June 17, 2019

Dear Rotary Member:

Thank you again for the opportunity to speak to the Rotarians on June 5, 2019. I appreciated being able to represent my organization, CCL, and describe HR 763, which we support, to your membership.

On June 10th, I received a link to the Harpoon meeting notes that were posted on the Ann Arbor Rotary club website. Reading these minutes submitted by Ed Hoffman, June 9, 2019, I noted a number of important factual errors, which collectively, critically misrepresent the content of my remarks and details of HR 763. I am concerned that anyone who reads the minutes will come away with a very inaccurate understanding of the legislation I described. These inaccuracies, in combination with the report's negative tone, combine to prevent the bill and the details I presented from receiving a fair hearing.

My mission is to spread the word about a possible nonpartisan solution to the climate crisis and how this solution works, and thus I came to present it. It would be deeply troubling to me to allow this set of misunderstandings about the bill go uncorrected, particularly as they are posted on the internet where those who were not present to hear my remarks will view it. I would be most grateful if we could work together to address the matter of the errors I have listed below.

Thank you,

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Errors are listed below, beginning on page 2 (this document is 14 pages). I have also attached a separate transcript of my remarks, from which I read during my presentation. The slides were left on your presentation computer's hard drive. In addition, I have also attached separately the Harpoon meeting notes with line numbers along the left margin, so you can more easily navigate that document, should you wish to do this.

I identified the following errors and mis-quotations below. There are other misquotes and errors as well, but they are less important to me than these:

What Harpoon said, line 61: Maurita, saying, “Our speaker, Mary Garton, is one of 500 [advocates] across the country . . . “	Error/Correction: Maurita said that CCL has over 500 chapters, and we had a few guests from our local chapter here today.	What I said in my talk: Slide 2: CCL is a network of volunteers who come from all walks of life, working towards a national solution on climate change. We have 549 chapters and 138,000 members. slide 2 had printed, “138,000 members, 549 chapters” and showed a map of all the chapters in the US.	Priority level Low -- but confusing and inaccurate.
What Harpoon said, lines 68-69: “Our founder, Marshall Saunders, who was featured in The Rotarian, says, ‘Climate change is Rotary’s business.’”	Error/Correction: “Why climate change is Rotary’s business” is the title of an article in which International Rotary President Barry Rassin is interviewed; it is not a quote from Marshall Saunders	What I said in my talk: Slides 5-6: “The April issue of The Rotarian, which was dedicated to climate change, had a wonderful article, “Why Climate Change is Rotary’s Business,” where President Barry Rassin says, “the environment isn’t one of Rotary’s six areas of focus, but it’s deeply intertwined with each of them . . . You look at our polio eradication program: it’s successful . . . because Rotarians were able to give the right people, give the right support . . . if we did that with the environment, governments would listen to us.”	Priority level Low -- but should be corrected: it isn’t Marshall Saunders and CCL who are telling Rotary why climate change is Rotary’s business, which could be perceived as out of line – it is the President of Rotary International who says this.

What Harpoon said, lines 76-77:	Error:	What I said in my talk:	Priority level Moderate – I never said anything about setting annual benchmarks for commercial and individual carbon roll-backs (?). I do not know anything about the accuracy of this statement, so I'd rather not be cited commenting on it.
She noted that Canada "is now 'pricing' carbon," that is, setting annual benchmarks for commercial and individual carbon roll-backs. "It's a market-based approach," she insisted, that places financial penalties and rewards for carbon reductions."	I did not discuss the details of Canada's carbon pricing system. The entire extent of what I said about Canada is in the column to the right.	Slide 23: "Canada also instituted a carbon dividend for its four remaining provinces, and now all of Canada is pricing carbon. This is an idea whose time has come."	

