

Testimony

Joint Committee on Carbon Reduction

February 20, 2019

Thank you for the opportunity to submit written testimony on HB 2020. My name is Jon Iverson I am a 32 year old, third generation family farmer from Woodburn. I am concerned about the possible consequences resulting from Cap and Trade. While I agree we should be working at reducing carbon emissions I believe incentivizing instead of penalizing is the approach that should be taken.

First off I am very concerned about the rising cost of fuel and natural gas. As a farmer fuel is vital for our operation and rising cost of fuel greatly impacts our ability to compete. We are currently trying to transition more acres to organic production and this requires less chemical applications but more mechanical passes which requires more fuel, rising fuel prices will make it more of a burden and less incentivizing to transition these acres to organic. We are also competing with a global food supply and already are at a disadvantage to food imported from Mexico because of the difference in labor pricing, increasing our costs will make it harder to compete with these imports. Consumers say they want locally grown food but at the end of the day they decide with their wallets.

That leads to my second point if business and farms are less competitive on the market food and industry production will move to cheaper areas like China, Mexico and Brazil with a lot lower pollution standards. So the carbon savings you may think you see in Oregon will mostly likely increase globally as production moves to less regulated areas and we have to ship more product in, or in cases like Brazil where rain forest is being cleared for farmland. It bothers me to see that on page 9 lines 33-34 that all transportation costs are exempt. So the bill penalizes production here but allows for increased carbon emissions for importation. It seems like it would be better to incentivize production here and cut down on transportation emissions.

I also have a concern of how this will affect lower income families and small businesses. Most low income families can't afford to live close to work and rely on car transportation to get to work, raising the cost of fuel always affects lower income families proportionally more than higher income earners. This is especially true in rural Oregon where we don't have public transportation options and must travel by car to work, buy groceries and for health care. Section 21 talks about selling carbon credits to the highest bidder allowing large business to outbid smaller business and make it harder for small Oregon businesses to compete with large conglomerates.

Lastly, agriculture is the original green industry, by penalizing food producers without giving us the credit for tying up carbon seems unfair. The crops we produce contribute greatly to Oregon's greenness. I hope this is not forgotten in this legislation. I find it ironic that food manufacturing is exempt under section 18 but food producing is not. Don't make it more incentivizing to sell for development and take away these carbon sinks.

Thank you for reading my letter, like I said in my intro I believe all Oregonians believe in cleaner air and water and wish for reduced carbon emissions but I don't believe this bill is the answer.