



Climate Solutions™

June 23, 2009

Environmental Protection Agency
EPA Docket Center (EPA/DC)
Mailcode 6102T
Attention Docket ID No. EPA-HQ-OAR-2009-0171
1200 Pennsylvania Ave., NW
Washington, DC, 20460
GHG-Endangerment-Docket@epa.gov

Dear Administrator Jackson,

On May 21, dozens of northwest businesses testified in person in favor of EPA's proposed finding that greenhouse gases endanger public health and welfare. Following are testimonies from prominent members of the Business Leaders for Climate Solutions network, a group of more 375 northwest business leaders making the case for clean energy through smart climate policy.

We respectfully submit these comments for your consideration.

With thanks,

Ross Macfarlane
Senior Advisor, Business Partnerships
Climate Solutions

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B R A D W A R R E N

Sustainable Fisheries Partnership
Seattle, WA

Fisheries perspectives on CO₂ emissions and regulation: Testimony at EPA hearing on proposed finding that CO₂ and other GHGs threaten health and welfare

Seattle, May 21, 2009

Thank you for the opportunity to testify today. My name is Brad Warren, and I run a program on ocean acidification and global ocean health at the Sustainable Fisheries Partnership (known as SFP). SFP is a nonprofit group that works with the seafood industry to improve and conserve fisheries around the world.

I came to this work after more than two decades in the fishing industry, where I ran trade journals and consulted on resource management issues. I got involved in this issue because CO₂-driven changes in the ocean appear to pose an overriding threat to the future of fisheries.

At a minimum, we expect ocean acidification and hypoxia alone will reduce productivity of fish stocks that generate food and livelihood for many millions of people. In the worst case, acidification could extinguish many fisheries.

We don't know yet whether we're looking at a serious nuisance or an apocalypse, but it doesn't look good. Some fisheries, such as Washington's oyster industry, may already be suffering serious harm. Larval forms of many marine species are especially vulnerable, and lab experiments show very high mortality; in a preliminary study by NOAA scientists, 67% of larval blue king crab died when exposed to levels of acidification that are already occurring in some waters—including parts of the West Coast during summer upwelling.

Based on peer-reviewed NOAA research findings, it appears that the West Coast and the North Pacific off Alaska are especially vulnerable, because CO₂ tends to collect here. In the near-surface waters where most fish and shellfish live, CO₂ concentrations are unusually high in this region. These waters, mainly in Alaska, produce about two thirds of the U.S. fish harvest. So a lot of food is at stake.

I need to be clear on this next point: Though we work closely with them, we don't represent the fisheries industry. There isn't yet agreement on every point or every step toward solutions. But I can say that many leaders of the industry are seriously concerned about acidification. We think they should be.

The chemistry is pretty clear. The biological consequences are still coming into focus. We know that billions of tons of CO₂ from smokestacks and tailpipes are mixing into the ocean every year. The resulting carbonic acid depletes the rich soup of calcium carbonate in seawater. Many of the fish we eat depend on food species that literally build themselves out of that soup. One example: Pteropods, an important food source for salmon and other fish, have been shown to dissolve quickly in calcium

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carbonate- depleted conditions resulting from elevated CO₂ concentration. Those conditions already exist in some waters along the West Coast and Alaska.

If you want to see the key scientific papers that document acidification impacts, I would be happy to provide them. My email address is at the top of this page.

It's fair to say that seafood producers have two interests at stake in controlling CO₂ emissions.

First, they depend on the ocean to make fish. Some fishers and fishing communities are pressing for strong carbon policy in order to protect ocean productivity. We encourage that. They also want to know how CO₂ emissions are affecting fish and shellfish. Fishing and processing groups have advocated successfully for two important government research programs, one national, one regional, that will help to clarify how CO₂-driven acidification affects marine ecosystems and commercially harvested species

The second point of concern is the same one every other industry faces: fishing takes fuel. We have found that fishers and processors want to protect the resource, and they also want to stay in business. They want emission reductions targets that are achievable. They also want emissions regulations to be fair and affordable.

