

Dear Committee Members,

I attended the HB 2020 public hearing in Bend on March 2nd. Unfortunately, I had only one minute to speak, far too short to fully express my views.

By way of introduction, I spent over 45 working years in education, business management, and consulting with 30 of those years involving environmental impact analysis and evaluation. I have a master's degree in environmental policy from The Claremont Graduate University and was project manager in 1985 for the South Coast Air Quality Management District's Air Quality Management Plan prepared for the Los Angeles area. Subsequently, I consulted for numerous private and public organizations, preparing and managing scores of air quality impact and environmental analyses under the National Environmental Policy Act (NEPA) and California Environmental law. I grew up in Portland and retired to Bend in 2016.

I listened to every comment on Saturday, pro and con. Most were reasonably informed, but also biased, including my own. Opposing comments tended to focus on perceived increases in cost and protecting existing ways of life, like farming (a big issue in Eastern Oregon) or other traditional rural business activities. Supporting comments tended to the moral (protect the future because it is right to do so) or generational (protect the future for our children), often both. A common thread was fear: fear of change or fear of an uncertain future (there were, indeed, tears shed by several commenters, either fearing for their own or their family's futures if nothing is done to address climate change or simply because the issue is emotional for them). While there was also some distrust of the science, it was limited to a tiny minority and sometimes even entertainingly expressed.

I also read the draft bill. It is complicated and nearly impossible to fully comprehend on one, or even several, readings! But the issues it addresses are also complex. I doubt very many people grasp the whole package. There are many pieces that need to work together and it will be remarkable if implementation succeeds without a hitch. Despite this, it is unwise – as a state or a country, let alone citizens of the world – not to move forward.

The following are key issues I hope legislators will keep in mind:

HB 2020, though vague in many ways, does more than most past environmental legislation to account for and provide mechanisms to ameliorate the adverse side-effects of such a major new legislative initiative. Many of the negative public comments derived from legitimate concerns about costs imposed on the public by government fiat. However, they also failed to recognize substantial future benefits. As one commenter noted, human psychology tends to focus on the immediate situation and does not cope well with long term future gain (witness the famous marshmallow experiment!). Immediate benefits will appear small, and some costs are likely to be felt before gains are evident. It is therefore important for the bill to provide for a periodic administrative process, defined narrowly enough to prevent the bureaucracy from encroaching on legislative prerogatives, to regularly assess the true impacts on the state and its people. It is unclear whether the bill's existing reporting provisions adequately fulfil this necessary public information function.

Some economic arguments against HB 2020 are specious. Many suggested that the market is inflexible and doesn't respond to changes in circumstances so their costs will go up, but their revenues will stay the same – the notion, for example, that agriculture is an entirely cost-taking activity. While that may be

approximately true in a given season, the overall market isn't static. When commodities are in short supply, prices rise. When they are abundant, prices fall. Farmers are intimately familiar, if not happy, with this reality. Farming is a unique economic niche, to be sure, but not immune to overall market forces. Over a period of years, equilibrium inevitably returns. Farm margins will probably always be tight, but folks aren't going to quit eating or clothing themselves because of the small costs imposed by legislation to protect future generations from climate change. Markets adapt. There are only so many productive acres available, land is not portable, and it is unlikely that good land will cease producing if the cost of fuel rises.

The other related, but more widely impactful economic sin raised by opponents is the supposed huge increased cost of all fossil fuel. This, too, is exaggerated. The Department of Environmental Quality economic study concluded that economic effects would be relatively small and could go positive or negative, but not by enough to cause substantial economic dislocation. In California, the cost of gasoline increased by about 11 cents a gallon (less than five percent, assuming the natural seasonal and international price fluctuations were accurately accounted for). And it is true that distances in Eastern Oregon are great relative to those in urban areas (though free of fuel-wasting urban congestion). There are also concerns about the impact on public utility costs to consumers. Opponents probably overstate the increase in fuel costs substantially, but the bill still needs to provide a mechanism to identify and compensate for the uneven distribution of costs and benefits between urban and rural populations – as well as the impacts to more vulnerable households everywhere – that are driven by actual legislation-related fuel cost increases. The bill should not exempt everyone who squeals about some perceived financial pain, but instead establish a credible public process of periodic re-evaluation to ensure that emission reductions are achieved and vulnerable populations are equitably buffered from real adverse economic effects of the legislation.

Finally, implementation will be fraught. While some of the personnel necessary to implement the bill will be transferred from other state departments, establishing a major new bureaucracy will not come without its problems and costs. From what I've been able to find, budgetary details are obscure and it is unclear how much of the funds generated by emissions permits will be eaten by the bureaucracy compared to how much will ultimately be available to encourage economic growth and jobs or alleviate increased costs for the vulnerable. There is a very real risk that the public will not be willing to share costs if the benefits aren't obvious and substantial. To be sure, these benefits will not be in the form of reductions in GHG emissions – they will be difficult for citizens to detect or appreciate on their own. Therefore, real economic benefits will drive public perception. Again, periodic public reports of implementation progress should be required to describe the costs, benefits, and effectiveness of the emission reduction program.

The notion that Oregon's contribution to global warming is too miniscule to justify the burden and expense of legislation is irresponsible in the literal sense of the word. An observant commenter noted that Oregon's fractional contribution to GHG emissions is larger than its relative physical land area on the Earth's surface. We are all responsible for that increment. Just because folks aren't immediate family, live outside the neighborhood or beyond the back 40, or haven't been born yet is no justification to ignore their welfare, current and future. Carefully crafting – and passing – HB 2020 will provide a vehicle for all Oregonians to become responsible global citizens.

Andrew Nelson, Bend, OR