

Skanska Testimony, February 11, 2019. Salem

Good evening Co-Chair Dembrow, Co-Chair Power, and members of the Joint Carbon Reduction Committee,

For the record, my name is Steve Clem. I am the Vice President for Project Planning Services at Skanska, and am a member of the Oregon Business for Climate Board of Directors. I am here today in support of HB 2020.

Skanska is a global company that thrives on innovative ideas to grow the economy, and values sustainability not only to ensure the long term health of our planet but to ensure the long term health of our bottom line. Our mission is to Build What Matters. We are one of the largest construction and development companies in the world and have committed to 80% reduction of carbon emissions by 2050 and 35% by 2030. Despite having a strong Scandinavian heritage of sustainability, the company looks to the NW and to Oregon specifically to lead the conversation. The legislation before you re-establishes that pioneer spirit and uses market forces to move away from polluting. From a business perspective, unlike a tax, a Cap and Trade model allows flexibility for emitters to find the most efficient and cost-effective way to meet emissions reduction targets. As someone already working in other states and countries where a Cap and Trade program is in effect, I can attest to this. Over half of the world's economy already operates under some form of carbon pricing. Skanska is working in those markets every day, employing thousands of people with family wage jobs while delivering profits for our company and great projects for our clients. The truth is, Oregon is behind on installing Cap and Trade legislation and in 2018, US emissions increased for the first time in years. I was here during the Short Session last year delivering this same message. Now, in the 2019 Session, I see more momentum than ever before to pass this legislation. Don't let up now. It's past time for Oregon to get on board, especially in light of failed action on the federal level. Skanska is "still in" and Oregon needs to be as well.

As everyone here knows, HB 2020 would limit overall climate pollution from the state's top emitters and put a price on their pollution. Some have claimed that this would cost our economy, hurt jobs and drive away businesses. In fact, this bill is modeled after a policy that has been in place in California for over 10 years and was overwhelmingly reauthorized with bipartisan support. That's because since climate pollution limits were enacted there more than a decade ago, California has seen rising GDP, rising employment and rising population - along with reduced pollution, utility rate stability and gas prices that have fluctuated up & down more because of OPEC and world oil reserves, not because of Cap and Trade.

While California can offer us good insights into what will work, we know that Oregon isn't the same as California. And we know that one of the reasons the legislature decided to wait until the

2019 session to seriously move this forward was because you had some yet unanswered questions at the end of the 2018 Short Session about how best to craft this *for Oregon*. We applaud the due diligence that was done during the interim and are encouraged by the evolution of the legislative language as a result of that. It takes lessons learned from other jurisdictions who have come before us but it also speaks to who Oregon uniquely is. Now it's time to act.

As you will hear from other members of Oregon Business for Climate testifying here today, we exist fundamentally to bring a large and mid-sized business voice to this conversation that supports Cap & Trade. We are fundamentally aligned in the belief that we **MUST** do more to lower our carbon emissions in Oregon and that the longer we wait, the more catastrophic the result will be - in terms of cost and climate volatility. And, as you will also hear from others, we ask that you maintain the bill's strong cap, and thank you for installing the 45% interim target by 2035. And, we agree that Transportation must be included from Day One. Without these components all in play, we do not see a pathway forward to reduce our carbon emissions to 80% of 1990 levels by 2050. While some of our members believe we need to do even more than what this legislation outlines, what we *do* agree on is that we cannot do *less*. We know you will hear from others who want you to weaken this legislation. We implore you to hold the line.

Ultimately, HB 2020 is good for our long term economic health, and for our climate. We have a beautiful state that's worth protecting. People want to live and work here because of our reputation for sustainability and a culture of respecting our natural environment. Let's continue to earn that reputation. I urge you to pass HB 2020.

Thank you.