What Harpoon said, lines 78-79:	Error/Correction:	What I said in my talk:	***Priority level Critical*** - the location of the assessed fee is critical to capturing embedded carbon, for reasons explained in the text. Also, 10% would be an ineffective increase.
"In terms of penalties, the carbon levy to industry would	The fee starts at $15.00 per metric ton and increases annually by $10. (not 10%). It is applied at the source of the carbon, the mine, oil well, or port of entry, not industry.	Slides 29-30: "This bill, HR763, charges a fee at the source: the mine, well, or first point of sale. Why? . . . A simple gasoline tax would only target 29% of the FULL SCALE of emissions. You want to assess the fees where the fossil fuels first hit the economy	

increase annually by 10%."		so the electrical grid, industrial energy, and the natural gas that heats our buildings and homes also gets reduced. . . because all emissions are downstream from the fee, it's all covered . . . The fee starts intentionally low so as to not shock the economy, at $15.00 per ton of CO2 emitted, but it increases annually by $10 per year."	
<u>What Harpoon said, lines 80-82:</u> "Conversely, companies adopting carbon-reducing practices and alternatives energies (e.g. Solar and wind power) would receive 'carbon dividends.' Credits would also accrue to individual households on a proportional basis."	<u>Error/Correction:</u> The proceeds of the carbon fees would distribute equally to all Americans, one share per adult and ½ share per child	<u>What I said in my talk:</u> Slides 51-53: "What do we do with it [the money?] We divide it into equal shares and send it out as monthly dividends to all Americans. One share per adult, ½ share per child. But why give the money away instead of funding [examples of possible other uses for the money]?" Slide 64-65 was a photo of cash in a back pocket where I said, "Cash in their pockets," and addressed the local ways this could be spent: on restaurants, clothes, school supplies. This is not the same as credits, and there is no mention of being proportional; it is equally distributed. Slides 67-72: "the dividend makes all the difference. But why does it have to be equal? Equal is transparent . . . everybody's dividend is exactly the same. Equal, because if some people get more than others,	***<u>Priority level Critical</u>*** – This is a fundamental misunderstanding of the program. Dividends are paid to individuals, not companies. ***<u>Priority level Critical</u>*** – The slides go over the details of why the dividend goes to all Americans instead of being sent to companies of any kind.

		opposition will . . . Equal is less expensive. Distributing the refund evenly in monthly checks . . . Equal, because we all breathe polluted air . . . "	
What Harpoon said, lines 83-84: "A persistent problem, Mary asserted, is what is called 'solution aversion' – "which is avoiding solving the climate problem. Look at this chart of energy usage in the U.S. . . . "	Error/Correction: Misquotes me and misunderstands solution aversion. Republican interest in a solution, which is essential for legislative passage, hinges on their perception that the solution is palatable and corresponds with their values.	What I said in my talk: Slide 35: I said, "Several studies suggest something interesting: when Democrats and Republicans were told about climate change and then given either a free market or a regulatory solution, the Democrats tended to believe climate change was a problem regardless of the solution they were offered. The Republicans, on the other hand, were far more likely to believe it was a problem that needed solving when the market solution was offered and far less likely to believe there is a climate crisis, when regulatory solutions were proposed. Solution aversion is the technical term for actually believing less in the significance of a problem when one feels the cure is worse than the disease. Because bipartisan support is critical to getting and maintaining legislation across different administrations regardless of party affiliation, the common ground we should be looking at is market solutions."	Priority level Medium -- juxtaposed with what is below, this suggests a different message than what I intended, which is that being aware of, and working with solution aversion is an important issue toward trying to find a bipartisan solution.

