

Can Oregon Dems learn from B.C.'s carbon tax?

By **ERIK NEUMANN**
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SALEM — In 2019 and again in 2020, Oregon Republicans walked out of the state Legislature to prevent a vote on cap-and-trade climate bills. The legislation was meant to drive down the state's carbon emissions, but Republicans feared the bills would place the greatest burden of higher fuel prices on sparsely populated rural communities.

In 2008, the center-right party in British Columbia, actually named the Liberal Party, created a carbon tax to reduce emissions. More than a decade later, it has helped lower emissions without disproportionately hurting rural B.C. residents.

This year, climate legislation remains a tense topic of debate in the Pacific Northwest politics. Why has a carbon-pricing program worked in British Columbia but not in Oregon?

Protests rooted in rural apprehensions

In 2020, members of the populist group #TimberUnity flooded the streets of Salem blaring air horns from big rig trucks. They were rallying at the state Capitol to protest a cap-and-trade climate bill. Many of the group's members, which included Republican legislators, felt that rural communities were overlooked in climate legislation forged by the Democratic majority. While some residents and businesses would have received so-called carve-outs, which exempted them from increased fuel costs, Todd Stoffel, a trucker and the vice president of the Timber Unity Association, was concerned about those who would have to pay more.

"The people that didn't



Bradley W. Parks/Oregon Public Broadcasting, File
People hold signs at a Timber Unity rally in front of the Oregon Capitol in Salem in March 2020. The group was opposing cap-and-trade legislation aimed at reducing greenhouse gas emissions.

get carve-outs, the cost of it is going to fall on their backs. And dumping more stuff on the backs of the taxpayer is not right," Stoffel said during a 2020 interview on *Oregon Public Broadcasting's* Think Out Loud.

The Republican walkouts effectively killed the climate bills by depriving the Senate of a quorum and preventing votes the opponents were nearly certain to lose. One of those lawmakers was Republican state Rep. David Brock Smith from Oregon's southwest coast. Brock Smith was the minority representative on the Legislature's carbon-reduction committee. Today, he's still concerned rural Oregonians would shoulder the biggest financial burden of a cap-and-trade law as more expensive fuel drives up prices for groceries and other commodities. "So that

apple in Brookings would be more expensive to buy than it would be in Portland, just for the basic fact that it's farther away," he said.

Brock Smith also worries rural Oregonians wouldn't benefit from the green energy jobs advertised in the past legislation.

"The proponents of the bill never put pen to paper on where those jobs were going to come from, where these investments in rural Oregon were going to go," he said.

Even after two years of legislation and months of debate, Oregon's cap-and-trade proposals could not achieve one of the key aspects of British Columbia's success — bringing business interests and rural residents on board.

Despite similar, initial concerns in British Columbia, the province's 2008 carbon tax actually had less

impact on rural communities than on urban residents, political scientists say.

"By now, we have a bunch of studies that have shown that it didn't hurt British Columbia's economy, it wasn't regressive, which is often a concern, and it did reduce emissions below what they would have been otherwise," said Kathryn Harrison, a professor of political science at the University of British Columbia who has written about British Columbia's carbon-tax program and currently is writing a book about carbon taxes.

Oregon's cap-and-trade attempts

Carbon taxes and cap-and-trade programs are different ways to put a price on greenhouse gas pollution. Both are meant to reduce emissions by forcing polluters to pay more

for the waste they create.

Washington state tried and failed — twice — to pass a carbon tax by voter initiative. There are currently no U.S. states with a carbon tax. Cap-and-trade programs are being used by the European Union, as well as by a consortium of 11 East Coast states. California also has a functioning cap-and-trade system, and the Washington Legislature enacted one this spring.

Basically, cap-and-trade programs set a limit on how much pollution can be released in the state annually. Industries get allowances for how much they can pollute. If they want or need to pollute more, they are forced to buy allowances from other industries that are emitting less.

Over time, the level of pollution allowed in the state would be reduced and force industries to clean up their businesses.

