

February 28, 2020

Dear Honorable Governors, Mayor Bowser and Transportation & Climate Initiative Workgroup Members,

As organizations representing Vermont's leading low income, business, environmental, public health, and faith organizations, we thank you for the opportunity to comment on the [draft Memorandum of Understanding for the Transportation and Climate Initiative \(TCI\)](#), and for your continued leadership in exploring and advancing the development of a robust and equitable regional clean transportation policy.

The science could not be more clear: our collective combustion of fossil fuels is warming our planet, and we risk severe costs and consequences from delayed or insufficient climate action. Swift, strategic solutions that reduce emissions in the transportation sector in particular – the largest source of our region's carbon pollution – are imperative. There is a tremendous opportunity before us to design and implement a strong, equitable TCI cap-and-invest program.

As you embark on crafting a final MOU, we offer the following comments for consideration as critical components of a well-designed program that drives down climate-warming pollution, while also protecting and prioritizing underserved communities and other communities that are disproportionately burdened by vehicular pollution, the costs of the current transportation system, the lack of access to clean transportation options, and at highest risk for experiencing the negative impacts of a changing climate.

We offer the following comments and recommendations on the draft TCI MOU:

- **Time is of the essence.** We support the launch timeline outlined in the draft MOU, with the first compliance period for a regional TCI policy commencing no later than January 1, 2022.
- **Ensure the program aligns with the science.** We strongly urge the adoption of a regional transportation carbon emissions cap that requires at least a 25 percent reduction in carbon pollution over 10 years, starting with the program launch in 2022. Current climate science makes clear that serious pollution reductions are required, swiftly. Considering the urgency, we also urge considering more ambitious cap reduction levels that would provide even greater greenhouse gas reduction results, as well as other economic, equity, and public health benefits beyond those calculated in the modeling scenarios thus far.
- **Enable strategic state-by-state investments and ensure equity.** The ability for participating jurisdictions to have significant responsibility for determining how auction revenues are expended based on their unique needs is critical. Vermont is a very rural state. The needs of rural-living Vermonters are very different than for those living in Burlington or Boston. The ability for states to direct auction proceeds to support investments in transportation efficiency solutions that serve particular constituencies –

such as rural Vermonters, low-to-moderate income earners or constituencies with unique transportation challenges – is essential. This kind of flexibility is important to help ensure equity and access to clean transportation solutions for everyone, which could range from direct incentives for vehicle electrification to innovative micro-transit pilots, bike and pedestrian investments, housing in and around our transit hubs and far more.

- **Design for program performance.** To ensure the program works well with a minimum level of performance and generation of auction proceeds in the early years of the program – affordably reducing transportation emissions – a minimum reserve price, or a price floor, is critical. We recommend setting a price floor consistent with allowance prices modeled in the 20 percent cap scenario, beginning at \$6 per ton in 2022.
- **Incorporate opportunities for program review and adaptation.** Regular, rigorous program reviews are essential to maintain a strong program that enables flexibility and adaptability that considers current science, as well as other potential indicators that might warrant adjustments to the program design. We recommend that the first program review take place within three years of the program start, which, if commencing in 2022, would mean a program review in 2025 and every three years thereafter.

The Need for Complementary Policies

While a well-designed TCI program could help reduce the region’s collective carbon emissions significantly, far more work will be required. Identifying and implementing other complementary policies will be essential to aligning our emissions with what the science says is needed for a safe, habitable planet. We look forward to continuing to work with other TCI states, diverse and key constituencies, and all Vermonters to identify and advance that suite of additional strategies to complement TCI, finally putting us on the path to meet science-based climate pollution reduction targets we so desperately need to meet.

Conclusion:

Ongoing climate inaction puts our economies, public health, and quality of life at significant risk. TCI offers one of the most promising opportunities to make much needed pollution-reducing progress in the transportation sector. We thank you for considering this input and for continuing your work to refine and advance a strong, equitable, and flexible program that puts this region on a path to a 21st century, clean, affordable transportation system.

Sincerely,

Audubon Vermont
Capstone Community Action
Lake Champlain Committee
Toxics Action Center
Vermont Businesses for Social Responsibility
Vermont Climate and Health Alliance
Vermont Conservation Voters

Vermont Interfaith Power and Light
Vermont Natural Resources Council
Vermont Public Interest Research Group