



January 29, 2020

RE: Testimony for the Joint Hearing on the Transportation & Climate Initiative (TCI)

To: Members of the Senate Transportation and Environmental Resources & Energy Committee:

Ceres is a national sustainability nonprofit organization working with the most influential investors and companies to build leadership and drive solutions throughout the economy. Ceres' mission is transforming the economy to build a sustainable future for people and the planet. Ceres' policy network, called BICEP (Business for Innovative Climate and Energy Policy) comprises 56 companies, including dozens of leading consumer brands and Fortune 500s, advocating for strong climate, clean energy and clean transportation policies at the state and federal levels.¹ BICEP Network members with significant operations in Pennsylvania include IKEA USA, Kellogg Company, Mars Incorporated, Nestle, Schneider Electric, REI and more. Ceres also recently launched the Corporate Electric Vehicle Alliance, which includes Amazon, DHL, IKEA, and AT&T, who are leading the push for an expanded electric vehicle market and an improved policy landscape for clean vehicles.²

The Transportation and Climate Initiative (TCI) provides a once-in-a-generation opportunity to simultaneously modernize and decarbonize the region's transportation system. Our region's transportation system is a major contributor to climate change, which many businesses and investors that Ceres works with consider a major, and urgent, economic risk. However, addressing climate change is also our greatest economic opportunity.

In 2018, more than 70 businesses, investors and institutions sent a letter calling on Northeast and Mid-Atlantic states to "prioritize policies and investments to create a clean, equitable and efficient transportation system," saying that, "Our system for moving people and goods throughout the region has a clear impact on business productivity and costs, and our region stands to benefit significantly from making investments today to modernize that system."³

TCI is a market-based carbon pricing system focused on reducing pollution from the transportation sector. Without a program like TCI, the adverse impacts of carbon pollution are not accounted for appropriately in the economy. TCI is designed so that proceeds from auctioned emissions allowances are sent back to the states to be used for programs that allow consumers to avoid paying higher fees at the pump—such as incentives for electric vehicle purchases and charging stations, expanded broadband access to support telecommuting and telemedicine, public transit and more. In other words, **TCI would enable states to tackle climate change while simultaneously funding the infrastructure and investments needed to support a thriving 21st Century economy.**

¹ To learn more, visit: www.ceres.org/BICEP.

² To learn more, visit: www.ceres.org/corporate-electric-vehicle-alliance.

³ "Businesses and institutions call for a regional approach to curb transportation emissions." Ceres. See: <https://www.ceres.org/news-center/press-releases/businesses-and-institutions-call-regional-approach-curb-transportation>

At least half of Fortune 500 companies have set goals to reduce their greenhouse gas emissions and/or source clean energy.⁴ TCI could help these companies achieve their goals—for example:

- By helping to build out essential electric-vehicle (EV) charging infrastructure across the state, TCI would help the growing number of businesses wanting to ship their goods across the state with electric cars or trucks.
- The infrastructure proceeds from TCI could also help businesses find and retain talent from rural and suburban areas through increased access to transit or greater broadband capabilities that enable more employees to telecommute.
- In urban areas, TCI could also help improve public transit and reduce congestion to help employees get to work and to meetings more efficiently.

The clean and efficient transport of people and goods is a key factor driving new corporate investment decisions nationwide.

In addition to investments in EV charging, rural broadband, public transit and road infrastructure, TCI proceeds could be used to fund transportation programs for rural and senior Pennsylvanians, expand rail capabilities, help residents purchase clean or electric vehicles, and/or help municipalities transition to electric or compressed natural gas (CNG) bus systems. The investments that Pennsylvania would receive through participating in TCI would serve to make Pennsylvania, and the region, even more economically competitive, while simultaneously reducing the state's reliance on imported oil.

Together, Pennsylvania's transportation and electricity sectors make up over half (53 percent) of its greenhouse gas emissions.⁵ As such, it is imperative to tackle emissions from the transportation sector just as it is from the electricity sector. While transportation presents one of our greatest obstacles for tackling climate change, it also presents one of the biggest opportunities to address some of Pennsylvania's greatest challenges of the modern economy.

Thank you for your attention. Please do not hesitate to reach out with any questions.

Sincerely,

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⁴ Ceres. Power Forward 3.0: How the largest U.S. companies are capturing business value while addressing climate change. www.ceres.org/resources/reports/power-forward-3.

⁵ Pennsylvania Department of Environmental Protection. Pennsylvania Greenhouse Gas (GHG) Inventory. December 2019. <https://www.dep.pa.gov/Citizens/climate/Pages/GHG-Inventory.aspx>.