What Harpoon said, lines 84-86:	Error:	What I said in my talk:	Priority level Low – but deceptive and incorrect.
" '…Look at this chart of energy usage in the US.' The chart showed exponential growth in the consumption of hydrocarbons over several decades."	Neither the chart described, nor the quotation appeared in my talk; I never addressed increased consumption or emissions over several decades because Dr. Pollack had covered the basics of climate change two weeks prior.	I said nothing about this. Perhaps slides 58-63? The only chart I showed in this talk that looked in any way like bars that were rising in the way he depicts a chart I showed, would be slides that were labeled, "Carbon footprints of different income levels" much later in the talk, where I say, "This graph compares carbon footprints for different income levels. . . these bars show average per person emissions for the 5 quintiles of income." This chart was used to show that an equal dividend would serve to protect the most vulnerable and low-income people in the US from the costs of the energy transition. Other than possibly this chart showing something going up, I have no idea what chart is being referred to, here.	By juxtaposing this chart that I supposedly showed and the misquotation above, it seems that I am scolding climate deniers. Whereas the text of my remarks shows that I make the point that Republican interest in a solution, which is essential for legislative passage, hinges on their perception that the solution is workable. These are quite different messages.

What Harpoon said, lines 88-89: "She acknowledged that CCL and Bipartisan Act's measures are draconian in comparison to other proposals:" (to be followed below)	Error: The basic error is that I did not, nor would not "acknowledge that CCL and Bipartisan Act's measures are draconian in comparison to other proposals." If I believed this, I wouldn't volunteer for this organization to try to pass this legislation. In the Q&A, I did compare several aspects of the Baker-Schultz plan which made it less appealing than HR763 and described some aspects that made us support it less than HR763. One problem with the plan is that it starts abruptly high, which we felt would be too disruptive to the economy, not allowing people and businesses the time needed to adjust. A second problem I mentioned is that it has judicial branch and regulatory rollbacks that are quite far-reaching, and which limit our abilities in other ways to control emissions. Lastly, the trajectory of the price: starting very high and then leveling off does not allow it to reach the necessary carbon price we are told by economists that	What I said in my talk: Slide 20: "The IPCC declared that a high price on carbon would be necessary to achieve this." Slide 21: All of these economic leaders signed a statement in support, not just of carbon pricing in general, but specifically carbon dividends: 3, 554 economists from Universities across the country, all of our former chairs of the Federal Reserve, 27 Nobel Laureate Economists, 15 Former chairs of the Council of Economic Advisers, and 2 former Secretaries of the US Department of Treasury, all advocating carbon dividends. I also said that this bill protects and even positively benefits average Americans due to the stipend, businesses, and our economy: Slide 24: ". . . create jobs and be good for people." Slides 58-65: " . . . it protects the poor and middle class from the expenses of the transition. . . this graph compares . . . the energy used by the top 2%ers on the right, is 4 times the energy use of the lowest income Americans, there on the left . . . when people who emit less carbon get their monthly dividend checks, it will offset their smaller increase in expenses. In fact, 2/3 of	***Priority level Critical*** –Mr. Hoffman's use of the word, "draconian" is clearly pejorative. I did not acknowledge in any way that this bill would be the most draconian in comparison to other proposals. In fact, the clearest summary of my entire talk is just the opposite: It is the most viable/bipartisan, effective, and protective solution of all that have been proposed, and will do most of the work towards reducing emissions to where they need to be. It is not the only solution, but it is a necessary step.

	we need to reach the IPCC target of 1.5 degrees. Slide 21 – in the talk, I also compared CFD to a gas tax similar to France's approach, which caused rioting in the streets and explained why the approach France has taken would not only not be effective in reducing emissions, but would also place undue financial burden on those who could least afford it. I contrasted these two aspects of the French approach with HR763, which would be more effective and less adversely impactful on the poor. This is an example of a type of proposal I compared less favorably to HR763, not more favorably. It is the most effective and fair of the proposals. It is also not called "Bipartisan Act"; it is the Energy Innovation and Carbon Dividend Act.	households, which turn out to be the lowest-income Americans, are projected to break even or receive *more (*emphasis in my talk) in their dividend checks than they will pay extra due to price increases. . . money in their pocket . . . most people will spend this stimulus locally . . . so job growth in neighborhoods is projected to grow by 2.1 million jobs over the next 10 years, with the lowest 3 economic quintiles gaining the largest share of new jobs."	

