Climate-change activists put heat on Wash. Legislature

Initiative proposes carbon fee offset by tax cuts

By DON JENKINS
Capital Press

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> Yoram Bauman, founder of Carbon Washington.

OLYMPIA — Climate-change activists may force the 2016 Legislature to take up a plan that would tax carbon emissions while cutting other taxes, a balancing act meant to increase support for discouraging burning fossil fuels.

"The basic premise of our policy is that you spend a few hundred more for fossil fuels and a few hundred less for everything else, and that's going to save the world," said Yoram Bauman, founder of Carbon Washington.

The group says it has submitted more than 362,000 signatures to qualify Initiative 732 as a proposal to lawmakers.

A Secretary of State's Office spokesman said Tuesday that election officials will finish checking signatures by Jan. 22. At least 246,372 signatures must be from registered voters.

If I-732 meets the threshold but lawmakers decline to enact it, the measure will go on the November ballot for a statewide vote. Legislators also could submit a competing ballot measure. Other groups also could file separate carbon-tax initiatives,

Courtesy of Washington Secretary of State's Office

Climate-change activists turn in signatures for Initiative 732 Dec. 30 at the Washington Secretary of State's Office in Olympia. I-732 proposes to tax carbon while cutting other taxes as a "revenue neutral" way to discourage burning fossil fuels.

Bauman said Monday that getting I-732 through during the 60-day session that starts Monday will be "challenging, but not impossible."

"I think people are becoming increasingly concerned about climate change," he said. "The argument for (I-732) is that it's a market-based climate policy."

Agriculture groups have largely opposed carbon caps or taxes, warning that state laws that increase fuel prices or manufacturing costs will hurt farmers competing with producers in other states.

I-732 would tax carbon dioxide emitted by transportation fuels and power plants that generate electricity with fossil fuels. The tax would be $25 per metric ton after two years and then increase by 3.5 percent plus inflation each year up to $100. Reaching that limit would take decades, according to Carbon Washington.

Fuel used for agriculture production would be phased in over 40 years. "We don't want to lose competitiveness with businesses outside of the state," Bauman said.

The measure also would cut the state sales tax by a penny per dollar, reduce manufacturing taxes and provide for a tax rebate for low-income workers.

According to Carbon Washington, the carbon tax would raise $1.7 billion a year, but would be made "revenue neutral" by the tax cuts.

Todd Myers, environmental director for the conservative Washington Policy Center, said I-732 has two strengths: tax cuts and the prospect of reducing reliance on foreign oil. Support, however, may come down to lawmakers' perception of climate change as a threat, he said.

Lawmakers should be cautious about carbon policies that cause businesses to leave the state, Myers said.

"What you don't want to do is off-shore carbon emissions," he said. "If you simply drive manufacturing out of Washington, you haven't helped the economy and probably have harmed the environment."

Gov. Jay Inslee proposed last year to cap carbon emissions and require manufacturers to bid for credits to emit greenhouse gases. The governor's plan called for using money raised in the auctions, an estimated $1 billion a year, for other government programs. The proposal failed to pass either the House or Senate.

Inslee has since ordered the state Department of Ecology to write an administrative rule setting a carbon cap for manufacturers, but not levying a new tax.

USDA final rule expands organic exemption

By CAROL RYAN DUMAS
Capital Press

More certified organic farmers and handlers will be exempt from assessments collected by conventional commodity promotion programs and marketing orders under a final rule announced by USDA.

That exemption, which is for certified farmers, handlers, marketers and importers with the "100 percent organic" label, will now be expanded to the primary "organic" label. That label requires the end product to contain 95 percent organically produced raw or processed ingredients.

The rule, announced last week, also extends the exemption to those who grow, process, handle and import both organic and non-organic product.

The announcement was hailed by the Organic Trade Association, which said in a press release it was long-awaited.

OTA CEO and Executive Director Laura Batcha said in a press release OTA and organic stakeholders worked to include major policy advancements such as the extension of the exemption for the organic sector in the 2014 Farm Bill.

"This is a significant and positive development for organic stakeholders," she said.

The final rule has been posted in the Federal Register and will be effective Feb. 29, according to USDA.

OTA has also been working with organic stakeholders to develop a checkoff program specifically for the organic sector and submitted the proposal to USDA in May.

USDA estimates that not having to contribute to conventional checkoff programs will free up $13.6 million per year for organic stakeholders to invest in the organic industry, according to OTA.

"We are pleased that the organic sector will be able to invest in its unique needs for organic research and promotion that are so critical to the future success of organic," Batcha said.

OTA estimates an organic checkoff could raise a total of at least $30 million a year, which would mostly go to organic research but would also be used for information dissemination, promotion and consumer education.