

# TCI Open Letter

We, the undersigned, represent citizens and businesses in states currently considering participation in an inter-state compact known as the Transportation and Climate Initiative (TCI), a carbon tax “cap and trade” proposal for reducing carbon dioxide (CO<sub>2</sub>) emissions from fossil motor fuel use.

While the specific details of the TCI are expected to be released on December, 17<sup>th</sup>, 2019, the framework was made public in October and the primary purpose behind the idea is not in dispute. The TCI is intended to make purchasing transportation fuels so painfully expensive that the astronomically high price discourages people from buying it. In short, consumers will have to pay more at the pump to fund increased government spending. Make no mistake, this is a tax. More precisely, it is a carbon dioxide tax being implemented through a gas tax.

But, unlike motor fuel taxes levied to pay for roads, bridges, and transportation infrastructure (a reasonable fee for use), the TCI would be the equivalent of a “sin tax” – a penalty for engaging in bad behavior. We do not believe that driving to and for work, transporting children to school, transporting goods, going to the grocery store, and all the other necessary activities that generally require a vehicle should be treated by governments as a sin. These are not activities people can, or should be forced to, avoid.

The TCI will also increase state and municipal spending, as public services such as snow plowing, collecting garbage, and transporting school children will be burdened with significantly higher fuel costs. Furthermore, fuel-reliant small businesses that transport goods or provide services will suffer higher operating costs. Those increased expenses ultimately will be passed along to consumers and taxpayers. Citizens in TCI states can expect to be hit with higher personal costs, higher costs for goods and services, and higher taxes.

Gas taxes are regressive in nature. The TCI will hurt lower-income and rural residents much more significantly than their higher-income, urban peers. Since motor fuels are economically “inelastic,” the higher costs imposed by the TCI’s fuel tax will have to come out of other areas of household budgets. People already struggling to make ends meet will be forced by their own governments to make painfully difficult choices. Economically speaking, this is bad policy. Morally speaking, it’s just cruel.

Among the 13 Northeastern and Mid-Atlantic states currently contemplating joining the TCI are some of the most heavily taxed in the nation. Adding another significant burden to the already over-taxed families of these states is neither desirable nor fair.

The first formal details of the TCI come out this month and will certainly raise more questions and concerns about the constitutionality of the program. State legislatures, legally required to or not, should vote on any proposal for their state to join the TCI. Legislators should not allow one citizen of a state — the governor — to impose such serious financial burdens on all other citizens. Such a decision rightfully belongs to the people’s representatives and should be reached through the legislative process, not by the decree of a single executive.

The TCI is a poorly conceived, fundamentally regressive, and economically damaging proposal. It would — on purpose — make the day-to-day transactions of life painfully expensive, especially for those of us who are going through bad times and are struggling every day to get by. Government should not do this to its citizens. Government exists to serve the people, not to bend them to the will of elite opinion. For these philosophical and financial reasons, states should reject the TCI at the first available opportunity.



A handwritten signature in blue ink that reads 'Carol Platt Liebau'.

Carol Platt Liebau  
President, Yankee Institute for Public Policy, CT



A handwritten signature in blue ink that reads 'Carl Copeland'.

Carl Copeland  
Executive Director, Massachusetts Fiscal Alliance, MA



Grover G. Norquist  
President, Americans for Tax Reform, DC



A handwritten signature in blue ink that reads 'Mike Stenhouse'.

Mike Stenhouse  
CEO, Rhode Island Center for Freedom and Prosperity, RI



A handwritten signature in blue ink that reads 'Christian N. Braunlich'.

Christian N. Braunlich  
President, Thomas Jefferson Institute for Public Policy, VA



A handwritten signature in blue ink that reads 'Paul D. Craney'.

Paul D. Craney  
President, Fiscal Partners, MA



A handwritten signature in blue ink that reads 'Rob'.

Rob Roper  
President, Ethan Allen Institute, VT



A handwritten signature in blue ink that reads 'Christopher R. Summers'.

Christopher R. Summers  
President, The Maryland Public Policy Institute



A handwritten signature in blue ink that reads 'Leo Knepper'.

Leo Knepper  
Chief Executive Officer, Citizens Alliance of Pennsylvania, PA



Christopher R. Carozzi  
State Director, NFIB in Massachusetts, MA

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