

January 30, 2020

Senate Interim Committee on Environment and Natural Resources: Senator Alan Olsen, Representative Christina Drazan, Senator Betsy Johnson, and Representative Tiffany Mitchell:

To our Legislators:

Please bear in mind while you read this that the **end goal of the carbon cap and trade bill now under consideration is to reduce Oregon's carbon output. That is its title and its purpose.** How this will be accomplished through increased taxes without destroying Oregon's economy in the process is not clear, and you really need to think about this when it comes time to vote.

Columbia County Farm Bureau did a small sampling of only 5 of our county's farmers and forester's fuel usage per year to determine the impact of the proposed cap & trade bill, if passed. The total number of gallons from just these 5 producers for their business operations added up to 40,500 gallons. If the tax is 22 cents per gallon for the 1<sup>st</sup> year of implementation, this would increase their operating costs by \$8910, the 1<sup>st</sup> year just for their direct fuel usage. **They cannot pass on these costs, since they are not able to set the price they will receive for their products. How can they be expected to just absorb that direct cost increase, with no ability to pass it on?**

In addition, the **indirect** cost of this carbon tax will be passed down to these producers from **all** of their suppliers as each one of those tries to cover *their* increased operating expenses. We also must include what these same producers would need to spend for additional costs of living expenses for their families: home heating and utilities, groceries and supplies, personal fuel use travel . . . basically higher prices for everything they purchase to live – if they don't lose their jobs. **This cumulative effect of the carbon tax is not a sustainable situation for any business and the total impact of the carbon tax will be significantly higher than a simple 22 cents per gallon for the first year.**

Every business will need to cover these costs by passing them on to their buyers – if they can – either through: 1) increased prices charged for goods sold, 2) reduced prices for goods purchased, 3) reducing the number of employees, 4)

reducing salaries and benefits paid to employees, or 5) by moving to another state that is more supportive of business. **Every single person living in this state will feel the cost increase of this carbon tax.**

Now factor the **annual increases** of the carbon tax into this formula.

We could go even further and talk about the current lack of affordable housing and the homeless situation, and when we put all of the additional taxes, fees or whatever else the increases will be labeled as into this, that crisis will be **doubled, tripled, or worse.**

This is a bad bill and is something that Oregonians cannot be burdened with. If this passes, businesses will close or move out of state, farmers will quit growing crops, loggers will lose their businesses and for what? **A tax that doesn't reduce carbon, but just puts money into the government coffers** – unless we call the loss of farms, industry, housing and jobs a success.

We respectfully request that you vote against this dangerous bill.

Sincerely,

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