures, and Benefits*, Jeffrey L. Rabin, Colleen Callahan, J.R. DeShazo) examined these policies and their impact on disadvantaged communities. They found a dramatic increase in funding for many programs benefitting disadvantaged and low-income communities such as: promoting the transition to zero emission or low carbon vehicles, expanding intercity rail and transit service, constructing affordable housing and sustainable communities, installing solar panels and solar water heating on low-income, single-family and multi-



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family housing, and planting trees in disadvantaged communities. For example, the GGRF increasing total state funding for weatherization and renewable energy programs targeted for low-income households and disadvantaged communities dramatically to \$70 million in 2015 and with the further increase to \$140 million in 2016. The GGRF also greatly increased the size and scope of the state's Urban and Community Forestry programs by supplying \$42 million in funding in 2015, jumping to \$92 million in 2016.

The inclusion of offsets weakens this bill. Offsets are challenging to verify, potentially an easy system to game, can (and are in some cases) applied to activities that would take place regardless of carbon credits, and have caused displacement of indigenous communities. Including offsets gets away the intention of the bill, which is to reduce carbon emissions in Oregon. The local reduction of emissions results in local health co-benefits by reducing the associated other pollutants that are generally co-emitted with carbon emissions. In order to lead on climate change and set an example that can be held up by other jurisdictions we need to tend our own garden, not buy the produce of another. If offsets are included in the final language of the bill we would urge that their use is capped at a low percentage (8% or less) of the total green house gas reductions, that they be required to be limited to projects in Oregon, and that they be directed to benefit disadvantaged communities.

The following recommendations are made in order to apply the lessons learned from the California experience and ensure dedicated resources to Environmental Justice/disadvantaged communities. Oregon PSR endorses following recommendations made by our colleagues at the Coalition of Communities of Color:

- Change “economically distressed areas” to “economically distressed census tracts”
- Clarify 40% revenue toward disadvantaged communities is unique from 40% revenue dedicated to economically distressed “areas”
- Include a “Community Benefits Fund” similar to the Just Transition Fund structure so that Disadvantaged Communities can direct and oversee funds.
- Refine definition of disadvantaged communities: to include:
 - communities a high prevalence of people of color;
 - low-income households;
 - immigrants, refugees, or linguistically isolated communities;
- Use a “Cumulative Impacts Test.” Similar to California’s CalEnviroScreen, the State’s Cumulative Impacts Test methodology should weigh the indicators above to identify thresholds for designating disadvantaged communities and delivering investments based on community identified priorities.
- Change reinvestment allocation in Section 13 and 14 to 40% geographically located in DACs to simplify language and metrics.



- Refine purpose of EQC in Section 15(2)(a)(A). Changes to consulted bodies, and apply methodology for identifying DACs to the legislation: Section 15 2(b) The commission shall consult with other state agencies, [the EJTF], local agencies, officials, and [community based organizations serving low-income households and communities of color] to develop by rule a [cumulative impacts test] methodology for designating disadvantaged communities for purposes of paragraph [A] of this subsection to ensure communities most impacted and entities with expertise in Environmental Justice lead the process.
- Refine investment opportunities under Climate Investments Fund to include projects that reduce greenhouse gas emission reductions and achieve equity outcomes such as opportunities for job creation and training, investments in infrastructure in low-income neighborhoods, affordable housing investment, economic development, air quality improvements, investment in public transit and transit oriented development, energy savings and conservation and increased utilization of clean energy technologies.
- Ensure equitable representation of disadvantaged communities. All committees should include representatives from labor, disadvantaged communities and people who have experience working for equity in communities of color and low income communities, and environmental advocates. These representatives should, in sum, hold majorities on Climate Investments Grant Fund and Rules committees.

We urge the legislature to consider these improvements to the bill and to pass an amended bill that will move our state forward toward a healthy and just climate future.

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