

May 14, 2019

To: Transportation and Climate Initiative Leadership Team  
Kathleen Theoharides, Chair

<https://www.transportationandclimate.org/main-menu/tci-regional-policy-design-stakeholder-input-form>

Thank you for your efforts over the last three years, and before, to convene, study, listen, and develop plans to reduce climate pollution from our region's largest source: the burning of motor fuels for transportation. We appreciate the states' commitment under the Transportation and Climate Initiative ("TCI") to "design a regional low-carbon transportation policy proposal that would cap and reduce carbon emissions from the combustion of transportation fuels through a cap-and-invest program or other pricing mechanism" by the end of 2019.

From dangerous heat waves to Superstorm Sandy to sea level rise and coastal flooding in areas from Hampton Roads in Virginia to Boston, Massachusetts, our region is already suffering from the harms of climate change. With transportation accounting for more than 40 percent of our region's carbon pollution driving climate change—and the largest share of this pollution nationwide—we must tackle this sector to prevent these ever-worsening climate impacts.

But our transportation needs and concerns are broader still. Across the board our transportation system is failing us. Underfunded public transit systems are crumbling. Cars and trucks belch exhaust, making us sick. And too often we sit in crippling traffic jams on our daily commutes, trips to the doctor or store, and visits to see family and friends. While we all experience these impacts they are felt most acutely by low-income residents and people of color who have historically borne—and continue to bear—disproportionate burdens from heavy industry and the pollution from ports, airports, highways, and truck traffic in their communities. Across the region many urban, suburban, and rural areas lack access to convenient and affordable public transportation and safe and accessible streets for walking and biking.

Thus, in addressing our transportation climate problem, TCI states also have the opportunity to achieve much more: a 21st-Century regional transportation system that is cleaner; offers more varied, accessible, and affordable transportation options; and is equitable, serving the needs of everyone. Through this effort we can cut pollution, reduce costs for consumers, and expand mobility choices. We can build a better transportation system that includes expanded public transportation services; electrification of transit fleets; programs to make clean electric vehicles affordable for all consumers; better pedestrian and bike infrastructure; improved resiliency of transportation infrastructure; and more affordable housing near transit.

As we move forward in this process to ensure we achieve these benefits and to address the transportation needs and concerns of residents throughout the region, we urge the TCI states to elevate transparency and inclusion throughout. Given the urgency of the problems we face, and the ongoing harms from the current transportation system, we further urge you to stay on track to meet that commitment and others the states have made, including reaching climate pollution reduction targets, increasing equity, and completing the design process, this year.

To continue to assist these efforts we offer the following comments on the workshop held on April 30<sup>th</sup>, and recommendations for the ongoing work, building on comments some of our groups shared in 2017. Our groups include environmental, health, scientific, transportation, social service, and business organizations committed to advancing modern, clean, accessible, and low-carbon transportation in the Northeast and Mid-Atlantic. We are further committed to engaging in this process and providing additional comments in the weeks and months ahead.

## **1) The need for transparency and inclusion in the public process**

For this policy effort to be successful it is critical for the development process to be transparent and inclusive. We are glad that the states have provided an online portal for stakeholders to provide input and comments on the TCI regional policy development process and design.<sup>1</sup> We particularly appreciate the states' stated commitment to publish all stakeholder comments received through the online portal publicly on the same site, consistent with principles of transparency and past regional policy efforts, for instance in the Regional Greenhouse Gas Initiative program reviews and design. While stakeholders may wish to comment on many different areas throughout this process we also encourage the states to provide guidance as to specific issues that are being considered, and deadlines by which to provide comments on those issues, so that stakeholders can endeavor to contribute and respond in these areas in the most timely fashion and help keep the process on track.

