

# TCI 101

## **Transportation and Climate**

**Initiative:** The Transportation and Climate Initiative (TCI) is a new cap-and-trade system. It will set a limit on carbon dioxide emissions from the transportation sector in the Northeast and Mid-Atlantic and auction off allowances to the fuel companies operating in the region. The price of the allowances will increase expenses for fuel companies and lead to a price hike at the pump. TCI is designed to make driving cars and trucks more expensive. In short, the Transportation and Climate Initiative is a transportation cost increase. All aspects of our economy that rely on transportation, including the millions of products delivered by truck each day, will be jeopardized by TCI.

**Allowance:** A tradable permit that a company must buy in order to deliver or hold the raw material for gasoline and diesel fuel in the TCI region.

**Cap-and-Invest:** TCI avoids using the term “cap-and-trade,” opting for the focus-group-approved “cap-and-invest.” Under TCI, the revenue from the allowance auctions would go to state governments for new programs. In other words, cap-and-invest means tax-and-spend.

**Signatory Jurisdiction:** The states that enact TCI. These could include: Maine, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Maryland, Delaware, Virginia, and the District of Columbia. New Hampshire Governor Chris Sununu says his state will not participate, announcing in December, “I will not force Granite Staters to pay more for their gas just to subsidize other states’ crumbling infrastructure.”

**Affected Fuel:** The raw material that goes into the gasoline and diesel fuel that power our transportation sector.

**State Fuel Suppliers:** The companies that deliver and own the affected fuel in TCI states.

**Clean Transportation Alternatives:** Drivers will pay for TCI in the form of higher fuel prices. The revenue will likely be spent on so-called clean transportation alternatives: mass transit and electric vehicle infrastructure.

**Vehicular Pollution:** Carbon dioxide, the target of TCI, is a colorless, odorless gas that presents no harm to the local environment. Vehicles can emit pollutants, such as sulfur dioxide, but those are not greenhouse gases, i.e., they do not warm the planet.