



## TRANSPORTATION & CLIMATE INITIATIVE STATEMENT

December 18, 2018

The Northeast and Mid-Atlantic states are taking steps to develop cleaner transportation systems that reduce congestion, promote walking, bicycling and transit use, support innovation and economic growth, improve air quality, help communities become resilient to extreme weather events, and equitably share the benefits and burdens among users. Since 2010, we have collaborated through the Transportation and Climate Initiative (TCI), recognizing that our states and communities in this region and across the United States are already experiencing the serious impacts of climate change. Emissions from transportation account for the largest portion of the region's carbon pollution and a recent report by the Intergovernmental Panel on Climate Change found that ambitious reductions are needed within the next decade to avoid dangerous impacts to public health, infrastructure, and the environment. Advancing low-carbon transportation solutions presents an opportunity for our region to improve the way people and goods move from place to place while addressing the threats posed by carbon and other pollution.

TCI member jurisdictions recognize that a regional low-carbon transportation policy would enable us to cut carbon pollution in line with our emission reduction goals. In 2017, several TCI jurisdictions committed to engage with the public in a conversation about the "opportunities and challenges, the benefits we would all like to see in the transportation system of the future, and the policies that will enable us to realize this future together." Over the past year, dozens of TCI state officials facilitated regional listening sessions with 500 stakeholders to discuss low-carbon transportation goals, needs, and policy solutions. A diverse group of stakeholders in the region have expressed strong interest in the potential for establishing a market-based policy to reduce carbon pollution from the transportation sector. Public input and other expert policy analyses underscore the potential economic, environmental, and public health benefits of reinvesting the proceeds from such a program into more clean transportation options, such as public transit, transit-oriented development, zero-emission vehicles, innovative efficiency strategies, and other solutions that move people and goods more efficiently while generating less pollution, including in environmental justice communities.

*Informed by input from hundreds of stakeholders and expert analysis, the participating TCI jurisdictions will design a regional low-carbon transportation policy proposal that would cap and reduce carbon emissions from the combustion of transportation fuels through a cap-and-invest program or other pricing mechanism, and allow each TCI jurisdiction to invest proceeds from the program into low-carbon and more resilient transportation infrastructure. This proposed program, when combined with existing programs and complementary policies, will be designed to achieve substantial reductions in transportation sector emissions and provide net economic and social benefits for participating states.*

*The participating TCI jurisdictions plan to complete the policy development process within one year, after which each jurisdiction will decide whether to adopt and implement the policy. The participants intend this program to be implemented on a regional basis after a critical mass of Northeast and Mid-Atlantic states have completed the legal processes to implement the agreed upon pricing mechanism.*

We agree that the low-carbon transportation policy for the TCI region should:

- Ensure that carbon reduction goals are met, while creating healthier and more livable communities.
- Create opportunities for jobs and economic growth along with new markets for low-carbon technologies, including through partnerships between government and private enterprise.
- Ensure that the benefits and burdens of both the pricing mechanism and investments are shared equitably across communities, address the concerns of those with limited alternatives to driving and improve transportation equity for currently underserved and overburdened populations.
- Enhance the resilience of the transportation system.
- Reflect input from a broad spectrum of stakeholders in the TCI jurisdictions while ensuring that local communities are involved in decisions that affect them.
- Maximize environmental, economic, social, and public health benefits.
- Be pragmatic, transparent, and as simple as possible to implement.
- Allow individual TCI jurisdictions to develop and implement complementary policies and determine how proceeds are invested.

To ensure that the resulting regional policy is able to achieve these goals, we will pursue the following steps:

1. *Regional Policy Design.* We will cooperate to design the regional policy, focusing on areas where consistency across jurisdictional boundaries is important. Decisions to be made during the regional policy design process include the following:
  - a. Determine the level at which to cap emissions;
  - b. Develop monitoring and reporting guidelines to ensure that transportation-related emissions decline over time;
  - c. Identify the regulated entities and determine which fuels to include;
  - d. Develop mechanisms for cost containment and compliance flexibility;
  - e. Identify shared priorities for investment of proceeds;
  - f. Establish clear processes and timelines for implementation; and
  - g. Assess ways to foster broader transportation equity across communities.
2. *Expert Consultation.* We will consult with experts, including those with expertise in transportation equity, throughout the design and potential implementation of the regional policy.

3. *Further Stakeholder Engagement.* Building on previous stakeholder engagement and the listening sessions held to date, we will engage with the public to invite their input on policy design questions, including through specific outreach to underserved communities, fuel providers, and other businesses. Individual jurisdictions may choose to carry out their own parallel processes with the regional process.
4. *Technical, Environmental and Economic Analysis.* We will jointly carry out technical, environmental, and economic analysis to better understand the benefits and costs of regional transportation policy and how those benefits and costs may be distributed across different user groups.
5. *Complementary policy development.* At the same time that TCI states are designing and planning for implementation of a regional policy, we may choose to explore the design and potential implementation of complementary policies, such as coordinated infrastructure planning, land use planning improvements, and the development of green banks and other innovative financing mechanisms.

TCI jurisdictions are welcome to join as active participants or observers as we design and implement the program.

***Participating TCI jurisdictions, as of December 18, 2018:***

***Connecticut***

***Delaware***

***Maryland***

***Massachusetts***

***New Jersey***

***Pennsylvania***

***Rhode Island***

***Vermont***

***Virginia***

***Washington, DC***