As the states provide opportunities for stakeholders to learn more about the policy discussions, through workshops and other forums, we also provide the following recommendations:

- a) Opportunities must be provided for stakeholders to engage with the states in person. For those who are unable to travel to specific events with opportunities These events should include remote/online participation, including opportunities for remote participants to provide comments or ask questions. These events should be offered at different locations throughout the region. One way to address the limitations of a regional process, in which it is challenging for stakeholders from all TCI states to participate in all discussions, would be for individual TCI states to provide state-specific meetings and comment opportunities in parallel to the regional process, both to communicate the substance of the regional discussions and provide opportunities to engage with stakeholders on state-specific issues and considerations.
- b) The timing, format, and content of these stakeholder forums should be designed to enable participation by and input from a broad diversity of stakeholders, including members of frontline communities disproportionately overburdened or underserved by the current transportation system.
- c) While participation by community members and other technical and policy experts in policy development workshops as panelists and speakers can provide important insights, context, and ideas, we encourage state representatives to play a more active role in future stakeholder discussions than they did on April 30th. It is important for stakeholders to hear directly from the states about the policy issues and approaches being considered, including direct responses from the states to stakeholders' questions.

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<sup>1</sup> <https://www.transportationandclimate.org/main-menu/tci-regional-policy-design-stakeholder-input-form>

- d) We urge the states to further outline and communicate to stakeholders the states' plan for staying on track with the policy development schedule, including by providing additional information and comment opportunities on issues like the assumptions being used for modeling both reference and policy scenarios.

## **2) The importance of the voices of those most overburdened and underserved by our current transportation system**

Our groups were particularly heartened by what the states heard and acknowledged from the listening sessions in the December 2018 statement:

“Ensure that the benefits and burdens of both the pricing mechanism and investments are shared equitably across communities, address the concerns of those with limited alternatives to driving and improve transportation equity for currently underserved and overburdened populations.”

As was reiterated by representatives of some of those frontline community organizations on April 30th, ensuring overburdened and underserved communities are able to meaningfully participate in the development of a regional low-carbon transportation policy remains a critical factor for the successful rollout of TCI. Because these communities are diverse in requirements and impact, the states should immediately and continually reach out systematically and comprehensively - appropriately identifying what communities and populations are overburdened and underserved and who represents them. States should regularly solicit feedback specifically on how those efforts are going to validate that such outreach was successful.

Each state and community is unique and the states' outreach should be conducted at every level - regional, state, and local - but the TCI states' Leadership Team should take responsibility for, require, support, and monitor such engagement and its success. Such outreach should continue in every phase to not limit the discussion solely to proposals for investment of allowance proceeds after the fundamental policy design has been settled, even though investment is a vital and impactful part of the policy design. We are committed to supporting the states and our colleagues representing those communities in good-faith efforts to advance dialogue toward designing and implementing an effective and equitable policy.

## **3) Ensuring this process and policy provide a foundation for a safer, healthier, and more accessible transportation system**

A regional low-carbon transportation policy can be the cornerstone for a modern, equitable, sustainable future in the region. As such the policy by itself should be designed to ensure a significant reduction in climate pollution from the transportation sector, but should not be viewed as the only policy necessary to achieve the many ambitious goals for a modern transportation system that the states heard during the listening sessions last year. At a minimum such a trajectory for reductions in climate pollution should be consistent with what is necessary to achieve economy-wide climate pollution reduction targets that each of the participating states

have set. As the 2015 report prepared by the Georgetown Climate Center and Cambridge Systematics for the TCI states demonstrated it is both feasible and likely necessary to drive climate pollution reductions under this policy of at least 40-45% by 2030, on a path toward total decarbonization of transportation fuels.<sup>2</sup>

#### **4) Specific recommendations on modeling assumptions**

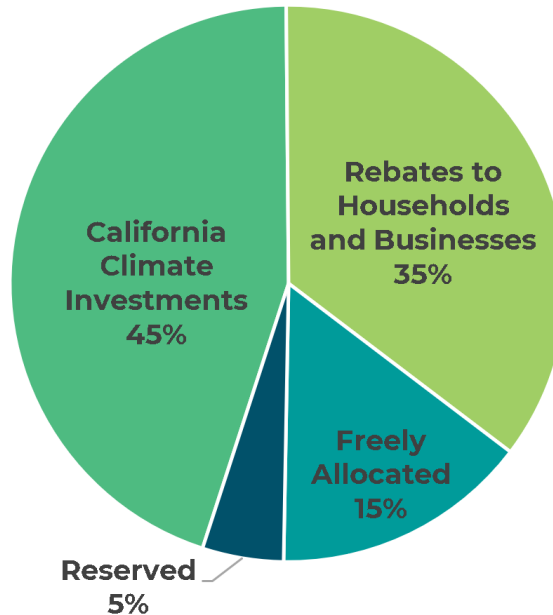
In response to specific policy issues and the modeling discussions presented at the April 30th workshop, we provide the following initial recommendations for modeling a policy:

