Public Comments on the Transportation and Climate Initiative (TCI)

The transportation sector is the largest polluter of greenhouse gases in the United States. Our cars, buses, and trucks put more emissions into the air than any other sector of our economy. These emissions contribute heavily to climate change, and create significant public health risks, including higher rates of respiratory illnesses and increased risk of various cancers. At the same time, our public transportation system is broken. Our metropolitan areas have aging and faulty rail systems, our bus lines are unreliable, and millions of transportation dollars are allocated toward unnecessary and wasteful highway expansion projects each year. We need to take bold action to address the structural, systemic problems with our transportation sector.

The Transportation and Climate Initiative is a step forward for the Northeast and Mid-Atlantic states to reduce the harmful effects of fossil fuel emissions on our communities, and fix our transportation sector. With an absence of leadership at the federal level, state and local action is more important than ever, and TCI will help states and cities accelerate the transition to zero-emission transportation.

Program Design Elements

The current version of TCI outlines three emissions reduction scenarios. We support the most ambitious emissions reduction goal set at 25% by 2032, with a strong descending cap. This goal would result in billions of dollars of net new revenue for the region, which should be invested in clean transportation. In particular, we support improving existing public transportation infrastructure, walking/biking infrastructure, and the electrification of public buses and private cars and trucks.

States must have “guardrails” when it comes to investment decisions. While it is true that every jurisdiction has unique transportation needs, the primary goal is to avoid investments that don’t achieve significant emissions reductions. Proceeds from the program must go towards initiatives and technologies that address climate change and improve the efficiency and reliability of our existing public transit networks. In addition to addressing these concerns, such investments will result in improved air quality and more affordable access to transportation, resulting in a more equitable public transportation system in the long run.

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.

Therefore, we recommend that proceeds from TCI go to projects such as:

- 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, and electric vehicle charging.

- 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.
- Incentives/assistance for local governments to encourage accommodating new growth in walkable/compact areas.

We support expanding low-carbon and clean mobility options in urban, suburban, and rural communities. We believe states must report the changes in transportation emissions over time, allowing the region to track its emissions reductions progress. The program should limit any impacts it may have on the most vulnerable.

We urge you to exclude certain projects from investment. The program should not invest in highway expansion and road maintenance. Highway expansion does not solve congestion. Rather, it induces demand for additional driving. Highway expansion also causes irreparable harm to communities – often low-income communities and communities of color – increasing the concentration of harmful air pollutants from vehicle exhaust, 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. Participant states and 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, and develop a robust network of charging infrastructure, if they have not already done so.
- 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.
- Expand transportation revenue sources that reduce driving, including gas taxes and congestion pricing. Revenue from these sources should go toward clean public transportation, and not highway construction or upkeep.
- Implement climate policies that explicitly meet or exceed the emissions reductions goals laid out in the 2015 Paris Agreement.

Applicability

Affected Fuels and Emissions

While traditional fuels like diesel and gasoline account for the majority of transportation emissions, alternative transportation fuels like biofuels should also 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. In addition, fuel supply infrastructure should also be regulated, including oil and gas pipelines, gas plants, and any other new fossil fuel infrastructure.

Compliance and Enforcement

Emissions reporting requirements

Reporting ensures that fuel suppliers are held accountable to their emissions, and that states are 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

We support a TCI with integrity. We do not think TCI should be linked to other regional greenhouse gas initiatives, because doing so reduces the regulatory effect and investment impact of TCI, and results in slower emissions reductions. Similarly, we oppose any cost-containment measures that would result in a net increase in emissions beyond the level of the cap, as the increasing evidence of the threats posed by global warming demands strong action without delay. Program linking should not be possible under TCI, and if absolutely necessary, 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 an aggressive descending cap on transportation-sector emissions. We recommend that the emissions reduction goals be at the very least consistent with the goals of the Paris Agreement as applied within the transportation sector 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

A regional organization is an effective way to administer the program, with representatives from each of the states engaged in the program.

In summation, we must do all we can as fast as we can. The longer we wait to fix our buses and trains, the more cars will end up on our roads, adding to congestion, worsening public health, and contributing to the climate crisis.

Sincerely,

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