

RE: Opposition To HB 2020A | Support For -102 Amendment

Dear Legislators,

As you prepare to consider HB 2020A, the legislation that would establish a cap-and-trade program in Oregon, we wanted to register our strong opposition to the bill in its current form. While we support efforts to ensure that our state remains a national leader in addressing climate change, HB 2020A poses a serious threat to Oregon businesses and would significantly increase the cost of living for everyday Oregonians.

The current version of HB 2020A will:

- Increase the cost of gasoline and diesel by 22¢ per gallon in the first year of the program alone. This cost would automatically increase each and every year and LRO estimates that the price of fuel could increase by \$3.00 per gallon over the next 30 years.
- Jeopardize the financial viability of the Highway Trust Fund, destroying our state's ability to invest in the maintenance of existing roads and the funding of future infrastructure projects;
- Dramatically increase the cost of natural gas and propane, fuels hundreds of thousands of Oregonians rely on every day to heat their homes;
- Place energy-intensive, trade-exposed industries like manufacturing at a significant disadvantage in hyper-competitive regional and global markets, inevitably resulting in job losses;
- Increase global emissions when businesses relocate to jurisdictions with less stringent environmental regulations and/or dirtier electrical supply chains;
- Force farmers, nurseries and other price-taking industries to absorb significant increases in their operating costs;
- Place additional stress on our state's already fragile forest products industry;
- Add to the significant and growing pressures Oregon businesses are already facing under the new gross receipts tax and costly mandates passed in previous sessions;
- Leave lower and middle-income Oregonians without affordable options to transition to higher MPG/electric vehicles as fuel costs continue to rise.

We have raised these concerns countless times in public hearings on the bill and in individual meetings with legislators and we have made repeated good-faith efforts to help shape this program for the better. Up to this point, very few of the issues we have raised have been addressed satisfactorily.

Fortunately, there is still an opportunity to get this right via the -102 amendment. Our coalition has been meeting for many months to develop amendment language that would deliver significant carbon reductions without penalizing businesses and consumers. This amendment maintains many of the structural features of HB 2020A while ensuring that regulated industries have an opportunity to adapt before being punished by an arbitrary cap and protecting everyday Oregonians from dramatic price increases. While this version would ultimately still impose additional cost burdens on employers and consumers, we believe it will blunt some of the harshest negative impacts that Oregonians would see under the current version of the bill.

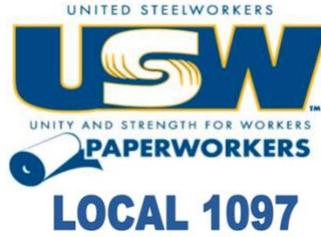
The -102 Amendment would:

- Mitigate the immediate impacts of a cap-and-trade program on the price of gasoline and diesel and require additional studies to protect long-term investments in infrastructure;
- Protect near-term investments in critical infrastructure, particularly the bipartisan 2017 transportation package;
- Provide opportunities for natural gas providers to reinvest funds in carbon reduction strategies without unfairly penalizing consumers;
- Require emissions-intensive, trade-exposed industries to abide by best available technology standards for curbing greenhouse gas emissions;
- Reduce the likelihood of lost or relocated jobs among Oregon's most vulnerable industries across the state;
- Allow farmers, nurseries and other price-sensitive industries to maintain their competitiveness with their domestic and international peers;
- Ensure that Oregon's forest products industry is protected from overly burdensome cost impacts on their operations;
- Mitigate the cascading cost impacts of mandates and new business taxes imposed this session.

As representatives of employers in communities across the state, we recognize the critical role the private sector plays in promoting a low-carbon future and preserving our environment for future generations to enjoy. To that end, we've made every effort to work with the Legislature to craft a workable alternative to HB 2020A. **We urge you to reject the current version of the bill in favor of the -102 amendment that would establish an aggressive cap-and-trade program while minimizing the risks of economic harms.**

Thank you for your support.

-102 AMENDMENT SUPPORTERS INCLUDE



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ASSOCIATION OF
NURSERIES™



Northwest Pulp & Paper
ASSOCIATION



OREGON
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