<u>What Harpoon said, lines 89-91:</u> " 'The others call for [fines] to level off over time, whereas ours continue upward' (she traced a rising diagonal with her arm, much like an exploding stock chart)."	<u>Error:</u> The steady and predictable (not exploding) rise to $100 by 2030 is what economists say is necessary, and that the Baker Schultz plan, with its steep initial price and then leveling off does not reach the carbon fee target to reduce emissions sufficiently. They are fees, not fines. The word, "fines" is placed elsewhere in quotation marks, although I never used the word in the talk. Fines are what are levied after a law has been broken and has a strong negative tone. A fee is a price that implies no moral judgement.	<u>What I said in my talk:</u> Slide 31: "This steady and predictable increase allows cities, industries, and investors to know how quickly fuel prices are going to rise so they can plan how to reduce costs BEFORE the fee becomes substantial."	<u>***Priority level High***</u> – By placing this quote next to a visual image of an "exploding" stock chart and next to the words that Mary "acknowledges" this is the most draconian proposal, Mr. Hoffman completely undermines my actual message.
<u>What Harpoon said, lines 91-93:</u> " 'Now who will lead us to a solution? Innovators!' Her audience was directed to	<u>Error:</u> Misquotation- I have quoted my exact remarks in the column to the right. The presence of a carbon fee will drive a process of innovation that currently has no financial driver.	<u>What I said in my talk:</u> Slides 39-50: "energy conservation becomes a matter of saving money. . . there's a financial incentive . . . people will find ways to use less fuel/energy . . . energy is wasted everywhere (examples given of energy waste) . . . there is similar waste in every device and automobile we currently use, as well as our electrical power grid . . . when businesses make small changes they	<u>Priority level High</u> - The meeting notes fail to report the clear connection I drew between the fee and potential future innovation, sounding instead like a vague hope and a non-solution. This is not a fair or accurate representation of economic expectations of market forces.

a simplistic cartoon…”	Misdirection. The slide introduced the concept that a carbon fee would provide a financial incentive to innovate in carbon emission reduction. I made no representation that I would be discussing any specific carbon emission reduction technology. Therefore, the use of the pejorative “simplistic” appears to serve a non-descriptive purpose of denigrating the talk.	can be significantly magnified by scale (story about UPS) . . . not only did they save money . . . they emit 20,000 tons less CO2 . . . economists love carbon fees because millions of people making decisions . . . makes a huge impact . . . Who’s going to help us save money in the new economy? Innovators. Innovators will find ways to reduce energy and save people money . . . {examples of local entrepreneurial innovators who are trying to get a foothold, also Los Alamos} . . . if we had a price on carbon, there would be more incentive for things like this to get to market. . . Right now, the economics aren’t in their favor, so many promising technologies we hear about remain underfunded and underdeveloped.”	
<u>What Harpoon said, lines 96-97:</u> “. . . it escaped no one that, at rock bottom, the individual citizen will pick up the ultimate tab.”	<u>Error:</u> I indicated that analysis of the plan contained in HR 763 would see 2/3 households break even or receive even more in their dividend check than they will pay extra due to price increases.	<u>What I said in my talk:</u> Slides 58-65: “ . . . it protects the poor and middle class from the expenses of the transition. . . this graph compares . . . the energy used by the top 2%ers on the right, is 4 times the energy use of the lowest income Americans, there on the left . . . when people who emit less carbon get their monthly dividend checks, it will offset their smaller increase in expenses. In fact, 2/3 of households, which turn out to be the lowest-income Americans, are projected to	***<u>Priority level Critical</u>*** – The meeting minutes mis-report my remarks with respect to the average or typical financial experience of a citizen under HR 763. I was unaware that the audience was polled for their impression of my remarks and would be most grateful to receive the results of such a poll if it existed. The people who came up to me afterwards were favorable in their comments.