Their experience is unusually relevant as the nation prepares to adopt a cap and trade system for carbon. Probably more than any other industry, fishers understand the use of transferable "rights" or "allowances" to address environmental problems. The lessons learned apply directly to carbon regulation. Dozens of transferable fishery quota systems have evolved over the last for 25 years around the world. Fishers and seafood processors have learned how these systems can solve difficult problems such as reducing bycatch; they have also learned how these cap-and-trade systems create competitive advantages and disadvantages. If a new regulatory system for carbon dioxide is going to create tools and incentives that help companies reduce emissions, improve energy efficiency, and reduce fuel costs, people in the fish business will want access to those benefits.

The fishing industry is a tiny emitter. Based on data from the U.N. Food and Agriculture Organization and U.S. Department of Energy, we've estimated that fishing fleets worldwide account for about 0.2% of global CO₂ emissions. Probably no U.S. seafood company (and certainly no single facility) emits 10,000-ton CO₂e, the threshold for regulation envisioned by many carbon policy proposals. But again, if a new system creates special benefits, they will want the benefits to be allocated in a fair and inclusive way—not reserved for a few big emitters, while everybody else just pays more at the pump.

There can be legitimate disagreements about how, and how much, to reduce emissions. But there is one goal everyone should hold in common: We want controls that allow the ocean to keep giving us fish to eat.

An excellent documentary film on ocean acidification has just come out. It's called *A Sea Change* (information online at www.aseachange.net). The Northwest premiere will be June 1 at the Egyptian Theatre in Seattle, 7pm. I recommend this film to everyone here.

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S A R A H S E V E R N

Nike, Inc., Director of Corporate Responsibility Horizons
Beaverton, OR

For the record my name is Sarah Severn, and I am Nike's Director of Corporate Responsibility Horizons.

On behalf of Nike, I would like to thank you for providing me the opportunity to testify today. Nike has been addressing its own contribution to climate change since 1995. We are deeply committed to the concept of a low carbon economy, believing that early action on this issue will provide us with a business advantage. Our company is global and we have an extensive supply chain. Climate change and the related systems impacts represent substantial business risks for us.

To Address This Challenge NIKE has:

- Partnered with WWF to reduce CO2 emissions from our own operations by 18 percent between 1998 and 2005, despite significant growth in our business;
- Invested in numerous facilities operational changes to address climate change with a combination of energy efficiency, LEED based design and renewable energy options. We were also included in the EPA's National top 50 buyers of Green Power for several years.
- Spent many years and millions of dollars of R&D to eliminate the potent greenhouse gas SF6 (sulfur hexafluoride) from the air bag units that are a key technology of Nike footwear. The EPA was instrumental in focusing our attention on the global warming potential of SF6.

However, we have reached a point in the US where the easy gains have been made. Without significant action on the part of government to "de-carbonize" our economy, we will not be able to make further progress.

For this reason we were a founding partner of "BICEP", Business for Innovate Climate & Energy Policy, a coalition of consumer facing brands advocating for climate and energy legislation that meets a core set of 9 principals.

BICEP members believe that scientifically based targets are necessary if we are to avoid the worst case scenarios of climate change, and that a significant price on carbon, correctly applied, will unleash the innovation that is required to stimulate the economy and move us towards a low carbon, energy secure future.

Nike and BICEP believe that federal legislation is the best way to move climate change and energy policy forward in the United States. The legislative process is deliberative, transparent and based on consensus and that is exactly the kind of process that is required to demonstrate to the world that the U.S. is serious about doing its fair share toward reducing global warming.

We also recognize that the legislative process (particularly on this issue) needs continuous prodding. If by initiating the regulatory process to battle climate change, the Administration can promote renewable energy development and energy efficiency to spur that process forward, we are fully supportive.

The Waxman/Markey climate and energy bill represents a significant step forward. In the event that this bill does not pass, EPA's action to regulate carbon in a stringent manner under the Clean Air Act should, in turn, make a market based cap & trade system seem far more desirable.

Experience demonstrates that fair but strict administrative rules spur new research and development in innovative pollution-control technologies and in this way new rules may play a critical role in getting funds directed towards CCS or other capture technologies. Administrative regulation can and will work.

In closing, I would like to add that the road to Copenhagen goes through Washington. The only way we can hope to get a global agreement in Copenhagen is if the US demonstrates leadership through the passage of game-changing rules that will reduce our own over-sized carbon footprint. EPA's proposed rule is a step in that direction.

