Carbon Washington campaigners seek to persuade voters to embrace Initiative 732, which would implement a carbon tax with the goal of driving down fossil-fuel use. But the state’s environmental community is divided.
VANCOUVER, Wash. — Frustrated with the political status quo, retired Navy veteran George Hunt plans to vote for Donald Trump.

But Hunt parts ways with Trump on one major front — climate change.

In his campaign for president, Trump has largely spurned the science linking fossil-fuel combustion to rising global temperatures.

**Initiative 732**

I-732 seeks to use market pricing to drive down fossil-fuel use by taxing emissions while cutting other taxes.

The specifics include:

- A carbon tax on fossil fuels derived from coal oil and natural gas. That tax would start at $15 a ton in 2017, and over more than 40 years, escalate to more than $100 a ton in inflation-adjusted dollars. At the gas pump, that would equal roughly a 15-cent-a-gallon increase in 2017, rising to about $1 a gallon sometime midcentury.

- A cut to the state sales tax of 1 percentage point, and the business and occupation tax on manufacturers would be reduced.

- Funding for a tax rebate of up to $1,500 per family for 460,000 low-income families.

Hunt thinks it’s a big deal and he backs a statewide ballot measure that would put an escalating carbon tax on oil, natural gas and coal while cutting other state taxes, including the sales tax.

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“I think we should have taken a lot more interest in the climate a long time ago,” Hunt told a canvasser who visited him on a mild Sunday afternoon.

“Look at the polar ice caps and what’s happening.”

Hunt’s unexpected support for the November measure is the kind of sweet boost that helps sustain the several hundred volunteers who fan out in neighborhoods around the state to spread the word about Initiative 732.

Their door-knocking represents one the most visible efforts of Carbon Washington, the Yes on I-732 campaign that is long on ambition but short on cash, having already spent more than 90 percent of the $1.67 million raised over several years.

Initiative backers hope to persuade Washington voters to approve one of the world’s most far-reaching taxes on fossil fuels.

But they have been unable to gain broad support from the environmental community. And, they have been hampered by a dispute with state officials who have forecast that instead of being revenue neutral as intended, I-732 would bring at least a short term cut to the general fund.

If passed, I-732 would take effect next year with a carbon tax of $15 a ton on coal, natural gas and oil-based fuels, that would gradually increase to $100 per ton by midcentury. For motorists, that would equate to adding roughly 15 cents a gallon to the price of gasoline in 2017, and increasing that tax to about $1 a gallon by 2059.
“This would certainly be one of the most aggressive — if not the most aggressive — carbon taxes that we have on the books globally,” said Christopher Knittel, an MIT professor of energy environmental economics who studies carbon pricing.

**Environmentalists split**

The ballot measure is structured to ease the pain of higher fossil-fuel prices by cutting the sales tax by 1 percentage point, reducing business and occupation taxes and offering tax credits to 460,000 low-income households.

That approach is designed to help attract bipartisan support, and some Republicans have come out in favor of the measure. They include state Sen. Mark Miloscia, of Federal Way, who this month announced he would back I-732 because it uses “proven market measures” to reduce carbon emissions.

Within the green community, Washington Audubon, with a network of 25 chapters and 21,000 members across the state, in July endorsed I-732, and members are expected to get more involved in the campaign in the weeks ahead.

“This climate change is the No. 1 threat to birds, and people felt an urgency to act,” said Gail Gatton, executive director of Audubon Washington.

In a three-part analysis this month, the policy think tank Sightline Institute found plenty to like.

“The citizens’ initiative covers most of the state’s climate pollution, makes the tax code more progressive, and is administratively elegant,” wrote Sightline’s Alan Durning and Kristin Eberhard.

But the state Democratic Party, along with most of the state’s major environmental groups, including the Sierra Club, Climate Solutions, and the Washington Environmental Council, do not support I-732.

Other groups that are focused on “climate justice” and community activism also do not endorse the measure. Instead, they have formed an alliance to work on an alternative proposal to price carbon that would generate new revenue to invest in clean energy and reduce pollution in low-income communities.

“Our intention is to develop a sound policy and a broad coalition that is capable of taking on entrenched fossil-fuel interests,” said Rick Stolz, executive director of...
OneAmerica, which advocates on behalf of immigrant communities

So far, the Western States Petroleum Association, which represents refiners, hasn’t taken a position on the carbon-tax initiative or pumped money into an opposition campaign. “We don’t support it and we don’t oppose it,” said Frank Holmes, the association’s regional director.

But the Association of Washington Business does oppose the measure and formed the No on 732 committee that includes the Washington Building Trades, and so far the group has raised more than $85,000 to defeat the initiative.

“We agree that we need to do something in Washington on climate, but this is the wrong policy to get there,” said Brandon Houskeeper, of the Association of Washington Business.

“Model for the nation”?

The push to increase the price of carbon is driven by greenhouse gases — linked to fuel combustion — that are building up in the atmosphere and warming global temperatures.

To head off the worst effects of climate change, the United States and more than 190 nations reached an agreement in Paris in December to try to limit the warming to less than 3.5 degrees Fahrenheit through sharp reductions in global fossil-fuel emissions.

But for governments, forging political consensus to cut the use of fuels that are a mainstay of the global economy has been difficult. Trump, in a North Dakota speech, said that if elected he would withdraw the United States from the Paris agreement.

So far in North America, some of the most aggressive policies have been taken by provincial and state governments.

British Columbia started a carbon tax in 2008, and it has currently stalled at $30 a metric ton. California opted for a system that caps greenhouse-gas emissions and charges polluters for permits, but that effort’s future beyond 2020 is uncertain.

Carbon Washington campaigners hope their tax would be strong enough to drive motorists, businesses and utilities to shift from fossil fuels to zero-carbon alternatives, such as solar or wind power. They say it should not be viewed as the only spur to change, but as part of a suite of measures.
“It is a terrific first step. It will be a model for the nation,” said Yoram Bauman, an environmental economist who is founder and co-chair of the Carbon Washington campaign.

But the state’s financial analysis has stung. The measure would lose revenue for the state, officials said, rather than result in an equal tax swap.

The Office of Financial Management this month posted its latest fiscal note on I-732, forecasting a net loss of $797.2 million over six fiscal years.

Bauman says this forecast underestimates carbon-tax revenue. His higher revenue estimate is based, in part, on a difference of opinion about what the carbon tax would actually cover.

Also this month, Sightline researchers weighed in. They concluded I-732 was “revenue neutral, to the best of anyone’s ability to forecast it.”

Leaders of the alliance working on the alternative measure want to see an entirely different tax equation — one that charges polluters and adds significant new revenue to state coffers.

Late last year, they met with Bauman and other Carbon Washington backers. They cited weak poll results for the carbon tax and asked campaign leaders to consider abandoning the tax measure and supporting an alternative.

But those negotiations broke down, and the carbon tax made the ballot.

Stolz, of OneAmerica, said the alliance is still working on developing the alternative proposal. The end result could be legislation or a push for a 2018 ballot measure.

Meanwhile, street by street, week by week, Carbon Washington volunteers work to promote the carbon tax. On the Sunday foray through Vancouver, Heidi Cody — a veteran of several months of canvassing — was encouraged.

She knocked on 37 homes. Most people weren’t home or didn’t want to talk. But Hunt, who offered to put up a yard sign, and seven other voters supported the measure.

“This is better than I have ever done,” Cody said.
Hal Bernton: 206-464-2581 or hbernton@seattletimes.com

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