

TESTIMONY IN SUPPORT OF SJM 5-1 URGING CONGRESS TO ENACT BIPARTISAN CLIMATE CHANGE LEGISLATION

Senator Byers and members of the Oregon Senate Committee on Energy and Environment:

Thank you for this opportunity to provide testimony in support of SJR 5 and the -1 Amendments proposed by Senator Dembrow.

My name is Martin Desmond. I have lived in Newport, Oregon for the past seven years and previously lived in the Eugene-Springfield area since the early 1970s. Back in those earlier years when I was much more intelligent, I used to work on Forest Service and Park Service hot shot fire crews in Oregon, California and Montana. Back in those good ole days, we called Oregon's west-side forests "asbestos" forests because they would hardly ever burn and we wouldn't make very much overtime pay on these small lightning fires. We would spend most of the summer stacking brush and painting government buildings.

Fast forward to the present time when over one million acres of west-side forests burned in Oregon last September 2020. To say that we have are experiencing climate change is understating the true seriousness of the climate crisis.

I would like to note that it's not just us liberal do-gooders that recognize the seriousness of the climate crisis. Larry Fink is chairman and CEO of BlackRock, the largest investment firm in the world. In his recent 2021 letter to CEOs, Fink states:

In January of last year, I wrote that climate risk is investment risk. I said then that as markets started to price climate risk into the value of securities, it would spark a fundamental reallocation of capital. Then the pandemic took hold – and in March, the conventional wisdom was the crisis would divert attention from climate. But just the opposite took place, and the reallocation of capital accelerated even faster than I anticipated.

From January through November 2020, investors in mutual funds and ETFs invested \$288 billion globally in sustainable assets, a 96% increase over the whole of 2019.¹ I believe that this is the beginning of a [long but rapidly accelerating transition](#) – one that will unfold over many years and reshape asset prices of every type. We know that climate risk is investment risk. But we also believe the climate transition presents a historic investment opportunity.

The US Chamber of Commerce's website has a series of climate change statements including:

We believe that durable climate policy must be made by Congress, and that it should encourage innovation and investment to ensure significant emissions reductions, while avoiding economic harm for businesses, consumers and disadvantaged communities. This policy should include well designed market mechanisms that are transparent and not distorted by overlapping regulations. U.S. climate policy should recognize the urgent need for action, while maintaining the national and international competitiveness of U.S. industry and ensuring consistency with free enterprise and free trade principles.

The Energy Innovation and Carbon is a big step towards providing market incentives to America's businesses to innovate by setting an initial price of \$15 on carbon. As you are aware, the funds raised by this carbon fee would be distributed back to all Americans in the form of a carbon dividend.

While many Americans recognize that climate change is real, Americans have been very slow to change our overly consumptive fossil fuel habits. Most Americans vote by their pocket book and there needs to be a financial marker to get Americans to change their habits.

In 2013, Citizens Climate Lobby (of which I am a card-carrying member) commissioned Regional Economic Models, Inc. (REMI) to study [the effect of a revenue-neutral carbon price on the American economy](#). The report is entitled The Economic, Climate, Fiscal, Power, and Demographic Impact of a National Fee-and-Dividend Carbon Tax. Chosen for its track record of providing analysis to both governmental bodies and the fossil fuel corporations, REMI's analysis concluded that such a system would have strong positive economic effects on the nation's health and prosperity alike.

REMI's analysis concluded that, during the first 20 years alone, a CF&D policy would lead to:

- A 50% reduction of carbon emissions below 1990 levels
- The addition of 2.8 million jobs above baseline, driven by the steady economic stimulus of the energy dividend.

Senate Joint Memorial 5-1 would send a statement to the US Congress that this bill is a market-driven solution that will help this country moves towards President Joe Biden's vision for the United States to become carbon neutral by 2050. (I might note that here in Lincoln County, we environmental yahoos have assembled a 70-page climate action plan for the county to become carbon neutral by the year 2035). I encourage the Senate Committee on Energy and Environment to pass SJM 5-1. Thank you for the opportunity to submit testimony.