

March 11, 2018

Dear Environment Committee of the Connecticut General Assembly,

I support Raised House Bill 5363 because it is a positive step in the fight against climate change. Over 97% of scientists agree that climate change is real and human caused. The consequences of climate change are already felt throughout our communities and will continue to worsen until we take serious action to curb carbon pollution.

Economists have repeatedly stated that pricing carbon is the most effective and efficient way to reduce greenhouse gas emissions; it creates incentives for both individual and systemic changes. Over 75% of 1100 economists surveyed by NYU's Institute for Policy Integrity agree that putting a price on carbon is the most economically efficient way to reduce carbon pollution.¹

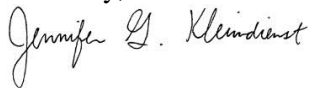
HB 5363 is revenue-neutral, which has the potential to yield strong bipartisan support. The redistribution structure of the bill divides the dividends from the carbon fees roughly equally between households and employers, ensuring that low-income families and businesses will not be unduly affected. While some may argue that some of the revenues should be invested in other areas, I urge you to return all dividends only to households and employers. Revenue-neutrality has the most bipartisan appeal, and returning revenues to those who live and work in Connecticut will allow individuals and businesses to make sound economic decisions independently by following predictable market signals.

I urge the committee to consider a higher initial per-ton cost on carbon pollution and to expand the pilot period of this bill with a set structure for raising the carbon fee annually. The Carbon Pricing Leadership Coalition's 2017 Commission on Carbon Pricing, supported by the World Bank, found that to reach Paris Accord targets on international carbon reduction, a price on carbon must be at least \$40/ton by 2020.² Connecticut has signed onto these targets via the United States Climate Alliance.³

HB 5363 presents a straightforward system that will address the global issue of climate change without building a convoluted regulatory structure and without market shocks that can be damaging to Connecticut's already-fragile economy. Other New England states, including Rhode Island and Massachusetts, are working on similar endeavors. This is a great opportunity for Connecticut and its neighbors to capitalize on those efforts to further increase our collective impact at a minimal cost.

I thank the Committee for their important work in starting the conversation on this pressing issue and urge the Committee to support carbon pricing. I truly believe Connecticut can position itself as a leader in the global fight against climate change by supporting strong legislation that puts a price on carbon.

Sincerely,



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¹ <http://policyintegrity.org/files/publications/ExpertConsensusReport.pdf>

² <https://www.carbonpricingleadership.org/report-of-the-highlevel-commission-on-carbon-prices>

³ <https://www.usclimatealliance.org/governors-1/>