Position Statement:  
Qualified Endorsement of Carbon Fee Initiative 1631
April 2018

SUMMARY

At its April 2018 monthly meeting, Olympic Climate Action (OCA) agreed by consensus to endorse I-1631 with the qualification that it may be too little too late—and to disseminate a complete position statement to the membership.

Concerns particularly regard the low initial fee and lack of incentives for carbon sequestration; these and others issues discussed at the meeting are described in detail below.

We all know the fossil fuel industry will campaign hard against I-1631 and may prevail; however, OCA agreed that supporting the Alliance for Jobs & Clean Energy’s efforts and doing our part to help it pass will advance the public discussion and is therefore a worthwhile endeavor regardless of the outcome. OCA joins Sierra Club, The Nature Conservancy, Washington Audubon, increasing numbers of Native American tribes and many others in our endorsement.

We cannot continue to treat our atmosphere as a sewer without incurring a deadly cost, one much greater than the cost of an emissions fee.

Please refer to the website for specific initiative language and campaign information:  
https://jobscleanenergywa.com/ To help collect signatures, please see the OCA website for contacts.

DISCUSSION

The passage of I-1631 would be a start for both Washington State and the nation on a path toward coming to grips with the true cost of emitting greenhouse gases into our atmosphere. However, OCA notes key deficiencies in the initiative’s policies, as follows:

➢ Fee is not high enough

The initial cost of $15 per metric ton of carbon set by I-1631 is only about half of what EPA purports to be the true cost of carbon, and projections indicate that the initiative’s rising fee structure will not be sufficient to drive down emissions to a level that can avert the worst of runaway climate change. It’s also problematic for many that OCA publicly refused to endorse previous proposals with a minimum starting price less than $25.

In addition, the initiative aims to meet the state-mandated reduction in greenhouse-gas emissions by 2035, and to adjust fee levels if emissions are falling short of this objective. While encouraging at first read, Washington State’s current greenhouse-gas emissions limits, set by the legislature in 2008, no longer reflect current science about the level of emissions needed to avert climate catastrophe (see https://ecology.wa.gov/Research-Data/Scientific-reports/Washington-greenhouse-gas-limits ). To this end, we strongly support Washington State setting a greenhouse-gas reduction target in line with the
Paris Accord and the findings of current science, as proposed in HB 1144 from the 2018 legislative session.

OCA believes that by dedicating carbon-fee revenue to in-state clean energy and climate-adaptation initiatives, the initiative will indeed help kick-start projects with long-standing positive consequences.

- **Carbon sequestration suggestions ignored**

A major deficiency of the proposed initiative is the lack of a specific way to compensate forest managers for carbon sequestration. Its language describes a complicated bureaucratic process to disperse about 25% of the carbon-fee revenue for "clean water and healthy forests". A simpler solution, not as susceptible to political corruption, would have been the following concept:

Forest carbon sequestration results in a removal of carbon dioxide (CO2) from the atmosphere. If this did not happen, the result would be significant damage around the globe. Documented forest sequestration should be awarded funds from state carbon-tax revenue. These funds could provide compensation for the damage avoided by forests removing CO2 from the atmosphere. This transfer of funds from polluters emitting CO2 to managers of forests dedicated to the sequestration of CO2 would result in a double benefit. It would reduce CO2 already in the atmosphere, as well as discourage further emissions by the polluters being taxed.

Simply stated, forests managed for carbon sequestration should be awarded a negative tax (tax rebate) just as polluters would be penalized by a positive carbon fee/tax for adding CO2 to the atmosphere. A suggestion from OCA to include this policy in the initiative was not successful.

- **Exemptions**

Exemptions are of course the bane of any legislation assessing new fees. In looking at those included for I-1631, several exempted activities are phasing out of fossil fuels already, so perhaps they make sense. Compared with other recent proposals with more exemptions, those in I-1631 are gratuitous but not unreasonable. A comparison of recent carbon pricing proposals may be found here: [http://carbonwa.org/1631-compare-recent-carbon-pricing-proposals-washington-state/](http://carbonwa.org/1631-compare-recent-carbon-pricing-proposals-washington-state/)

- **Not a cure-all**

Should I-1631 pass, one possible downside is that individuals and governments could become complacent and feel less pressure to transition to clean energy and mitigated emissions. I-1631 is but one piece of the puzzle, and it will be up to groups like OCA to continue the campaign toward our essential clean energy future.

Further details on OCA’s discussion may be found in the meeting notes for 4/1/18, posted online at our website, [www.olyclimate.org](http://www.olyclimate.org).