

November 5, 2019

TCI Draft Framework Comments

On behalf of Consumer Energy Alliance and the families and businesses it represents, we appreciate the opportunity to offer our comments on the draft framework of the Transportation Climate Initiative (TCI).

Consumer Energy Alliance (CEA) is a nationwide grassroots organization that supports policies that ensure affordable, abundant and reliable domestic energy supplies. With nearly 300 affiliates and over 550,000 members nationwide, we are committed to supporting an all-of-the-above energy policy that includes all forms and sources of energy. CEA supports a diversity of supply options for energy consumers that includes both traditional sources and expanded use of renewables.

As the TCI has been described in the draft framework document, CEA has some significant concerns with this proposal because of the harmful impacts it could have for consumers, families, farmers, manufacturers, truckers, and those struggling to get by and to get to work with higher fuel prices. We have seen similar attempts in the past like the Low Carbon Fuel Standard, which not only raised prices, but didn't actually reduce emissions and made us more dependent on unstable regimes in the Middle East and elsewhere for our fuel. California adopted its tenets in 2011 and they have the most expensive fuel in the country, with little demonstrable environmental benefits. According to a recent AAA survey on October 30, 2019, average prices in California are \$4.05 for a gallon of regular fuel; nearly \$1.40 higher than the national average and 40 cents a gallon higher than even Hawaii, which is over 2,400 miles away from the West Coast.

As we understand the draft framework, the TCI is proposing to cap motor fuel emissions by requiring that state fuel suppliers hold allowances based on emission levels that have yet to be determined. A regional organization would then auction the allowances in a so-called "cap-and-invest" scheme where states or jurisdictions would decide how to spend the money raised from higher fuel prices at the pump to different transportation or government programs. Much more detail and information is needed on this process from the outset, beyond what has been proposed thus far and put in plain language that regular people understand – not just hypothetical scenarios that have been developed by professors, think tanks and other groups that are not elected officials without accountability to the public. In essence, consumers and families have a right to know how much this plan is expected to cost, how much more they will be required to pay at the pump, who gets these additional funds and why; and if this is going to make any meaningful difference in emissions and air quality.

Unfortunately, the only thing certain in this opaque process is a group of "experts" will take the money people spend on higher gas and diesel costs to go "invest" in as-yet-to-be-determined projects. This is a cap and tax program where people will have little control over where their money is going. Traditionally, gas taxes were straightforward proposals with a defined end-use such as funding our roads and bridges, and most importantly, were voted on by our state and federal elected officials. It appears the draft TCI framework would circumvent input of state legislatures and cede control to a regional entity to collect and disburse these higher fees at the pump.

Further reading into the framework also mentions credit “set asides” for uses that are not clearly defined, and it appears that the draft framework also would split up emissions obligations for each state to meet an as-yet undefined percentage basis requirement. Many of the states outlined in the memorandum of understanding have very large land areas with numerous rural communities that do not have mass transit options. What efforts are being made to protect our neighbors from price spikes and for those who have no choice but to use their vehicle to commute for work?

Americans have enjoyed remarkable fuel savings over the past few years, due in large part to the Energy Renaissance our country has enjoyed and the vast, reliable pipeline network that transports fuel where it is needed in the most efficient, cost-effective and environmentally friendly way possible. An average family today is saving over \$1.50 per gallon and over \$20 every time they go to fill up their car compared to prices a decade ago. That is life-changing money for regular people; it’s more money for groceries, medicine, and maybe a vacation with their kids or friends. Any proposal being put forth to raise energy costs on those who can afford it the least must have real accountability by elected officials, real oversight and actually make a meaningful, measurable improvement for the environment.

As proposed, the draft TCI framework appears to be a regressive tax on commuters and truckers who rely on their vehicles for their livelihoods. We urge this group to take a few steps back and provide more concrete details to protect our communities and neighbors from harmful spikes in energy prices before moving forward with a final plan.

Respectfully,

A handwritten signature in black ink, appearing to read "D. Holt", written in a cursive style.

David Holt
President
Consumer Energy Alliance