



# Columbia County Republicans

FREEDOM • LIBERTY • LEADERSHIP

Senator Betsy Johnson  
900 Court St NE, S-209  
Salem, OR 97301

February 3, 2020

Dear Senator Johnson;

The Columbia County Republican Central Committee urges you to halt the legislation to create a cap and trade scheme. Since the beginning with HB2020, this legislation has been fraught with fatal flaws, seeming to be more about a political win than an attempt to create prudent environmental policy. In such instances, you can be reasonably assured that foreseen consequences are underestimated; and more critically, that there will be unforeseen consequences resulting in grave impact to small business, critical industries and vulnerable populations.

**Carbon Markets** - Secondary trading of carbon credits will certainly occur if carbon markets are accessible through SB1530. These complex markets are sparsely regulated and at risk of "pump and dump" schemes as well as the use of exotic derivatives to influence or exploit the markets by speculators or even nations like China or Russia who have no real stake in the local carbon market. All one has to do is look back at the mortgage crisis which nearly took down our entire economy. There was also widespread bi-partisan concern with HB 2020 of a new bureaucracy formed in the state with an independent cap and trade commission. Putting it under the umbrella of the DEQ does not assuage this problem as a new, large bureaucracy would have to be created within that agency itself.

**Fuel Costs** - The current legislation dubbed SB1530 is purported to deal with the issue of unduly burdening rural areas with increased fuel costs by only charging higher taxes or fees on fuels in metropolitan areas. Even the bill sponsor is uncertain of how this can accurately be accounted for. There is also no discussion that we are aware of regarding the effect of increased fuel costs on goods shipped from metropolitan areas of Oregon to rural areas but common sense dictates that higher fuel costs will lead to higher prices.

**Carveouts** - Any legislation that requires an inordinate amount of carveouts to garner support is just bad business. The considerable concessions that are necessary to make this legislation viable primarily benefit either big business with no stake in the local carbon market or those with the highest carbon output. The lifeblood and backbone of Oregon is small and medium business and this legislation would put an undue burden on many family-owned enterprises with already thin margins in the form of increased supply costs as well as operating costs.

In the end, cap and trade is bad policy and far too risky for Oregon businesses and working people. It will create an undue burden on vulnerable populations, the middle class and small business throughout the State of Oregon. We urge you to stop any and all work on this bad legislation.

Sincerely,

Traci Brumbles, Chair  
Columbia County Republican Central Committee

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