

June 20, 2019

His Excellency Charles Baker
Governor of the Commonwealth of Massachusetts
Massachusetts State House, Room 360
Boston, MA 02133

Dear Governor Baker,

We are a diverse group of organizations with business constituencies, united by the once-in-a-generation opportunity to modernize and decarbonize our transportation system.

We are writing to you for two reasons. First, we strongly support the work of the Commission on the Future of Transportation and we would like to see its recommendations¹ fully implemented. We stand in service to help you refine and advance those concepts. Second, we strongly support the Transportation & Climate Initiative (TCI). We believe that, if properly structured, the policy created through TCI can achieve several of our shared goals concurrently: mitigate greenhouse gas emissions from transportation; invest in much-needed public transit; alleviate congestion; and generate a revenue stream to fund these and future transportation improvements.

This is the first time that our five organizations have coalesced with such strong agreement. Our current infrastructure has a chokehold on our economy and our climate goals. We feel a real urgency to create the transportation future that enables economic growth and substantial decarbonization. We want to help you get it done.

We celebrate Massachusetts' leadership on TCI. The Commonwealth has sent a meaningful signal to the region and the country that addressing climate change should not be a partisan issue. If properly structured, it can reduce inequality and support historically marginalized communities.

We respect the many lessons learned over the last decade of the Regional Greenhouse Gas Initiative (RGGI). The recent review of the RGGI program underscored what other states and countries have shown: the cap-and-invest model can work, and we can grow our economy while reducing greenhouse gas emissions.² As you may know, the Organisation for Economic Co-operation and Development (OECD) had offered some useful lessons based on previous global carbon pricing schemes, observing that they often fail to live up to their potential revenue and GHG-reduction aspirations because either the cap is too high or the price is too low.³ We don't want to make that mistake. You have our support in setting a data-driven, evidence-based cap that enables us to reach our goals for investment revenue and decarbonization.

¹ **Recommendations.** Commission on the Future of Transportation, January 10, 2019. <https://tinyurl.com/ycnoutml>

² **The Economic Impacts of the Regional Greenhouse Gas Initiative on Nine Northeast and Mid-Atlantic States.** The Analysis Group, April 1s, 2018. <https://tinyurl.com/y2dcp8ba>

³ **Effective Carbon Rates 2018: Pricing Carbon Emissions through Taxes and Emissions Trading.** The OECD, September 18, 2018. <https://tinyurl.com/y359kcxw>

When allocating revenue from a cap-and-invest program, we echo many of the recommendations of the Commission as well as the findings of the 2019 Carbon Free Boston report⁴ with its emphasis on the multiple co-benefits of a decarbonized transportation system. Please prioritize:

- **Maintaining and Improving Transit:** Public transit remains the most carbon-efficient and equitable way to move people and remove cars from the road. Physical mobility and economic mobility are also inextricably linked. Our economy and employees succeed when transit is affordable, reliable, safe, and accessible. Reinventing public transportation will take decades, which underscores the need to start now.
- **Alleviating Congestion:** As the Commission highlighted in their report, the best way to alleviate congestion is to encourage shared rides. Some strategies include the promotion of alternative transportation modes such as walking, biking, micromobility, smart tolling policies, and other ways to incent behavior change.
- **Supporting Zero-Emission Vehicles (EVs):** There is simply no way to meet our GHG goals without the mass-electrification of vehicles. We need to greatly accelerate our efforts to increase adoption of EVs.

The business community has a vital role to play in the design, implementation, and review of TCI. We offer this group as a resource to your policymaking efforts. We five organizations will continue to convene monthly. Together, we are building political will among our allies to implement TCI and ensure the Transportation Future Commission Report does not gather dust. We look forward to working together with you to achieve our common goals for the Commonwealth.

Thank you,

Robert Rio, Associated Industries of Massachusetts

Mindy Lubber, Ceres

Elizabeth Turnbull Henry, Environmental League of Massachusetts

JD Chesloff, Massachusetts Business Roundtable

Eileen McAnneny, Massachusetts Taxpayers Foundation

Cc: Speaker Robert DeLeo and Senate President Karen Spilka

⁴ **Carbon Free Boston.** The Boston Green Ribbon Commission, February 2019. <https://tinyurl.com/yygs3ude>