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Fight heats up over Washington state carbon ‘fee’ likely to make fall ballot

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1 of 3  A view of the Tesoro refinery, as seen from Cap Sante lookout in Anacortes. (John Lok/The Seattle Times)
The measure would put an escalating fee on most fossil-fuel emissions, adding an estimated 14 cents to the cost of a gallon of gasoline at the pump. The initiative has drawn early opposition from oil companies.

By Hal Bernton  
*Seattle Times staff reporter*

OLYMPIA —

Proponents of a Washington carbon-fee initiative showed up at the Secretary of State's office in Olympia with more than 370,000 signatures to put their measure on the November ballot.

The signatures tally for Initiative 1631 — backed by a broad coalition that includes environmental, labor, tribal and social-justice groups — is more than a third higher than the minimum number required for a measure to be put to a vote.

“We are confident we are turning in enough signatures to qualify, said Ahmed Gaya,
field director of Yes on 1631, which recruited more than 2,300 volunteers to assist in the collection effort.

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Though still early in the campaign season, the measure already has galvanized high-powered energy-industry opposition.

A No on 1631 political-action committee formed by the Western States Petroleum Association has obtained pledges from BP, Shell Oil Products, Chevron Corporation, Phillips 66 and other contributors, according to state Public Disclosure Commission records.
The debts reported so far by the No on 1631 committee include more than $130,000 in consulting fees to Winner & Mandabach Campaigns, a Santa Monica-based firm, that according to the company website, has a 90 percent win rate in the nearly 200 state and local initiatives that it has been involved in.

The petitions submitted Monday by the initiative coalition still need to reviewed by the Secretary of State’s office to ensure that there are enough valid signatures to get the measure on the ballot.

The initiative by the Alliance for Jobs and Clean Energy would create an escalating Washington carbon “fee” on most fossil-fuels emission, and invest the revenue in clean energy, clean water, forests and other projects that seek to slow or help cope with climate change.

The fee would start at $15 a metric ton of carbon, which would add an estimated 14 cents to the cost of a gallon of gasoline. The fee would rise annually by $2 per ton of carbon emission, plus the rate of inflation.

Initiative proponents said they opted for a carbon fee — rather than a tax — so the spending of this revenue could be tied to spending on projects that could help reduce carbon emissions from fossil-fuel combustion and other greenhouse gases that contribute to climate change.
Money raised from a tax can be spent more broadly through legislative action. Fees, like those charged at state parks, are spent more narrowly.

The carbon fee would raise an estimated $1 billion annually initially, and the spending would be overseen by an independent board drawn in part from the public, which proponents hope will provide accountability.

At the gas pump, these fees would hit everyone, including low-income residents. This differs from carbon-tax initiative, rejected by voters in 2016, which would have rebated up to $1,500 to some 460,000 low-income families.

Proponents say low-income residents still would reap benefits through new investments in their communities for conservation, solar, clean-energy as well as job training and other expenditures.

There also could be expanded assistance to low-income residents. Coalition members are also exploring other types of assistance that might be possible.

**Fight heats up**
The initiative is being attacked by opponents as a poorly designed measure that exempts some big polluters, such as a Centralia coal-fired power plant scheduled to shut down in 2025 and relies too heavily on government spending that can sometimes be bureaucratic and ineffective.

Those opponents include BP, which did not take a position on an earlier carbon-tax initiative that failed in Washington in 2016, and backed California carbon-pricing legislation, according to a company official.

“BP supports a well-designed price on carbon. The initiative in Washington state does not meet that requirement, therefore we do not support it,” said a statement from Michael Abendhoff, BP’s director of Media Affairs. “Among other things ... the initiative is not economywide and does not treat equivalent emissions from different industries the same.”

Proponents say that the single largest source of carbon emissions in Washington is the transportation sector. They say most of the exemptions benefit trade-sensitive industries, such as aluminum producers, and such protection was necessary to help solidify a coalition that includes labor unions.

“We know that giant oil companies will do everything they can to divide, undermine, attack, confuse and defeat this coalition and measure, but this coalition has been tested time and time again. This broad-based, people-powered movement is poised to make history this November,” said Rich Stolz, executive director of OneAmerica, a coalition member.

Opponents criticize the measure as a regressive tax on Washingtonians. They note
that the state — with a sales tax but no income tax — already is considered to have the most regressive tax system in the nation, according to a study by the Institute on Taxation and Economic Policy.

“We’re looking forward to engaging Washington state citizens in robust discussion,” said Mark Funk, a spokesman for No on 1631, who said the fee would “place the burden for initiative squarely on middle-income and lower-income people.”

** Millions spent **

The money spent by both sides on the 2018 campaign is expected to be in the millions of dollars, and substantially top the amounts expended during the 2016 carbon-tax initiative, when proponents raised more than $3 million and opponents raised more than $1.5 million.

The 2016 carbon measure also was burdened by a nasty split in the state environmental community over whether it was the right way to move forward. The measure was intended be revenue neutral, cutting some taxes while raising taxes on fossil fuels that generate emissions.

Many environmental groups that support the 2018 initiative declined to endorse the 2016 initiative and it garnered less than 41 percent of the vote.

The initial polling on the 2018 initiative is stronger than the initial polling on the 2016 initiative, according to Nick Abraham, of the Yes on 1631 campaign, which so far has raised more than $2.2 million, according to state filings.

Abraham says that the measure would initially impose the fee on more than 70
percent of the state’s carbon emissions from fossil fuels.

The campaign is gaining a boost from the united front put forward by coalition members.

“It’s a lot more fun to be part of a bigger group with everyone pulling in the same direction,” said Gail Gatton, executive director of Aubudon Washington, which supported the carbon tax in 2016 and also has backed the carbon fee this year.

The initiative also could benefit from the lack of action on the national front as President Donald Trump has said that the United States would withdraw from the Paris climate accord reached in 2015.

Even as Trump administration back peddles on the science of climate change, BP, Shell and some other oil companies, on their websites have said they support carbon pricing to reduce carbon emissions.

“We believe that carbon pricing provides the right incentives for everyone — energy producers and consumers alike — to play their part in reducing emissions,” said a statement on the BP website.

BP also was involved in trying to reach agreement on a carbon tax during the 2018 legislative session, according to a company official.
Curtis Smith, a Shell spokesman, said his company’s support for “a robust and transparent carbon price is well known. He said that the 2018 initiative “generally lacks a convincing argument that carbon emissions would be reduced in a meaningful way if this initiative were to succeed.”

While Shell participated in the “initial phase of the No on 1631 campaign, Shell has made the decision not to participate beyond that, according to Smith.

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