

February 22, 2018

To: The Oregon Legislature's Joint Committee on Carbon Reduction

From: Rex Brady, a resident of Eugene, Oregon

RE: My opinion on HB2020

First, I want to thank you for this opportunity to share my opinion on this important matter.

Secondly, I want to thank and congratulate your members and the great state of Oregon for recognizing that global warming due to the burning of fossil fuels is a serious problem that needs to be addressed. Also, in lieu of a federal government that should be taking the lead in reducing and mitigating the effects of climate change, I applaud the great state of Oregon for making a serious effort to reduce the amount of fossil fuel emissions produced.

However well intentioned, I believe HB2020 is a wrong-headed approach towards reducing the amount of CO2 emissions that are produced in our state. That's because I believe a cap and trade approach towards reducing carbon emissions in Oregon would be inferior to a policy of simply taxing carbon-based fuels, along with sending rebates to our citizens.

The following was taken from the Citizen's Climate Lobby Org. website

Why is Carbon Fee and Dividend better than Cap and Trade?

Cap and trade, also called 'emissions trading', works by setting a 'cap' – a maximum for total emissions within a sector – and then selling and trading permits for the right to pollute up to that cap, which is periodically lowered. It has worked well for pollutants like sulfur gases, but carbon is a different story. Unlike sulfur – an unwanted contaminant – carbon is what gives a fuel most of its energy. It's emitted not just from huge power plants, but from a billion smaller sources like cars, trucks, trains and planes. Cap and trade requires bureaucracy to select which companies get covered, and the emissions must be measured, reported and verified. The carbon price is bid up and down by market traders, adding another layer of cost. The resulting price volatility creates uncertainty for businesses and investors, stalling decisions to undertake the big projects needed to slash emissions.

Carbon Fee and Dividend is far simpler. It can cover all fossil fuels and all emitters regardless of size — including vehicles. It's easy to understand and monitor. It more easily lends itself to cross-border policy alignment. Administrative costs for both government and industry are far lower.

Cap and trade proponents tout their policy as 'market-friendly', but Carbon Fee and Dividend fits that description better, with less bureaucracy, lower costs, and more predictability.