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The Institute for Energy Research opposes the Transportation and Climate Initiative (TCI).

The justification offered for TCI is that greenhouse gas emissions constitute a threat to the people of the region, but the Draft Memorandum's assertions are overstated. The Draft Memorandum claims, "climate change poses a clear, present, and increasingly dangerous threat to the communities and economic security of each Signatory Jurisdiction." But while some portions of the TCI region may be made worse off by climate change, other portions are likely to be made *better* off. It is widely accepted that cities at northerly latitudes, such as Buffalo, New York, may benefit from a warming climate. It is reasonable to speculate that Buffalo and other municipalities across the TCI region will become more attractive destinations for immigration and will reap the rewards of increased human capital and weather more conducive to productivity.

Even taking the Draft Memorandum's climate claims at face value, we must still ask: Will TCI provide relief to the region's residents? The answer is a resounding "no."

The numbers presented in the December 2019 TCI webinar show this failure. The TCI slides claim the proposal will reduce regional transportation-sector emissions by between 20 and 25 percent. The same documents cite a reference case—i.e., a scenario without the TCI emissions cap—in which emissions fall by 19 percent. In the no-cap reference case, emissions tally 206 million tons in 2032; in the scenario with the TCI cap set at a 20-percent reduction level, 2032 emissions are 202 million tons—just 4 million tons lower. In the context of the more than 30 *billion* tons of greenhouse gases emitted globally each year, the climate impact of TCI's incremental reduction of 4 million tons is too small for measurement.

Meanwhile, the program will remove over \$1 billion annually from the regional economy for allowance purchases. This will harm every resident of the region through increased transportation expenses. These costs will not only be seen by motorists in the form of higher fuel prices; urban residents who prefer public transit will *also* face higher prices, such as for goods transported to the region's cities by truck. TCI will not confer measurable climate benefits, but it will result in immediate cost-of-living increases for millions of people.

Lastly, with its vague spending mandates, TCI will be fertile ground for corruption and waste. TCI jurisdictions will tax the general population only to dole out the proceeds to politically-favored firms that stand to benefit from TCI investments.

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