A S H A W A D

McKinstry Co., Vice President for Energy
Seattle, WA

Thank you.

I am Ash Awad, the Vice President for Energy at McKinstry. McKinstry is a 49-year-old Seattle-based business that designs, builds, and operates high performance buildings, with offices in 12 states. We focus on making buildings more energy and operationally efficient, while improving the physical environment – in and outside the building. We work with schools, cities, counties, universities, and private corporations to dramatically reduce energy, water, and solid waste inefficiencies.

We employ 1,500 people that range from engineers, project managers, pipefitters, sheet metal workers, electricians, carpenters, as well as energy analysts, sustainability specialists, and renewable energy experts. We are a proud member of the labor, business, and environmental communities present here today. We are also a business that owns our facilities and has over 400 vehicles on the road – so the idea of EPA more actively managing green house gas emissions has a direct impact on our business.

However, we are proof that good for the environment is good for business, and by any contemporary definition, we are a company that has very successfully transformed into the new energy economy – with a purposeful focus.

Therefore, we fundamentally believe that American industry can withstand placing a market driven value on the cost of green house gas emissions, while also creating an overall positive economic impact – even under the current economic conditions.

We appreciate the conversation and debate that occurs from all sides on this topic, yet we believe that a paradigm shift in how we view energy costs in America needs to occur. Rather than a business being paralyzed by the fear of a rising cost of kilowatt-hour, or gallon of gas, or barrel of oil, we need to more readily consider the total cost of energy—from production to end use – and how we can cost-effectively reduce that overall cost of energy even as energy prices rise.

For instance, we could worry about gas rising to \$5 per gallon, or we could focus on making 150 mile per gallon vehicles that would cost less to fill up – even at \$5 per gallon – while creating the best cars in the world – right here in America.

Same goes for the built environment. 50% of the energy is wasted in the built environment, and buildings account for almost 40 percent of the greenhouse gas emissions. If we establish the right energy and environmental policies, coupled with the right market price indicators and incentives, we can optimize building energy usage – may be even down to net-zero energy usage – while creating a return on that investment, improve the value of our real property, dramatically reduce green house gas emissions, and create new jobs that will lift the economy.

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In closing, we must all transform into a leaner, greener energy consumers, and by placing a market value on carbon we will catalyze a new age of efficiency, conservation and renewable technologies that will both dramatically reduce harmful green house gases and propel American innovation and growth for decades to come – with only a net positive benefits to the economy. What is good for the environment can truly be what is best for American business.

Thank you.

M A U D D A U D O N

Seattle Northwest Securities Corporation, President + CEO
Seattle, WA

Thanks very much for coming to Seattle for the hearing today on a topic critical to this region and beyond. I am Maud Daudon, President and CEO for Seattle Northwest Securities Corporation, a regional investment banking firm specializing in financing public projects for schools, cities, counties, ports and other public entities. We have been doing this for nearly 40 years. In the last few years, we have launched an energy finance group that not only works with our traditional PUD clients, but also works on renewable and energy efficiency financing. That is our connection to your hearing today.

I am here today to support your findings that climate change is here and that it poses a significant threat to human health.

More importantly, I am here to urge you to move swiftly to endorse these findings. This work provides the essential underpinning for legislative actions, such as cap and trade, that create appropriate price incentives for clean technology projects to proceed. With the meeting in Copenhagen coming at the end of the year, it is imperative that the United States send a signal that it is joining other countries around the world in recognizing the climate change threat (which these findings make clear) – and using that as a springboard for much needed action.

Thanks for your time and attention today.

E T H A N S C H A F F E R

GrowFood.org, Founder
Seattle, WA

Thank you to the EPA and the Obama Administration for holding this hearing in Seattle on such an important issue as climate change. My name is Ethan Schaffer, and I'm here to testify in support of the EPA's public endangerment finding. I am from the small town of Sandpoint, Idaho, where I grew up on a 360 acre hay and tree farm. I am also the founder of GrowFood.org, the largest apprenticeship program for organic farmers in the country. We have a network of 1500 farms in all 50 states that provide hands on education to new and aspiring farmers. Since I founded the program in 2001, we have trained over 20,000 new farmers.

