

Carbon Tax Release Messaging Guide

On Monday, December 8th, the Northwest Economic Research Center will present the results of their study on an Oregon carbon tax to the Oregon State Legislature. If asked for comment, please consider the following.

Narrative background:

Our goal is a healthier, safer, more prosperous and resilient Oregon. Limiting carbon pollution by accounting for its true cost is critical for reaching that goal. The specific policy – tax, cap or cap-and-trade – is not the goal.

Economists agree that internalizing the cost of carbon pollution into economic decision-making is one of the most efficient ways to cut climate changing pollution.

The Northwest Economic Research Center (NERC) study shows one effective policy Oregon should consider: a carbon tax. There are other ways to price carbon that also get us to our goal of moving from pollution to prosperity.

Messaging Methodology:

Start with a broad depiction of both the problem and the solution:

- **The Problem:** Carbon pollution affects our climate but also our economy, our health, our natural resources, our way of life.
- **The Solution:** A price on carbon is one of the most effective and efficient ways to cut climate pollution while supporting Oregon's economy.

Always connect policy to what it does for the community:

- Cleaner, healthier air.
- Continued Oregon "Way of Life" (natural areas, water, community).
- More resilient economy: Oregon better prepared for climate impacts and carbon requirements down the road.
- Creation of jobs: local jobs – like engineers and administrators – with benefits that can support families.
- Reduced taxes.
- Reinvestment in clean energy, lower energy bills, and other state priorities like education.
- Support for struggling families.

Talking points:

Oregon could dramatically reduce its climate pollution while improving the state's economy and growing jobs, according to a new study by the Northwest Economic Research Center based at Portland State University.

These economic and environmental benefits would be achieved by putting a price on carbon pollution (the tax) and returning the revenue to Oregon citizens and businesses through decreased taxes and increased funding for clean energy and other priorities.

The study shows that a price on carbon will reduce carbon pollution: The scenarios show emission reductions of 8% - 45% by 2035.

- Emissions reductions are concentrated in the Metro region, but pollution reductions are achieved throughout the state.

Significant revenue can be raised: Depending on the price level, between \$500 million - \$4.6 billion can be generated annually to fund clean energy investments and keep money in the pockets of the people who need it most. The State could afford to help Oregonians cut their energy bills and use of polluting energy by helping them invest in efficiency and clean energy.

Carbon pollution is a drag on our economy. It is wasteful and will harm Oregon businesses and households. Oregon's natural resource heritage is particularly at risk including important Oregon industries, like agriculture, shellfish and snow-based tourism, is already being damaged by climate impacts.

Secondary talking points:

This is an Oregon specific study and concludes that a carbon tax can be structured in a way that is beneficial for Oregon's economy. There are other ways to price and limit climate pollution that are also effective.

The results of the study are in line with real world examples:

- A carbon tax has been successfully implemented in 12 nations (Costa Rica, Denmark, Finland, France, Iceland, Ireland, Japan, Mexico, Norway, Sweden, Switzerland and the UK) and one province (British Columbia).
- In California: California has had a comprehensive climate law since 2006 and a cap-and-trade program in place since the beginning of 2013. During the first two years of cap and trade, the state's economy has thrived with jobs in California growing by 3.3 percent from January 2013 to June 2014, outpacing the rest of the nation.
- In British Columbia: B.C. has had a tax since 2008 and has experienced a slightly higher GDP than the rest of Canada while reducing polluting and cutting personal and corporate income taxes.
- In Northeastern States (called the Regional Greenhouse Gas Initiative): A consortium of 10 states established the first climate cap-and-trade program in the U.S. in 2008. According to The Analysis Group, RGGI has generated \$1.6 billion in economic growth, led to \$1.3 billion in consumer energy savings, created more than 16,000 net jobs, and has kept \$756 million in the local economy by reducing fossil fuel imports.

Conclusions:

The goals of pricing carbon pollution should be to reduce pollution, and help key economic sectors and underserved populations in Oregon transition into a low carbon economy through re-investment. It is also important to create opportunities for working families and communities who are already bearing the brunt of climate change impacts.

Oregon decision-makers and stakeholders should prioritize pollution taxes as a key revenue generator for Oregon and determine the way to invest the revenue in Oregon priorities. Pricing carbon should be part of Oregon revenue reform conversations.

Oregonians strongly support holding polluters accountable for the true cost of their pollution.