- a) We support modeling limiting pollution from entities consistent with EIA's Prime Supplier definition.
- b) Policy scenarios evaluated in the states' modeling should include carbon pollution caps of at least 40% to 45% below 1990 levels in 2030, toward full decarbonization of transportation fuels by at least 2050.
- c) Due to the importance of reducing climate pollution, and equitable and effective investment, we support modeling mechanisms to ensure minimum levels of pollution reductions and proceeds, e.g., an escalating price floor and an emissions containment reserve. As an example, the level of investment identified in the Georgetown 2015 report suggested \$3 billion per year of investment on average, which would require a price floor starting at around \$15 and rising \$1.50 per year to \$30 over the subsequent decade.
- d) If the states explore modeling a cost containment reserve, this mechanism should not result in increased pollution: any increased allowances should be drawn from future years. We further urge the states to focus on achieving pollution reductions that are, first and foremost, from within the transportation sector under this policy effort. To the extent the states consider including offsets, this should be through further, careful consideration with stakeholders. At an absolute minimum any offsets permitted under a regional low-carbon transportation policy must be local, additional, verifiable and permanent.
- e) We encourage modeling a range of potential uses of proceeds and the potential benefits of these investment strategies. We encourage the states to consider a broad range of potential benefits from clean transportation, including emission reductions, cost savings, improved economic performance and job growth, reduced travel time (both from improved public transportation services and a reduction in congestion), improved public health, and reduced housing costs. Such uses should have a positive impact on low and moderate income households and environmental justice communities. For example, the states could explore investment strategies such as those outlined in Georgetown's 2015 report, referenced above, as well as other investment breakdowns, such as the use of proceeds from California's economy-wide programs (see figure below). If proceeds are rebated to households, the large proportion of rebates should go to low income households.

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<sup>2</sup> Georgetown Climate Center (2015), *Reducing Greenhouse Gas Emissions from Transportation: Opportunities in the Northeast and Mid-Atlantic*, [https://www.georgetownclimate.org/files/report/GCC-Reducing\\_GHG\\_Emissions\\_from\\_Transportation-11.24.15.pdf](https://www.georgetownclimate.org/files/report/GCC-Reducing_GHG_Emissions_from_Transportation-11.24.15.pdf)

## California Allowance Distribution 2015-2018



From: *Climate XChange (2018), Regional Cap and Trade: Lessons from the Regional Greenhouse Gas Initiative and Western Climate Initiative*, <https://climate-xchange.org/wp-content/uploads/2018/08/Cap-and-Trade-Report-10.03.2018-compressed.pdf>

- f) We encourage the states to use EJScreen or comparable tools to delineate overburdened and underserved communities prior to the start of any modeling, and to make every effort to determine relative costs and benefits of different policy choices on such communities relative to the overall region.

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Thank you for the opportunity to provide these comments on the April 30<sup>th</sup> workshop. We look forward to the states' continued engagement with stakeholders in this important policy effort.

Acadia Center  
Clean Air Council  
Climate Law & Policy Project  
Climate XChange  
Connecticut Fund for the Environment/Save the Sound  
ConnPIRG  
Conservation Law Foundation  
Energize Maryland

Environment America  
Environment Connecticut  
Environment Maine  
Environment Maryland  
Environment Massachusetts  
Environment New Hampshire  
Environment New Jersey  
Environment New York  
Environment Rhode Island  
Environment Virginia  
Environmental Entrepreneurs (E2)  
Environmental League of Massachusetts  
Green Energy Consumers Alliance  
Health Care Without Harm  
MarylandPIRG  
Massachusetts Climate Action Network  
MassPIRG  
Natural Resources Defense Council  
NJPIRG  
PennEnvironment  
PennPIRG  
Sierra Club  
The Nature Conservancy  
The Transport Hartford Academy and the Center for Latino Progress - CPRF  
Transportation for Massachusetts  
Tri-State Transportation Campaign  
Union of Concerned Scientists  
Unitarian Universalist Legislative Ministry of Maryland  
U.S. PIRG  
Vermont Energy Investment Corporation  
Vermont Natural Resources Council