

November 26, 2019

The Honorable Theodore E. Deutch
2447 Rayburn Building
Washington, DC 20515

RE: HR 763 Energy Innovation and Carbon Dividend Act of 2019 – *NOTICE OF SUPPORT IF AMENDED*

Dear Representative Deutch,

On behalf of the City of San José, I write to communicate our support for H.R. 763. By creating a revenue-neutral carbon fee, H.R. 763 will help the United States and the City of San José address the growing challenges and severe impacts of climate change.

In February 2018, the City adopted Climate Smart San José, one of the first municipal climate plans that outlines a path to achieving the Paris Agreement's ambitious greenhouse gas (GHG) reduction targets through 2050. Putting a price on carbon is a cost-effective way to achieve the City's Climate Smart goals and account for the negative externalities of burning fossil fuels.

The City recognizes that the devastating effects of climate change are already being felt in our communities and disproportionately affect vulnerable populations, such as low-income, non-English speaking, the elderly, and the young. We applaud your leadership in ensuring that low- and middle-income households will not be negatively impacted by the carbon fee.

We urge H.R. 763 include language on how existing carbon pricing mechanisms, like California's Cap and Trade, will be treated. While H.R. 763 would not preempt State law, it is unclear if businesses would have to pay both the federal fee and into the Cap and Trade Program, or if measures will be put in place to ensure businesses are not double-taxed for the same ton of carbon. We look forward to working with you and other jurisdictions with existing pricing mechanisms to make these amendments.

Sincerely,



Sam Liccardo
Mayor
City of San José

Cc: San Jose Delegation