# Interest groups respond to 'cap-and-invest' bill

## New tax on carbon emissions

By PARIS ACHEN Capital Bureau

SALEM — State lawmakers have released the first draft of a bill to charge Oregon industries for emitting carbon dioxide into the atmosphere and to use the revenue to invest in projects meant to slow climate change.

The state's "cap-and-invest" bill emerges after several years of work and coincides with an announcement from Washington lawmakers for a similar program in their state. The bill will be considered during the Legislature's policymaking session in February. Democrats have identified the legislation as a top priority for the session.

Modeled after a program in California, Oregon's so-called "Clean Energy Jobs" bill would set a cap of less than 25,000 tons of CO2 per year for each company, beginning in 2021.

"In other words, your favorite brewery or grocery store down the street will not fall under the cap, only the largest polluters in the state," said Brad Reed of Renew Oregon, a leading proponent of the bill. "The cap will decline over time through 2050 to ensure we reach our reduction targets and provide certainty for business."

The estimated 100 Oregon companies that emit more than that amount would be required to buy market-priced allowances for the excess. The "price" on emissions is designed to encourage businesses to adopt technologies and practices that reduce their carbon footprint. The allowances would be sold at a North American auction and generate revenue that would be invested in green-energy and environmentally friendly agriculture projects.

### Climate change

The program would eventually generate hundreds of millions of dollars in revenue that would be invested in projects that slow climate change. The exact cost of the program has yet to be calculated, he said. But previous estimates pegged revenue at about \$700 million per year.

Investments could include rebates for electric vehicles, solar panels on homes or safety improvements on bicycle lanes, among other things, Reed has said.

Carbon trading markets are gaining momentum around the globe. China has plans to launch a carbon mar-



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Oregon Democrats have released the first draft of a bill that would require industries emitting more than 25,000 tons of carbon dioxide to buy market-priced credits. The state would use proceeds from the sale of credits to fund climate-related projects.

ket later this year that would account for about a quarter of that country's industrial emissions, according to E & E News, a Washington, D.C., environment and energy publication.

A cap-and-invest bill in 2016 drew strong opposition from certain Oregon business groups, including Associated Oregon Industries, since merged into Oregon Business & Industry.

Mark Johnson, group's president and CEO, said the program would drive up prices on consumers and drive away businesses from the state.

"Unfortunately, the legislation introduced (Monday) is an example of misplaced priorities," Johnson said. "Greenhouse gas emissions are decreasing, while Oregon's fiscal crisis is worsening. Rather than pushing a complex, costly program to address an issue that businesses already are making progress on, legislators need to focus on a problem only they can fix — Oregon's fis-cal instability."

Tom Koehler, co-found of Pacific Ethanol and secretary of the Oregon Business Alliance on Climate, said he supports moving forward on the legislation this year.

'There is a fundamental decision that needs to be made now and not danced around: Do we believe the climate crisis is real and are we ready to do our part to make a difference?" Koehler

"We believe action now will benefit Oregon's economy and its citizens."

### Work groups

State Sen. Michael Dembrow of Portland and Rep. Ken Helm of Beaverton assembled a series of work groups to address concerns from business and industry, environmentalists and advocates for minorities and residents of rural areas. The Democrats said they added several provisions to the bill designed to help businesses stay competitive, including dedicating 20 percent of revenue to job-generating projects in rural areas and legislative oversight of rule-making to ensure rules don't put companies out of business.

The Senate Committee on Environment and Natural Resources, which Dembrow chairs, will hear testimony on the bill today at the Capitol.

No cap-and-trade system in the world has resulted in significant emissions reductions, in part because caps still remain relatively high and businesses haven't had to pay out a lot of money, according to E & E News. But the programs have "served as political consensus builders that have gotten industry accustomed to climate policies," E & E News's Debra Kahn wrote in December.

Consumers could see an increase in the cost of fuel and electricity as a result of any program. Electricity rates, for example, could climb by about 1 to 3 percent, Dembrow said.

A study by the state Department of Environmental Quality indicated the costs could have an inordinate effect on people in low-income and rural communities because they already spend a larger share of their income on fuel.

Dembrow has proposed using some of the program's proceeds for utility payment assistance for low-income Oregonians.

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# Port of Astoria reinforces ailing log-export dock

By EDWARD STRATTON The Daily Astorian

The Port of Astoria will spend nearly \$80,000 over the next few months replacing fender pilings on the west side of Pier 1 in a stopgap measure to keep its lucrative log-export dock operating.

