



**U.S. PIRG**

### Comments on the TCI Framework for a Draft Regional Policy Proposal

Emissions from [our cars, buses and trucks](#) have overtaken electric power plants as the number one source of global warming emissions in the United States. Our nation's top scientists warned [in the update to the National Climate Assessment](#) that regions across the country are already experiencing the impacts of climate change. If we keep burning fossil fuels, those impacts -- from massive wildfires to extreme weather -- will get worse.

To stave off the worst impacts of global warming, we need to cut carbon pollution as quickly as possible, get clean energy on the grid, and tackle what is now the region's largest emitter of greenhouse gases -- our transportation system. We use massive amounts of fossil fuels to move people and goods around the region, and that needs to change. We have the technology to replace this dirty system with clean, electric cars, trucks, and buses powered by the sun and the wind.

The Transportation and Climate Initiative is yet another step forward for the Northeast and Mid-Atlantic to reduce the harmful effects of climate change and global warming on our communities. We need to accelerate the transition to zero-emission transportation. With an absence of leadership at the federal level, state and local action is more important than ever.

#### Program Design Elements

##### Equity

We support expanding low-carbon and clean mobility options in urban, suburban, and rural communities. We support transparency by reporting the changes in transportation emissions over time, which will allow us to track our progress to reduce global warming pollution throughout the region. The program should limit any impacts it may have on the most vulnerable.

##### Applicability

##### Affected Fuels and Emissions

We support the point of regulation laid out in the framework. While traditional fuels like diesel and gasoline account for the majority of transportation emissions, alternative transportation fuels like biofuels also contribute to climate change and should be regulated. Corn-based ethanol, has little to no net greenhouse gas benefit and brings with it other environmental concerns. One model approach is the low-carbon fuel standard adopted by California, which sets targets for lifecycle greenhouse gas emission reductions from transportation fuels. The LCFS has the benefits of being explicitly targeted at reducing carbon pollution and incorporating all fuels, helping to drive not only the adoption of sustainable biofuels, but also the use of electricity and oil-based fuels from sources with lower carbon emissions.

## Regulated Entities

We support regulating emissions from Prime Suppliers. Fuel supply infrastructure should also be regulated to ensure that we do not continue to invest in infrastructure for fossil fuels. We need to stop burning virtually all fossil fuels in order to preserve a livable climate, and that means implementing a moratorium on oil and gas pipelines, gas plants, and any other new fossil fuel infrastructure.

## Compliance and Enforcement

### Emissions reporting requirements

Reporting is an important part of the program to ensure fuel suppliers are held accountable to their emissions. This will also ensure that year over year, the program is truly reducing emissions from transportation fuels.

### Monitoring and Verification

A third party verification of emissions reporting will ensure accountability and consistency across the region, rather than relying on each state to verify their own reporting. Emissions should be reported monthly.

## Flexibility, Allowance Allocation, and Stringency

### Flexibility and Cost Containment

While flexibility allows for a more nimble program, cost-containment provisions should be limited by issuing additional allowances at a set price. Cost-containment can significantly relax the emissions cap and weaken the program's ability to reduce global warming pollution quickly and effectively. Any cost-containment mechanism should be set at a high trigger price that increases over time.

### Auctions and Allocation

We strongly support auctioning 100% of allowances. This will mean most of the proceeds can be allocated directly to climate solutions.

### Regional Caps and Allowance Budgets for Each Jurisdiction

We support a strong initial emissions cap and establishing a descending cap on transportation-sector emissions. We recommend that the emissions reduction goals are at the very least consistent with the goals of the Paris Agreement and incorporate all transportation fuels. We also recommend maintaining a "floor price" for allowances to assure a stable flow of revenue into carbon-cutting transportation programs if emissions dip below the level of the cap.

## Regional Program Administration

### Market Monitoring and Auction Administration

Much like RGGI, Inc., a regional organization is an effective way to administer the program, with representatives from each of the states engaged in the program.

## Additional Program Design Elements

### Investment of Proceeds

There should be more specific direction for states to invest proceeds. While it is true that every jurisdiction has unique transportation needs, there should be a menu of options they can pick and choose from, and we should limit investments that won't achieve significant emissions reductions. This program is about addressing global warming pollution, and the proceeds from the program should go to doing just that. Improved air quality and more affordable access to transportation go hand in hand with cleaning up our transportation system. Ultimately we need to decide how to invest these proceeds in a way that will best address climate change. Leaving that decision up to the jurisdictions without specific parameters would result in missed opportunities to cut global warming pollution. TCI must reinvest auction revenue in programs to reduce carbon pollution from the transportation sector and limit any impacts the program may have on the most vulnerable.

We recommend that proceeds from TCI go to projects such as:

- Replacement of fossil fuel vehicles with those using electricity or other fuels with zero tailpipe emissions - including vehicles used for personal travel, freight movement and public transportation.
- Expansion of public transportation service and infrastructure; incentives for carpooling, vanpooling, and other forms of shared and active transportation; and investment in "transportation demand management" efforts to reduce vehicle travel.
- Investments in infrastructure to support low- or zero-carbon transportation, including rail, bike paths, sidewalks, electric vehicle charging, etc.
- Incentives/assistance for local governments to encourage accommodating new growth in walkable/compact areas.

Cars account for 60 percent of our transportation pollution. If we make it easier, more affordable, and more pleasant to take a train or bus, to share rides, or to bike or walk, then more of us will choose to travel without a car or even not own a car at all.

We urge you to exclude certain projects from investment. The program should not invest in highway expansion and conventional road maintenance expenditures that have traditionally been paid for through gas taxes and other "user fees" or general revenues. Our car-dependent transportation system is dangerous, harms our communities, and is the nation's leading source of global warming pollution. Highway expansion fuels additional driving that contributes to climate change, doesn't solve congestion, and is expensive. Highway expansion can also cause irreparable harm to communities – forcing the relocation of homes and businesses, widening "dead zones" alongside highways, severing street connections for pedestrians and cars, and reducing the city's base of taxable property.

#### Complementary Policies

TCI is a step in the right direction to reduce pollution from transportation. Participating jurisdictions should continue to be ambitious and forward-thinking as they shape the future of transportation in the Northeast and Mid-Atlantic.

TCI states should adopt complementary policies designed to further reduce transportation emissions and build a more modern, cleaner and healthier transportation system. TCI states should:

- Require that all new cars sold after 2035 be electric. To accelerate this transition, states should adopt California's zero-emission vehicle program, pass legislation expanding EV tax rebates, develop a robust network of charging infrastructure.
- Require that all transit and school buses be electric by 2030. To accelerate this transition, states should dedicate new resources and technical assistance to help bus operators go electric.

- Set a goal of doubling the number of people who walk, bike or take public transportation by 2030. To get there, states should increase investment in public transportation systems, redesign streets to improve safety and accessibility for pedestrians and cyclists, adopt policies to support transit-oriented development and sustainable living, and shift away from policies that prioritize the type of transportation projects, like new highway construction, that have contributed to the problems with our current system.

In summation, we must do all we can as fast as we can. The longer we wait to cut carbon pollution, the more rapidly the planet will warm, robbing our kids and grandkids of the stable climate that we have taken for granted.

Sincerely,

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Environment Connecticut  
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Environment New Jersey  
Environment New Hampshire  
Environment New York  
Environment Rhode Island  
Environment Virginia  
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