

Dear Joint Committee on Carbon Reduction,

Thank you for the opportunity to comment on HB 2020, the Oregon bill that establishes a cap and trade system for greenhouse gases. From reading the bill it is apparent that thought was given in consideration of industries that will have substantial difficulties paying for allowances without significant financial ramifications such as facility or business closures. Recognition of that fact is appreciated.

Speaking from the perspective of a cement industry insider working at the Durkee, Oregon facility, I can attest that the threat of cost competitive product manufactured outside the state is significant in our industry. Cement manufactured overseas is already competitive with cement manufactured in the state. If cement manufactured in Oregon is subject to Cap and Trade costs and the overseas cement is not, it is certain that overseas cement will replace Oregon cement as the cost of Oregon cement climbs. Cement manufactured in China, for example, is not subject to all the environmental laws here in the United States and Oregon. Therefore one ton of Chinese cement is more detrimental to the global environment than is one ton of tightly regulated Oregon cement. Cement cannot be manufactured without emitting CO₂. Were all Oregon cement manufactured at the Durkee facility to be replaced by cement manufactured in China, global CO₂ emissions would increase by over 400,000 tons per year. That's just the CO₂. Emission of other pollutants that are tightly regulated here such as nitrogen oxides, sulfur oxides, mercury, etc. would climb globally also. I believe this result is directly counter to the intent of HB 2020.

Furthermore, in HB 2020 there are specific exclusions for some industries: airlines, railroads, and semiconductor manufacturing. Why does the Committee decline to regulate these sources of emissions, which surely are just as detrimental as emissions from any other sources? Are there no electric solutions for the rail industry whereby it could reduce its carbon footprint? It appears that thought was given to how trade-exposed the semiconductor business is, and I contend that the cement business is similarly trade exposed and should be protected from harmful leakage which would surely result without adequate protections.

Finally, there is a lack of cost-effective carbon control technology to achieve the ambitious goals of HB 2020. Without such technology even the pressure of the Cap and Trade system will not result in driving emissions reductions – it will instead just move the emissions to another location. To achieve the ambitions of HB 2020 there needs to be a collaboration with testing and implementation of technologies for meaningful reductions to occur. Carbon infrastructure is needed.

Please vote “no” on HB 2020 in its current form or amend it accordingly.

Best regards,

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