



Mid-Atlantic Petroleum Distributors Association
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To: TCI
From: Ellen Valentino
Subject: Proposed Draft Regional Policy
Date: November 5, 2019

The members of the Mid-Atlantic Petroleum Distributors Association (MAPDA) respectfully submit comments regarding the TCI framework and proposal released this fall. Our members are deeply concerned that the framework is moving ahead to foregone conclusions that are not substantiated by the real-world experience of other states.

The Transportation Climate Initiative sets out a framework that imposes an unfair burden on all vehicle owners and thousands of businesses, including those of our members. The proposal outlines a program that will cap the sale of gasoline, tax it, and then require the revenue generated to be spent on new government programs and projects that will further reduce the sale of gasoline. Some of the projects envisioned have ramifications that have not been verified or well thought out.

Electric vehicles are not the only answer. The framework pins emissions reduction on electric vehicles, or EVs to reduce gasoline sales. EVs are not *the* magic bullet to solving greenhouse gas emissions. An EV's massive battery must be charged with electricity, which requires power generated from another source such as coal, natural gas or even nuclear power, and has an adverse environmental impact upon disposal. Pushing consumers to electric vehicles has not been shown to lessen environmental impact due to the environmental costs of EV batteries and manufacture of new vehicles. Further, programs such as incentives to EV purchase often favor wealthier individuals while the new taxes on gasoline will disproportionately affect poor and rural communities.

Our members are at a geographic disadvantage. The northeast compact has a greater impact on Maryland and Delaware than the other Northeast states. Geographically, Maryland and Delaware retailers will suffer the most because consumers may more easily choose to go elsewhere for fuel. It won't just be gasoline prices that rise to meet the TCI demands. The Northeast is a major trucking corridor and this proposal will essentially raise prices on transported goods. California's Cap and Trade program, upon which the TCI framework is based, has led to a surge in gasoline prices, which affects all aspects of the economy.

All voices are not being heard. Although this proposal has been pitched as a consensus document, in fact, it is not. There have been only three work sessions and less than a handful of webinars to solicit public feedback and comment. The framework is not ready for adoption by the states as too many points have not been clarified and fleshed out. No one really knows the full detail of the proposal. More outreach and public input needs to happen to shift this to a consensus. At the present, the framework appears to be a predisposed outcome. I urge that the participating Governors be required personally to attend and hold public hearings throughout their states. Our members are willing to work with others on this issue to create a true collaborative plan.

The current proposal will not achieve its goals. California enacted a similar program recently, and, by most accounts, their gasoline costs have skyrocketed while the environmental impact has struggled to show a true measurable benefit. We welcome the opportunity to create a realistic policy proposal that provides a more balanced solution.

Respectfully submitted,

A handwritten signature in cursive script that reads "Ellen Valentino".

Ellen Valentino

Feeding and fueling the economy through gas, coffee, food, heating oil and propane.

MAPDA is an association of convenience stores and energy distributors in Maryland, Delaware & the District of Columbia.