

**CITY OF ORTING  
WASHINGTON**

ORIGINAL

**RESOLUTION NO. 2020-02**

**A RESOLUTION OF THE CITY OF ORTING,  
WASHINGTON, DECLARING THE OPPOSITION OF THE  
CITY TO THE PUGET SOUND CLEAN AIR AGENCY  
(PSCAA) DRAFT RULE ESTABLISHING CARBON FUEL  
STANDARDS.**

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WHEREAS, the City of Orting is included within the boundaries of the PSCAA; and

WHEREAS, the PSCAA released a draft rule on October 9, 2019, that would impose restrictions on carbon intensity in transportation fuels sold in the counties of Pierce, King, Snohomish and Kitsap; and

WHEREAS, the draft rule creates and requires producers, importers and distributors of transportation fuels in the four-county region to participate in a carbon intensity credit and deficit market; and

WHEREAS, the draft rule creates and requires producers, importers and distributors of transportation fuels in the four-county region to participate in a carbon intensity credit and deficit market; and

WHEREAS, the agency contracted with a consulting firm to analyze the economic impacts of its draft rule; and

WHEREAS, the analysis projects the draft rule may result in a \$0.22 to \$0.57 per gallon increase in gasoline fuel prices and a \$0.24 to \$0.63 per gallon increase in diesel fuel prices in the four-county region; and

WHEREAS, the estimated increases in fuel prices resulting from the draft rule are approximately 2 to 4 times greater than the 2015 gas tax increase but do not provide any infrastructure funding for roads, bridges, or transit; and

WHEREAS, the analysis projects that Pierce County will experience reduced job growth each year through at least 2030, while the other three counties in the region are projected to see increased job growth; and

WHEREAS, the analysis also projects that the economic output of Pierce County will be reduced by as much as \$327.9 million through 2030; and

WHEREAS, relative to the four-county region and Washington State as a whole, the analysis indicates that the proposed rule disproportionately impacts Pierce County with Pierce

County suffering a much greater job loss and a much greater reduction in economic output than other areas of the region and State; and

WHEREAS, the City of Orting has been working to increase local jobs and reduce an existing jobs-housing imbalance in the region to improve our residents' quality of life; and

WHEREAS, the draft rule may further worsen the jobs-housing balance by reducing the creation of jobs in Pierce County while increasing job creation in other counties, potentially resulting in more people who commute to other counties to work; and

WHEREAS, the price impacts resulting from the draft rule will disproportionately affect Pierce County residents who work in King County but are unable to afford housing costs there, and have few mass transit options; and

WHEREAS, the key Pierce County economic clusters of aerospace, trade, logistics, manufacturing & military will be impacted because the draft rule assumes transportation will shift to electric vehicles, yet no viable options for electrifying commercial vehicle fleets currently exist; and

WHEREAS, the economic impact analysis for the draft rule estimates that in the year 2030, the human health benefits of the rule will be between 1 and 6 avoided all-cause mortalities cases per year due to changes in PM<sub>2.5</sub> levels in the four-county region. The analysis identifies a number of limitations and uncertainties associated with the estimate and does not provide an estimate of avoided all-cause mortality cases at the county level; and

WHEREAS, on November 8, 2016, 62.94% of Pierce County voters rejected a state-wide carbon tax presented as Initiative 1-732; and

WHEREAS, on November 6, 2018, 62.87% of Pierce County voters rejected a state-wide carbon tax presented as Initiative I-1631; and

WHEREAS, PSCAA's proposed draft rule is essentially a carbon tax and is potentially even more harmful to the City of Orting than a statewide carbon tax due to economic leakage to other counties that would not be subject to the tax; and

WHEREAS, from the year 2000 through 2015 carbon emissions in Washington declined by 9% largely through the use of incentives as opposed to regulation, an approach that has proven effective; and

WHEREAS, while the City of Orting is supportive of efforts to reduce greenhouse gas emissions, the cost and economic impacts of such efforts must be shared equally across the State of Washington so as to not economically disadvantage cities like Orting;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORTING AS FOLLOWS:

