

Testimony of Stephen G. Rosentel
Environmental Committee Public Hearing March 14, 2018

H.B. No. 5363, AN ACT ESTABLISHING A CARBON PRICE FOR FOSSIL FUELS SOLD IN CT.

My name is Steve Rosentel and I am the President of Leahy's Fuels, Inc. in Danbury CT and I am here to oppose **RB 5363 An Act Establishing a Carbon Price for fossil fuels sold in CT.**

We serve over 13,000 customers with fuel oil and propane gas deliveries and are celebrating our 101st year in business this year. We hope to survive many more! If RB 5363 were to pass it will seriously impact our ability to survive, not because it will result in a dramatic reduction in fossil fuel use in CT, but because our competitors from NY will cross into CT and deliver fuel to our current CT customers without charging or paying this tax. We are a mere 6 miles from the New York State border!

Our NY competitors will have an immediate \$.17 per gallon fuel oil advantage that will increase by 1/3 every year. In 5 years we will be more than \$.53 per gallon higher. While I like to think we are worth a premium - there is a limit. The higher the difference, the more incentive there is for our customers to call a NY Company.

CT has a virtually impossible job of citing non-HOD licensed NY dealers who come into our state now because of the mobile nature of a truck delivery. We will lose more customers to them every year as this tax increases. CT will lose jobs, except for the Department of

Revenue Services and the Department of Consumer Protection jobs that will be required to collect and distribute these funds.

If you look at the history of this state's spending by raiding funds that were originally established for other reasons, you have to be highly skeptical of the effectiveness of the "lock-box" wording.

This is on top of the multi-billion tax increases in the last 2 budget cycles and the anticipated town tax increase from the proposed reduction in municipal aid from the state.

While there may be some expectation that neighboring states may impose their own carbon taxes, NY has no such plan. Even if the other neighboring states imposed their own, would the initial and future rates be the same? This is really bad public policy for a state as small as CT where a large percentage of our customers are within a delivery range from out-of-state vendors.

Any carbon tax proposal needs to be at the Federal level, not the state level, to allow for an even playing field. This bill is poor public policy, poor tax policy and will encourage homeowners and business to leave the State.

I would be happy to answer any questions.