

THE TRANSPORTATION AND CLIMATE INITIATIVE PROGRAM (TCI-P) EXPLAINED



Our transportation system - how we move people and goods from point A to point B - is the lifeline of our economy. We can build a reliable, affordable, zero-emission transportation system with increased public transportation, cleaner cars, battery-electric trucks and buses, safer walking and biking paths, and affordable housing near transit hubs. These solutions will support an inclusive economic recovery for communities hit first and worst by poverty, pollution, and the COVID-19 crisis.

WHAT IS THE TRANSPORTATION AND CLIMATE INITIATIVE?

A bi-partisan group of twelve Northeast, Mid-Atlantic, and Southeast Governors and the Mayor of D.C. are working together to develop a regional program to cut pollution and build a fair and just zero-emission transportation system. The program, called the **Transportation and Climate Initiative Program (TCI-P)**, is a market-based “cap and invest” system that holds gasoline and diesel companies accountable for the true cost of their climate pollution, while raising new proceeds to invest in solutions. As of December 2020, four initial jurisdictions (CT, DC, MA, RI) have signed onto the program, while eight more (DE, MD, NC, NJ, NY, PA, VA, and VT) are considering joining.

HOW DOES THE TCI-P WORK?

Under the bipartisan TCI-P, states place a cap on emissions across the region and fuel suppliers must pay for permits, called allowances, to account for their emissions. Allowances under the cap are sold at auction, with prices ranging between \$6.50 and \$12 per ton in the first year of the program. The potential cost passed on to consumers would be less than a dime a gallon, far less than normal gasoline price fluctuations in any year. Between 2023-2032 the cap will decline by 30% and the number of available allowances will decrease, leading to a 26% decrease in carbon emissions. Amongst the first participating jurisdictions, the proceeds raised can generate **\$300 million** per year, or more than \$3 billion over the ten years of the program. If all other states decide to join the program, it is estimated to raise over **\$2 billion** annually across the region.

CAP POLLUTION



RAISE MONEY



INVEST IN SOLUTIONS



COMMUNITIES BENEFIT



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HOW DOES TCI-P BENEFIT COMMUNITIES?

The TCI-P memorandum of understanding (MOU) directs states to **dedicate at least 35% (minimum)** of generated funds to directly benefit 'overburdened and underserved' communities in a manner that reflects their share of the population..

Furthermore, it directs state agencies to establish **community advisory boards** that have meaningful opportunities to shape the program and majority representation from disproportionately impacted communities. These advisory bodies will help define which populations or neighborhoods are considered 'overburdened and underserved,' develop the metrics to evaluate the fairness of the program, and make recommendations on how the state should make investment decisions.

Finally, the MOU also requires states to install and report on **air quality monitors** in the most pollution-burdened communities to ensure the program is directly protecting and benefiting those communities.

WHAT CAN STATES DO TO STRENGTHEN TCI-P?

States can build upon the equity provisions in the TCI-P MOU by committing to support state enabling policy that at least:

- increases the floor of dedicated investments for 'overburdened and underserved' populations **above** 35% and dedicates funds at a percentage that is **significantly greater** than their share of the population;
- guarantees emission **reductions** in pollution-burdened communities;
- includes workforce development programs and **fair labor standards**; and
- places funds generated from TCI-P in a '**lockbox**' for intended purposes.

WHAT HAPPENS NEXT?

All twelve TCI states will develop a model rule in the spring of 2021 that individual states can then tailor for their specific contexts. The initial four participating states will adopt enabling legislation or regulation as early as 2021 and report on the baseline of emissions in 2022. Proceeds will be generated beginning in 2023. These initial states will also be tasked with forming advisory bodies and seeking active input from the public on program implementation.

Learn more here: www.thedreamcorps.org/tci

