

August 26, 2020

The Honorable Steve Bullock
Governor, the State of Montana
Office of the Governor
PO Box 200801
Helena MT 59620-0801

Dear Governor Bullock,

It has come to my attention that the Climate Solutions Council has recommended inclusion of carbon pricing policy in the Montana Climate Solutions Plan. Carbon pricing proposals undermine the free-market principles our nation was built upon, expand the reach of the federal government into Montanans' daily lives, and disproportionately affect low-income households and energy-dependent, rural economies. This reckless proposal is a gut punch to the over 35,000 oil, gas, and coal jobs in Montana, not to mention the thousands of manufacturing and transportation jobs that would also vanish under such policy. Revenues from these industries support our schools, communities, and essential services. Given the immediate and severe threat of such a proposal on Montanans' way of life, you have the responsibility to reject inclusion of any carbon pricing proposal in the final plan.

A punitive approach to reducing emissions like the ones being considered by your Climate Solutions Council will drive up energy and manufacturing costs, increasing the cost of living substantially while simultaneously decreasing income and employment opportunities in places like Colstrip, Sidney, and the Crow Reservation. The economic burden of such a proposal would fall heaviest on low-income households who already spend a higher proportion of their income on energy costs and I cannot, in good conscience, remain silent as policy is pursued that necessarily subjects Montanans to poverty. Additionally, carbon-pricing mechanisms discriminate against certain industries, causing massive reductions in operations and workforce. As evidenced by the energy crisis currently happening in California, Montana must maintain our all-of-the-above energy approach. Moreover, as multiple models, analysis, and even other countries' experience has shown, this economic pain comes at minimal, if any, realized environmental benefit.

Let me state unequivocally: I want to see Montana energy as clean and efficient as possible, as quickly as possible. However, as evidenced by the progress already made and the innovative technology being developed at Montana State University and elsewhere, we can achieve that without raising costs on Americans and inviting further government meddling in our markets and lives. Through free-market innovation, absent punitive tax schemes, America is making

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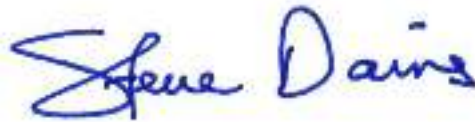
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significant strides in reducing carbon emissions and developing efficient, clean energy solutions. In 2019, the United States saw the largest decline in energy-related carbon emissions on a country basis and have experienced the largest absolute decline from our peak in 2000 by any other country during that time. Incentivizing and encouraging innovation such as carbon capture, storage, and utilization is the best approach to reducing our emissions, stimulating our economy, and expanding economic opportunities in rural communities. I am proud of the work Congress and the Administration have done to promote these innovative emission-reducing solutions.

I urge you to reject any mention of carbon pricing within the Montana Climate Solutions Plan that would have detrimental effects on our communities and our Montana way of life.

Sincerely,

A handwritten signature in blue ink that reads "Steve Daines". The signature is fluid and cursive, with the first name "Steve" and last name "Daines" clearly legible.

STEVE DAINES
United States Senator