And though we have helped many young farmers get their start on the land, I am deeply concerned for their future. Climate change is a direct threat to the livelihood of farmers and the agrarian way of life. I know some people mistakenly think that "global warming" may improve growing seasons in temperate climates. But from what I hear from the scientists and what I have witnessed, climate change really means erratic and unpredictable weather. And there's not much that gets farmers more down than bad weather. From erratic frosts and new pests to drought and flooding, climate change is a major risk to agriculture and therefore to the health and well being of all people who eat.

I am told that in Australia, they are considering no longer using the word drought, because it implies that there will be an end. It may be that drought is the new normal. California is now in its third year of drought and farmers are preparing for another season with dangerously low snow pack. Economists predict this will cost the state 80,000 jobs and \$2 billion in 2009.

And here in Washington, I know many farms that have been devastated by two years of abnormal flooding. I know farmers don't like change, especially higher input costs, but I think we can handle a few more cents on the gallon of diesel if it means our farms won't get wiped out by floods. Better yet, we'll run our tractors on American-grown biodiesel.

And that's the hope in this dire situation. Agriculture is also a solution and the EPA should see us as a partner in combating climate change. Local food can reduce the fossil fuels used for transportation. Organic agriculture, especially no-till, sequesters carbon in the soil. New practices like biochar may increase the carbon capture potential of soil even further, and increase crop yields organically.

GrowFood.org has had tremendous success training a new generation of farmers. But we must ensure that they inherit a stable growing season. It's hard enough to be a farmer as it is. For the sake of the next generation of organic farmers and all those they will feed, we must assume all responsibility and mend our climate changing ways. Thank you EPA and Lisa Jackson for stepping up to the challenge. I support the endangerment finding. Please regulate greenhouse gas emissions. Thank you.

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P E T E R B R E H M

Infinia Corporation, Vice President of Business Development + Government Relations
Kennewick, WA

Thank you for your time today. My name is Peter Brehm; I am the Vice President of Business Development and Government Relations for Infinia Corporation.

Infinia is based in Kennewick, Washington, where we employ almost 200 hundred people developing and manufacturing the Infinia Solar System, a 3 kW modular solar-dish Stirling power system. We are on a mission to help change how the world produces energy by dramatically reducing carbon emissions from energy production and energy equipment manufacturing.

Our Stirling engines are made from common automotive industry materials and production processes. They are highly reliable, require no maintenance, can run for at least 25 years and concentrate solar power for anything from military and space operations to home heating and large-scale solar power generation systems. Infinia Solar Systems are approximately 50% more efficient than PV systems and less expensive when measured on a levelized cost of energy basis. We believe we can bring consumer prices for solar power from the current low-20's to 12-13 cents per kWh.

The majority of our vendors are tier 1 automotive suppliers and as such, we are effectively the poster-child for President Obama's stated goal of converting the now dwindling, traditional automotive industry jobs to renewable energy jobs. Infinia is a great example that we don't so much need a new green industry as we need to make existing industry green. Save Jobs – Save Lives.

Infinia Corporation is Washington State's largest solar power system manufacturer, and we are poised for expansion into selling clean, renewable power to the world. Last year, we secured \$millions contracts for a Spanish solar installations. Now, we are scaling up to produce 720 Megawatts of solar power systems a year for Europe, North America and India by the end of 2010, employing more than 800 people worldwide by the end of 2010.

Infinia is using American ingenuity to capture these international markets. But beyond building a profitable growing company, Infinia is innovating to actively fight climate change by powering our economy on clean, renewable energy. Climate change and our addiction to fossil fuels threaten both our planet and our national energy security, but strong federal policies promoting clean energy and climate can both cut carbon pollution and help launch investment and innovation in companies like Infinia. The rest of the world is trending green, and the US is in danger of falling behind: it is imperative that the world thinks of red, white and blue when it looks for energy innovation.

As an environmentally-conscious business that is expanding and hiring new workers in these tough economic times, we encourage the federal government to step up and make a firm commitment to limiting global warming pollutants, and adopt policies that make clean, renewable power the cheapest and wisest energy investment. That is why we support EPA's action to take the first steps to regulate greenhouse gases. The science is clear and America needs to lead. We urge Congress to move swiftly to adopt comprehensive strategies that will encourage investment and innovation in renewable energy and clean technology. As I already mentioned earlier - Save Jobs – Save Lives.

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