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NYPIRG REACTS TO SPEAKER HEASTIE'S COMMENTS ON CLIMATE CHANGE SUPERFUND ACT

Yesterday, in discussing the Climate Change Superfund Act legislation, Assembly Speaker Heastie reportedly stated "I've never in my life seen corporations choose the ratepayer over the stockholder. Asking these companies to pay more, it's going to be, of course, taken out on the ratepayer."

That statement represents a fundamental misunderstanding of how the Climate Change Superfund Act (A.3351-B) works. Moreover, it ignores the basics of how a free marketplace works. A failure to approve the legislation will leave New York taxpayers holding the bag of mounting climate costs, while Big Oil continues to make huge profits. The Climate Change Superfund Act should not have an impact on utility rates, no impact on gas prices, no impact on home heating costs. The bill's impact will be to *solely reduce* climate costs currently paid by taxpayers. An independent economic paper published by the respected Institute for Policy Integrity at the NYU School of Law supports that view.

Here are the basics:

1. The companies that are required to pay the Superfund assessment are those responsible for the emission of at least one billion tons of greenhouse gases during the "covered period" (1/1/2000 through 12/31/2018). If a company is not responsible, they pay *nothing*. If they are responsible, they pay an assessment that represents their *share* of the greenhouse gas emissions. It is expected that the biggest oil companies would be covered.
2. If a company did attempt to raise their oil or gas prices to offset that assessment, their competitors who pay less – or nothing – would benefit from consumers moving to the lower price. Raising the price to offset the Superfund assessment would result in a smaller market share.
3. If competitors chose to raise their prices to protect the companies paying the Superfund assessment (unlikely) they could face investigations of possible collusion, an illegal activity in our free-market system.
4. Utilities are not expected to be covered by the Superfund assessment. If they purchase fuel, they would do so through the worldwide market and would purchase it at the lowest price. In addition, utility rates are regulated by the Public Service Commission. "Ratepayers" should not be impacted by the Superfund assessments.
5. And by the way, the public is *currently* on the hook for *all* climate damages. Even in the unlikely mevent that costs were placed on the public, there would be no increase in their financial pain – *the public is now on the hook for 100% of these costs*.

Seventy-six Assembly Democrats are sponsors of the Climate Change Superfund Act, the state Senate has approved it, 100 local elected officials support it, and over 400 community, environmental, labor, religious, and youth groups are urging action. The state of Vermont just approved its Superfund legislation. **Opposition to making the oil companies pay their share of climate costs implicitly means support for making New York taxpayers pay for all of it.** The Speaker should let the Climate Change Superfund Act come to the floor for a vote.