

**Climate Change is Regressive: The Case for A Decarbonization Study**  
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My name is Dan H. Hoxworth and it is my privilege to be the Executive Director of Capstone Community Action. Capstone Community Action's primary service area is Lamoille, Orange and Washington Counties. Capstone stabilizes lives, empowers individuals, nurtures children, and creates environmentally and economically sustainable households and communities. Senators, thank you for the opportunity to participate to discuss the impact of climate change on economically vulnerable Vermonters and the importance of investing in a decarbonization study.

A little more than six years ago, on August 28, 2011, Vermont felt the brunt of climate change when Super storm Irene battered the state with torrential rains and high winds. In Central Vermont, the Winooski River did major damage virtually wiping out Waterbury and causing serious flooding throughout this region. It took tremendous energy and resources for Vermont to rebound from the devastating impact of this storm.

Many of those most impacted were economically vulnerable Vermonters. For these Vermonters, Irene was personally devastating and some of still coping with the aftermath. Why is this so?

Because low-income Vermonters are often the most impacted by climate change. In other words, climate change is regressive.

First let me elaborate on the ways, climate change is regressive.

- 1) Vermonters with low income suffer the greatest consequences from the violent storms and volatile weather be it Super storm Irene or Sandy or the next one. Why? Because they are:
  - a. The first hit –as they live in risk prone locations;
  - b. The worst hit as they live in the most vulnerable structures;
  - c. The slowest to recover, if they ever do, from these weather events, as we saw in the aftermath of Super storm Irene.

Yet, the impact of climate change and our carbon-based economy does not stop there.

Economically vulnerable Vermonters face the greatest financial burden from our carbon based economy. They:

- a. Are the most vulnerable to price spikes in food and fuel due to climate-related events and carbon fuel price volatility. They have no capacity to financially absorb the additional costs.
- b. Often have to drive out away from job centers to find affordable housing. Thus, they are forced to commute farther distances.
- c. Are energy poor. They spend an inordinately large percentage of their income on fuel for their home and transportation.

They are also the most negatively impacted by the health risks inherent in our carbon based economy. Low income communities are often closer to carbon emissions from roads and industry and, thereby, suffer the most from air pollution and soil degradation with often severe health effects.

Yes, **Climate Change is regressive.** Yet, we can address that in Vermont. We can achieve economic fairness and environmental justice. We can lead the nation. Here's how.

As Ronald Reagan said, *“If you want more of something, subsidize it; if you want less of something, tax it.* For years, we have subsidized our carbon-based economy and encourage carbon pollution by not pricing it. Carbon pollution affects every Vermonter. It affects low income Vermonters the most. So let’s put a price on carbon pollution and use market forces to reduce carbon dioxide emissions. It uses a conservative principle to accomplish a progressive goal.

Indeed, the Climate Leadership Council came out with their recommendation, “The Conservative Case for Carbon Dividends-How a new climate strategy can strengthen our economy, reduce regulation, help working-class Americans, shrink government & promote national security” this past February. James A. Baker, Chief of Staff for both Presidents Reagan and George H. W. Bush, George P. Shultz, Secretary of State under President Reagan and Henry Paulson, Jr. Secretary of the Treasury under George W. Bush are among the authors. In it, they recommend

- 1) A gradually increasing carbon tax
- 2) A carbon dividend for all Americans.

They strongly assert that:

“a carbon tax would send a powerful market signal that encourages technological innovation and large-scale substitution of existing energy and transportation infrastructures, thereby stimulating new investment.”

I agree with their assessment!

So what would a carbon pollution price achieve for our State and residents?

- 1) It would spur consumer demand for innovative transportation alternatives and encourage innovation.
- 2) It would transition us away from the inefficient internal combustion engine. **Let’s stop driving furnaces!!**
- 3) It would further encourage local renewables as an energy source.
- 4) It would spur growth of our Climate Energy Economy; creating even more sustainable jobs **(now at 19,000)** that contribute to our environment instead of jobs that destroy it.
- 5) It would serve as a model for other states to follow and thereby, further establish Vermont as a leader in sustainability and the environment, thereby attracting more young people to live, work and play here.
- 6) Over time, it would improve the health of Vermonters through better air quality, water quality and less environmental degradation.
- 7) It would reduce the risk and impact on low-income Vermonters from weather-related disasters.
- 8) Finally, designed correctly, it could create a more progressive and equitable tax system in Vermont.

It is crucial that we ensure that a decarbonization strategy is progressive and does not unfairly burden low income Vermonters. We must design a program that mitigates the impact on cashflow of Vermonters with low income. We must also have a carbon pollution price that takes into account the rural nature of our state, Vermont.

So I ask that you retain the study of decarbonization mechanisms in the budget. Thank you for your consideration.