



- The League will advocate that transportation revenues generated through a carbon cap on the transportation fuels sector be directed to the State Highway Trust Fund and distributed via the 50-30-20 split between the state, counties, and cities.
- The League will advocate for flexibility in the use of transportation revenues to account for varying needs of local communities.
- The League will oppose any new public contracting requirements that may increase the costs of designing, constructing or maintaining public infrastructure.
- The legislation and subsequent rulemaking processes would need to establish a forum to generate meaningful dialogue with rural Oregon communities and those with energy-intensive, trade-exposed industries. Equity considerations should be considered throughout this process by including cities and counties representing a variety of populations, regions of the state, and community demographics (e.g. low-income and underserved populations). Specific action should be taken to have representation from cities with populations of less than 1,500.
- The cap would need to apply to all sectors including utilities, industry and the transportation fuels sector (e.g. fuel producers) if annual carbon emissions exceed 25,000 metric tons.
- The program should be designed to link to the Western Climate Initiative which has a multijurisdictional carbon market (linking with programs in California, Ontario and Quebec)
- The revenue from the purchase of allowances would be invested in evidence-based technologies to reduce emissions from regulated sectors with excess revenues being invested in statewide programs to support climate resilience and rural Oregon economies. Requiring the reinvestment of allowance revenue will help regulated sectors become more efficient over time and less carbon intensive.
- In addition, LOC will advocate that additional revenues generated be dedicated to support local governments in climate adaptation/resilience, programs to further reduce greenhouse gas emissions and efforts to incentivize clean energy job creation and economic development opportunities.