

June 10, 2015

Dear *Sauke Natural Resources & Environment Committee*

I urge you to support the two carbon pricing bills, HB 3470 and SB 965. I am doing this because climate change is an urgent problem, and a price on carbon is an elegant solution.

If you support carbon pricing, you will join Eugene, Corvallis, Hood River, and Benton County who are asking the legislature to price carbon. You will also support the **Pacific Coast Action Plan on Climate and Energy** signed by California, Oregon, Washington and British Columbia, all of which are either reviewing carbon pricing, or have instituted it, and with 53 million residents, together we represent the world's fifth largest economy. As a signatory to this Plan, Oregon is committed to aligning policies toward a clean energy economy.

Because climate change is a crisis demanding solutions, effective policy is needed. The U.N. Intergovernmental Panel on Climate Change recently released the "synthesis" report. In the report, the world's top scientists and governments issued their bluntest plea yet to the world: Slash carbon pollution now or risk "severe, pervasive and irreversible impacts for people and ecosystems."¹ Given greater certainty of the effects of unregulated carbon pollution, it is urgent and ethical that we take action to cut back on greenhouse gases.²

And carbon pricing is an elegant solution to this problem. It is elegant because it reduces the amount of information needed to achieve the best result. Economists across the political spectrum support it and agree it is a simple way to cut back on carbon.³

How will it affect Cities?

A question you might be asking is how carbon pricing might affect cities, like the one I live in (Corvallis)? There are many examples and I will give a few. One is it will supplement the City Council's "climate change and vision plan" goal. A "Climate Action Plan" is by definition, a roadmap for how Corvallis will lessen greenhouse gas (GHG) emissions. According to

¹ "Climate Change 2014 Synthesis Report," IPCC Fifth Assessment Synthesis Report, November 2014: http://www.ipcc.ch/pdf/assessment---report/ar5/syr/SYR_AR5_SPM.pdf. This is the IPCC's fifth full scientific climate assessment since 1990. More than 100 governments signed off on this review of more than 30,000 studies on climate science, impacts, and solutions.

² For more information about the effects of climate change in Corvallis, see Appendix A in the Corvallis Climate Action Plan www.CorvallisCAP.org and the Benton County Climate Adaptation Plan, http://www.co.benton.or.us/health/environmental_health/climate_change.php

³ See "Oregon Economists' Letter in Support of a Carbon Tax in Oregon" <https://www.pdx.edu/econ/institute-for-economics-and-the-environment>

Corvallis's GHG inventory, 27% of GHG emissions is from "consumption." How can Corvallis begin to address consumption? The elegant solution is coming from carbon pricing: it will raise the relative prices of carbon-intensive goods and lower the prices of carbon-free goods. Carbon pricing will move behaviors away from carbon-intensive lifestyles. It will also spark innovation to support a lower carbon world. And it will do this slowly—each year the cap will be lowered.

Another example is the update of the Corvallis' Transportation System Plan (TSP). Corvallis's GHG emissions from transportation is between 12 to 30 percent. The higher percentage includes the 15,000 commuters that live outside Corvallis but come here to work and the 10,000 that live in Corvallis but work outside the city.

The elegance of carbon pricing will slowly change this transportation equation which is slanted toward high fossil fuel consumption. Carbon pricing, or a higher price on CO₂ emissions, is the single most important market mechanism that is left out of the equation. The idea of *the power of incentives* is firmly based in economic theory and history. It reveals that to slow climate change, the incentive must be for everyone to increasingly replace their current fossil-fuel-driven commuting decisions with low-carbon ones. Currently this important feed-back mechanism is missing.

Another problem is the loss in July, of the Amtrak Cascades passenger rail service between Eugene and Portland. This is another example of a problem in search of an elegant solution.⁴ In July we will have fewer low carbon transportation options for students, business people, and residents. Trains are the most carbon friendly form of transportation, outside of walking or biking. If The State of Oregon instituted carbon pricing, low-carbon options will rise in importance, hence the Cascades rail service and a reliable bus from Corvallis to connect to it would be of higher value.

The elegance of carbon pricing means a rise in carbon prices will happen gradually over time. This brings certainty to businesses that rely on predictability. The Legislative Revenue Office report⁵ as well as similar analyses concludes that imposing a price on carbon within the State of Oregon could have a relatively small impact on most businesses and the economy and would significantly reduce greenhouse gas emissions.

⁴ There are few options for Corvallis residents for public transportation between cities and those that exist are expensive. While Albany has more than a dozen buses or trains to Portland, Salem and Eugene every day, Corvallis has only three—one can take up to 3 hours (Valley Retriever) and the other two (Greyhound) travel the length of the coast, frequently do not have seats available, and are rarely on time. Transit between Corvallis and Albany does not link up with the transit hub that Albany has become.

⁵ The Oregon Legislature passed Senate Bill 306 (SB306) during its 2013 Regular Session, which directed the Legislative Revenue Office (LRO) to conduct a study of the economic and greenhouse gas emissions impacts of implementing a clean air tax or fee in Oregon. Their report: "Economic and Emissions Impact on a Clean Air Tax or Fee"
<https://rfflibrary.wordpress.com/2014/12/11/economic-and-emissions-impacts-of-a-clean-air-tax-or-fee-in-oregon/>

So carbon pricing is not the only way to shift Oregon to low carbon choices, but it's an elegant one that provides a valuable feedback system. It's for these reasons I urge you to pass House Bill 3470 and Senate Bill 965.

Respectfully,

A handwritten signature in blue ink, appearing to read "Debra Higbee-Sudyka", written in a cursive style.

Debra Higbee-Sudyka
4750 SW Nash Avenue
Corvallis, Oregon 97333
541-554-6979