All 60 of the wooden pilings on the 380 feet of Pier 1's western face, where longshoremen load log ships for Astoria Forest Products, are in need of replacement, according to a report to the Port Commission Tuesday. The \$78,580 approved by the commission would replace 24 pilings, evenly spaced in groups of four across the dock.

The wooden pilings will keep the dock open while the Port develops a long-term, multiphase plan to install more durable steel pilings sheathed in polyurethane. McGrath estimated the cost of the project at \$750,000 to \$1 million for the entire dock, saying the process would be spread out over hopefully no more than three years.

"There have been comments from ships' captains saying, 'Hey, that dock does not look like it's going to support us," Matt McGrath, the Port's director of operations, said. "Pier 1 is our golden goose. That's where we get 20 to 30 percent of our (operating) revenues, so we have to take care of it. We've just not done that previously.'

McGrath estimated \$3.5 million in needs for Pier 1, from purchasing a generator and moving a fuel tank to paving and encasing the pier in metal sheet piling.

The Port, updating a 2010 strategic plan to guide its efforts, faces older, crumbling infrastructure across most of its properties. During a strategic planning workshop Tuesday, Port Executive Director Jim Knight said Port staff outlined about \$60 million worth of improvements needed to bring the entire Port into proper working order. The Port Commission and staff will next look at the agency's financial capacity and which projects are most likely to attract grant support, Knight said.

The Port received a clean opinion on an audit of its 2016-17 financial statements by accounting firm Talbot, Korvola & Warwick. The Port improved its net financial position, including revenues



The pilings along 380 feet of dock on Pier 1 where log ships are loaded are in need of replacement, according to Port of Astoria staff.

and assets minus expenses, from nearly \$18.9 million in the 2015-16 fiscal year to more than \$21.7 million this past year, mostly because of \$4 million worth of improvements at the Astoria Regional Airport funded by grants from

the Federal Aviation Administration and state Department of Transportation. The agency also increased its operating revenues by nearly \$277,000, while decreasing operating expenses by more than \$400,000.





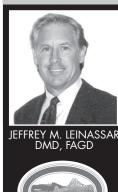
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### Q: What's the best advice for me to keep my teeth healthy?

A: Seriously, this begins with you. In today's dental world, fewer people are losing all their teeth. The very best advice is to be diligent, maybe even obsessive in your home-care brushing and flossing. Next, like it or not, see your dental hygienist frequently and your dentist regularly for dental checkups. You will be way ahead — cost-wise, timewise and treatment-wise — by making routine dental care part of your life's commitment. We look forward to seeing you.



Q: Tell us about yourself.

A: For 13 years, I worked for Pacific Stereo, a consumer electronics retailer. Then for 16 years I worked at Bijou Elementary School, as technology coordinator and teacher. We opened Astoria's Best in 2003. My goal is to provide top quality, affordable sales and service, right here in Astoria. We stock a selection of new and used computers, parts and cables, do repairs & upgrades, in store and at your home or business.



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## Port of Astoria to appeal Riverwalk Inn verdict

By EDWARD STRATTON The Daily Astorian

The Port of Astoria intends to appeal a court judgment that awarded Param Hotel Corp. the lease of the Astoria Riverwalk Inn.

Param plans to take over operations of the hotel in November. The company has promised to pay off nearly \$400,000 in debts former operator Brad Smithart owed to the Port, Astoria and Clatsop County. The company also plans to pay more than \$185,000 to Smithart, who owes significant back taxes and has relocated to New York.

Param recently filed for more than \$200,000 in legal fees against the Port.

A trial scheduled to begin Tuesday in a lawsuit by the Port against Smithart has been delayed until after the results of litigation with Param.

A jury recently awarded Param a \$4 million verdict for the Port's alleged breach of a contract and fraud. The Portland hotelier had been trying since 2014 to take over for Smithart. In 2015, the Port Commission voted to give the company Smithart's remaining lease in exchange for their paying off his debts. But after the vote, the deal fell apart, with both sides blaming each

other. Circuit Court Judge Dawn McIntosh later reduced the settlement against the Port to less than \$1 million, citing the Oregon Tort Claims Act limiting payouts against public agencies. She gave Param the option of taking damages or a seven-year lease on the hotel. The company chose the lease.

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