		break even or receive *more* (emphasis in my talk) in their dividend checks than they will pay extra due to price increases. . . money in their pocket . . . most people will spend this stimulus locally . . . so job growth in neighborhoods is projected to grow by 2.1 million jobs over the next 10 years, with the lowest 3 economic quintiles gaining the largest share of new jobs.”	
What Harpoon said, 101-102: In conclusion, Mary described advances in “designer algae, that are grown for fuel,”	Error: Los Alamos work on algae was noted on slide 49 of 84, not part of any conclusion. This is deceptive, because as a concluding statement, it gives the impression that the plan revolves around a specific innovation. It does not. The need for energy savings would incentivize innovation, but there is no one solution we are banking on – the bill’s premise is that the market will incentivize innovation to meet the need to save money and therefore reduce energy waste.	What I said in my talk: Slide 50, “If we had a price on carbon, there would be a lot more incentive for things like this [the algae for biofuels as well as the examples I used from Ann Arbor Spark’s green entrepreneurial group who are working on new designs for wind turbines, more efficient solar cells, remote sensors to improve building efficiencies] to get to market. Investors would be eager to get a piece of the action. Right now, the economics aren’t in their favor, so many of the promising technologies we hear about remain underfunded and underdeveloped.”	Priority level High – this phrasing suggests that my talk was about still-unreleased lab-bench technologies like designer algae that will solve all our problems, whereas we are not banking on any one such early innovation. Saying that suggests that this proposal is not to be taken seriously.

What Harpoon said, lines 104-107:	Error:	What I said in my talk:	***Priority level Critical:*** The placement of this editorial comment immediately after the words, "In conclusion, Mary described . . . This popular movement. However, as with most movements" --- suggests to any reader that what I said, and what HR763 advocates, is dismissive of the views of others and squelches compromise and dissent given in good faith. Representing my talk this way is an unfair and misleading characterization, which will potentially impact the willingness of your members to look at the bill for themselves and learn what it really says and does. What I actually said in the talk is listed in the column to the left.
"However, as with most movements that result in revolutionary change, there is a propensity to dismiss the views of others, to squelch compromise and dissent given in good faith, and to impose on every head the heavy cap of orthodoxy."	Opinion not justified by the facts presented in the talk. CCL works in a bipartisan fashion to listen carefully to what is said by people we agree with and those we don't, and we work to find solutions that have the broadest appeal while still being effective at stopping climate change and working towards fairness and preventing undue burden on those who can least afford the necessary transition we need to make. We do not dismiss views of others nor squelch compromise or dissent. "The CCL way" is the exact opposite of that.	Slides 7, 8, 9, 10, 11, 12, 32, 33, 34, 35, 36, 54, 55, 56, & 57 Slide 7: The Rotarian also featured us in this article, "Tackling a Contentious Issue in Rancorous Times, the Citizens Climate Lobby Brings an Even-handed Approach to Advocacy– (Friendly Persuasion): you might call it the Rotary way." Slide 8: "I believe our mutual goals are very similar." (The slide showed the image of the Rotary four-way test – is it the truth, is it fair . . . will it build good will and better friendships . . . beneficial to all.) Slide 9-10: Marshall, who was also a Rotarian, . . . His values are deeply infused into CCL, and because of this, we, as ordinary citizens, sit down to have civil conversations with people who agree with us – AS WITH THOSE WHO DON'T (*emphasis was in my own notes so I would emphasize it and say it clearly*), looking for common ground. We are nonpartisan, building relationships around climate action, rather than treating it as a divisive issue. We foster mutual respect in our conversations, and we are optimistic that we will succeed."	

		Slides 11-12: “Legislation won’t pass without both major parties in Congress, so CCL has been working to build bipartisan relationships through the Climate Solutions Caucus. This is a mix of 50/50 Democrats and Republicans by design, because they have to join in pairs.” Slides 32, 33, 34, 35, 36, 54, 55, 56, & 57 are also all explicitly about being bipartisan in our solution.	