

November 5, 2019

Transportation & Climate Initiative Regional Policy Workgroup,

Thank you for the opportunity to comment on the “[Framework for a Draft Regional Policy Proposal](#)” released on October 1, 2019. We – the undersigned organizations – view the Transportation and Climate Initiative (TCI) as an important opportunity for regional collaboration on a pressing problem. We also believe that robust public input into both the regional and state decision-making process is essential to ensure an equitable policy design and the best program possible.

We face an existential crisis when it comes to climate change. Our collective greenhouse gas (GHG) emissions – largely from the combustion of fossil fuels and, in our region, largely coming from the transportation sector – are putting our economies, public health, and quality of life at great risk. Strategies that are carefully designed to reduce carbon pollution as swiftly as possible, in an equitable manner, are essential. TCI offers one of those opportunities. Getting it right, but getting it done, is essential. And, then we will need to do more.

Vermont is far from meeting its long-standing climate goals, with most of our GHG emissions increases coming from our most carbon-intensive sector: transportation. A strong program – including a strong cap – will be important to put Vermont and the region on track to start meeting our carbon pollution reduction commitments.

In these comments we offer some high-level input on our hopes for a strong program that could take our states, and our region collectively, one big step forward to reducing carbon pollution and, importantly, helping to create a cleaner, more diverse, more accessible 21<sup>st</sup> century transportation system. We appreciate the direction it appears TCI states are moving on several fronts and the opportunity to highlight some of the key characteristics we believe are essential to a strong, equitable program.

Thank you in advance for your consideration of this input and, more so, for your hard work to date – and the important work to come – to shape the design of a program that works for our planet and all people.

### **Equity**

The prioritization of equity in the design of this program is key to its success, and we commend your recognition of it as a top priority. This program must – and, we believe, can – be designed to begin to dramatically reduce greenhouse gas emissions while also improving access, mobility, and public health for vulnerable and disproportionately impacted populations in particular. Ensuring this outcome will require an ongoing, inclusive, and strong public process, in particular for getting input on where any revenues would best be directed. Considering the differences among and within each state, utilizing potential TCI proceeds to address and prioritize equity, mobility, and access for more rural, low income, vulnerable and disproportionately impacted populations is essential.

In rural Vermont, transportation is a huge equity issue. It is a barrier to accessing and retaining a job and meeting basic needs such as getting to medical appointments, the grocery store and the pharmacy. The lack of transportation options leave many Vermonters isolated and alone, specifically the 1/3 of Vermonters who do not drive (this includes one in five adults over 65 years of age, people with a disability, children and those who choose not to drive). It is also a tremendous economic burden for low income households, where transportation accounts for approximately 50 percent of their energy bills. Strategies that serve a rural region well and enable Vermonters access to more clean, diverse transportation solutions are needed, and TCI revenues could serve as an important means to spur the investments required to make this transition.

### **Affected Fuels and Emissions**

We support the TCI states' proposal to cap carbon emissions from the combustion of motor gasoline and on-road diesel fuel in the region, as these fuels account for the vast majority of emissions from the transportation sector. We also urge that in the future other fossil fuels, such as Compressed Natural Gas (CNG), be considered for coverage as well, to avoid them being falsely viewed as a solution to transportation sector emissions.

### **Program Design: Auctions, Allocation, Regional Caps and Allowance Budgets**

The Intergovernmental Panel on Climate Change (IPCC) has concluded that we have about a decade to substantially reduce emissions if we are to avoid the worst impacts of climate disruption. As such, it is essential that states set a regional emissions cap at the outset of the program that is sufficiently ambitious to align both with states' climate targets and with scientific imperatives. To ensure TCI serves as the strongest tool possible to reduce emissions, the cap should start low and drop as quickly as possible, in line with the latest climate science. Further, to achieve the GHG outcomes needed, states should also auction all allowances.

### **Investment of Proceeds**

For the TCI program to succeed – and for states and the region to begin to reduce emissions in our most intensive sector – how revenues are invested is critical. Any TCI revenues must be reinvested in solutions that reduce pollution – as quickly as possible in the short term – as well as set the stage for avoided emissions in the long term, by giving people options for getting where they need to go by walking, biking, and taking transit, and well as the option to live in compact communities close to jobs, services, and amenities.

We believe parameters around the use of these proceeds are essential. These dollars should go to transportation-related solutions or solutions that reduce the need for transportation. TCI proceeds should not be spent to backfill budgets for roads, bridges, general funds, or, even, other needed climate solutions like weatherization or thermal fuel switching. We must find other means to meet these needs, but TCI proceeds should be harnessed to reduce carbon pollution from transportation and help to create a more connected, diverse, resilient, clean, and affordable transportation system.

Specifically, we believe any TCI revenues should prioritize low- and moderate-income and rural Vermonters without access to public transportation. The types of solutions we'd like to see prioritized include electrification of cars, buses, and bikes; transit; transportation demand management strategies like carpool, vanpool, and other creative ride-sharing techniques; safe walking and biking

infrastructure; smart growth land use solutions; housing in downtowns and community centers and more.

We appreciate and support the flexibility envisioned for states to identify the best strategies and investments to meet their unique needs. We also hope to see in Vermont – but also potentially to help drive innovation more broadly – the ability for all states to spend some TCI proceeds to fund innovative pilots such as micro-transit, high-efficiency vehicle incentive programs (especially to serve low income earners), or other creative strategies that could drive reductions, enable access, and help to fill in the gaps where more traditional strategies might fall short. This includes enabling the flexibility for geo-targeted investment strategies that could serve specific regions well, considering that the best solutions for bigger cities and towns might not be the best or most-needed strategies to serve smaller communities and rural areas.

### **Complementary Policies**

No one climate policy, including TCI, will accomplish all of the climate pollution reductions we need. We will need a diverse suite of significant, complementary policies to get the job done. We look forward to working with other TCI states, with diverse constituencies in Vermont and beyond and with policy makers to identify and advance that suite of other strategies to complement TCI, finally putting us on the path to meet science-based reduction targets we so desperately need to meet.

### **Conclusion**

This regional effort presents the most promising opportunity at this time to tackle emissions reductions in our heavily carbon-intensive transportation sector. Shaping a strong program in line with the climate science, while also prioritizing strategies and solutions to serve low-income, rural, and disproportionately impacted communities is imperative.

As noted above, even a strong TCI will not be sufficient to do all that we must to reduce pollution. That is why we also strongly encourage you to design an equitable TCI program that could, one day, potentially link to other carbon markets – if that made sense. We know that reducing carbon pollution in our heating sector is also a climate imperative. The ability for a well-structured TCI program to link to successful programs like California and Quebec’s Western Climate Initiative would provide the flexibility for the region (or states in the region) to participate in this economy-wide market. We urge you to enable that kind of design and flexibility in the program.

Thank you again for your hard work, your ongoing commitment to designing a science-based, equitable, and flexible program, and for your consideration of our input.

Sincerely,

[Audubon Vermont](#)

[Capstone Community Action](#)

[Transportation for Vermonters](#)

[Vermont Conservation Voters](#)

[VEIC](#)

[Vermont Natural Resources Council](#)

[Vermont Public Interest Research Group](#)

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