"Like a lot of bills, it put a price on carbon and, therefore, offered a market incentive for reducing emissions and a trading mechanism for selling them," said Oregon Sen. Jeff Golden, who worked on the 2019 legislation.

The average Oregonian would feel the impact when businesses passed their costs along to consumers — at the gas pump, for instance. State forecasts from 2019 estimated Oregonians would pay 22 cents more per gallon of gas in 2021, and that amount would increase in subsequent years. The expectation is that more expensive gas will motivate people to adopt more fuel-efficient, less polluting vehicles.

British Columbia's conservative-led carbon tax

Unlike Oregon, which pursued cap and trade, British Columbia opted for a simpler carbon-pricing program.

In 2008, conservatives proposed a carbon tax that applied to almost all fossil fuels in the province, including gas, diesel, natural gas and even coal used by power plants.

According to Harrison, the University of British Columbia political scientist, the B.C. business sector didn't fight the tax because it applied equally to business and individuals.

"One of their conditions for not fighting a carbon tax was that it be applied broadly across the economy with the same price applying to everyone," Harrison said.

The other big appeal for British Columbians was that the carbon tax was revenue neutral. Whatever people paid in carbon taxes, they paid less in income taxes, corporate taxes or business taxes.

"It's designed to increase taxes on bad things, in particular, carbon pollution, and reduce other taxes," said George Hoberg, professor of public policy at the University of British Columbia. "So, businesses actually got as much or, in some cases, more money back than they spent on the carbon tax, and so did individuals." See fuel increases at all. And there were tax credits designed to increase benefits to rural communities and offset gas costs for low-income residents around the state.

Looking back, Golden, the state senator, said the cap-and-trade bill's downfall may have been its complexity, which made it vulnerable to misinformation.

"The more details, the more twists and turns and bells and whistles, the more opportunities there are to distort it," Golden said.

In contrast, a carbon tax like British Columbia's is relatively simple.

Oregon to offer \$1M lottery for vaccinated

By **DIRK VANDERHART**
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SALEM — Any Oregonian 18 or over who's received at least one dose of COVID-19 vaccine will be eligible on June 28 to win up to \$1 million, under an incentive program announced by Gov. Kate Brown on Friday, May 21.

Brown announced the "Take Your Shot Oregon," campaign, a bid to entice enough citizens to get the vaccine that the state can reopen by July 4. Brown has previously said she'd lift most restrictions when 70% of Oregonians have received at least one dose.

"The Take Your Shot Oregon Campaign is a way to thank Oregonians for stepping up and keeping our communities safe," Brown said in a press release. "It's never been easier to get a vaccine, so don't miss your shot to enter!"

The rules are simple. The state will hold a drawing on June 28, and pull winners randomly from a state database of vaccinated people. One person will win a \$1 million grand prize, and one person in each of Oregon's 36 counties will win \$10,000. The prizes will be funded using federal relief money, Brown said.

The state will also offer five \$100,000 scholarships

through the Oregon College Savings Plan. Those will be available to vaccinated students between the ages of 12 and 17, and conducted by a third-party company.

The June 28 drawing for cash prizes will be run by the Oregon Health Authority, with assistance from the Oregon Lottery. Lottery officials will not know winners' identities, to protect patient privacy, Brown's office said, and winners who don't want their vaccination status made public could opt out. Anyone who's received at least one shot by June 27 is eligible.

"We have been in the process of working with the Oregon Health Authority, the Department of Justice and our staff to figure out a game that we could propose and get up in the market very quickly to support those goals," Oregon Lottery Director Barry Pack told state's Lottery Commission, as he sought approval from the commission to proceed with the plan. "Some of the mechanics we're still working out."

The announcement makes Oregon just the latest state to use the potential of a financial windfall to entice hesitant citizens to get vaccinated. In recent days, Ohio, Maryland and New York have all announced their own incentive programs tied to state lotteries, with prizes ranging from \$20 to as high as \$5

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