**Section 1.** The Orting City Council declares its opposition to the PSCAA draft Clean Fuel Standard released October 9, 2019, which creates a fuel standard which imposes additional requirements and costs on fuel producers, distributors and importers. The Council's opposition is based in part upon the following findings:

1. PSCAA projections which indicate that the draft rule could increase gasoline prices by \$0.22 to \$0.57 per gallon and diesel prices by \$0.24 to \$0.63 per gallon, resulting in higher costs for families, businesses, and industries in Pierce County and the four-county region.
2. PSCAA projections indicating that the draft rule could result in a loss of economic productivity in Pierce County each year through at least 2030, with the loss estimated to reach \$327.9 million by 2030.
3. PSCAA projections which indicate that the draft rule could result in reduced job creation in Pierce County each year through at least 2030, with the job loss estimated to reach 855 jobs by 2030.
4. PSCAA projections which indicate that Pierce County will bear a disproportionately high percentage of the impacts associated with the draft rule. Of the four counties that would be subject to the rule, Pierce County would bear almost all of the loss of jobs and economic productivity. Relative to Washington State as a whole, Pierce County would bear more than 87% of the projected \$374.4 million of lost economic productivity statewide through the year 2030.
5. The City of Orting has made it a high priority to retain and grow family wage jobs locally and to reduce the need for its residents to commute outside of Pierce County for employment. The draft rule will further exacerbate the existing imbalance in jobs and housing through local job loss and will increase the cost burden on residents who have no choice but to commute to jobs in other counties.
6. Pierce County voters have expressed opposition to implementation of a carbon tax, with 62.94% of Pierce County voters rejecting Initiative I-732 in 2016 and 62.87% of Pierce County voters rejecting Initiative I-1631 in 2018. PSCAA's proposed four-county fuel standard is essentially a carbon tax and is potentially even more harmful to the City of Orting than a statewide carbon tax due to economic leakage to other counties that would not be subject to the tax.
7. The draft rule is likely less cost effective than other approaches to carbon reduction. For example, the State of Washington recently announced a \$2.32 million grant to the Intalco Aluminum plant in Ferndale to improve the efficiency of its production, reducing more than 750,000 tons (680,000 metric tons) of CO<sub>2</sub> per year. Intalco will match the amount, bringing the total investment to \$4.6 million. This amounts to \$3.42 from the state for each metric ton of CO<sub>2</sub> avoided, and \$6.84 in total for each metric ton of CO<sub>2</sub> avoided. In contrast, the estimated cost per metric ton of CO<sub>2</sub> avoided

under the draft rule may be as high as \$180.00, which is more than 26 times more expensive than the Intalco example cited

**Section 2.** The Orting City Council declares that public policy regarding clean fuels is of state-wide concern and should be discussed and debated at a state level rather than a local level and that any costs associated with such policy should be shared state-wide. Accordingly, the Council requests that the PSCAA take no action to adopt the draft Clean Fuel Standard and instead transmit the Agency's findings to the State legislature for its consideration as part of a future comprehensive state-wide policy.

**Section 3.** The Clerk is hereby authorized to transmit a copy of this Resolution to the PSCAA upon its adoption.

**Section 4.** The City Clerk is authorized to make necessary clerical corrections to this resolution including, but not limited to, the correction of scrivener's errors, references, numbering, section/subsection numbers and any references thereto.

**Section 5.** This Resolution shall become effective immediately upon adoption and signature as provided by law.

**RESOLVED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF  
ON THE 29<sup>th</sup> DAY OF JANUARY, 2020.**

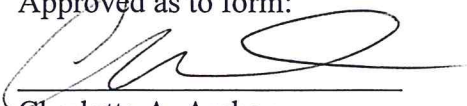
CITY OF ORTING

  
Joshua Penner, Mayor

ATTEST/AUTHENTICATED:

  
Jane Montgomery, City Clerk, CMC

Approved as to form:

  
Charlotte A. Archer  
Inslee, Best, Doezie & Ryder, P.S.  
City Attorney

