



January 27, 2020

Dear Municipal Officials:

Last month, Massachusetts Fiscal Alliance mailed a letter to every municipal official in the state outlining a new bureaucrat project called the Transportation and Climate Initiative (TCI). TCI is an agreement by several northeastern and mid-Atlantic states to reduce carbon emissions by artificially increasing the cost of gasoline and diesel fuel by limiting the supply. While Beacon Hill officials use a great deal of technical jargon when talking about the proposal, at its core the government will be increasing the cost of gasoline to fund increased government spending. To most people, this is a tax.

In December, state officials finally released some details on the project to the public. What we learned is that WITHOUT implementing TCI, carbon emissions are expected to drop by 19% over the next decade. This is based on existing efforts alone, which include increased numbers of electric vehicles and more fuel-efficient cars. If implemented, TCI would initially cost drivers somewhere between 5 and 17 cents a gallon in increased costs. The costs would increase even more over time. This would yield a reduction in emissions of just 1% to 6%, but would drain between \$1.4 billion and \$5.6 billion from our economy annually.

If you're thinking this is an expensive proposal for such a marginal gain, you're not the only one. Last month, Governor Chris Sununu withdrew New Hampshire from the TCI compact when these details emerged. He referred to the whole effort as nothing more than a "financial boondoggle" and especially expensive for suburban and rural residents. Since then, the Governors or high placed officials in Connecticut, Vermont, Maine and Rhode Island have all expressed major reservations with the scheme and indicate that they would not be likely to join. In fact, even the Vermont AFL-CIO came out against TCI, describing it as a regressive gas tax that hits low income and working people.

Closer to home, dozens of Democratic and Republican state legislators have expressed opposition to the project, and many have signed on to a bill that would require the Governor to obtain legislative approval before binding the Commonwealth to such a disastrous agreement. The bill would also ensure the legislature has oversight on how the funds are spent. Currently, the funds would circumvent the legislative process.

Even though all neighboring New England states have indicated they would not be joining the effort, it is unknown if the Governor would still pursue this TCI gas tax. If Massachusetts were to join this scheme without the rest of New England, the economic impact to border towns, cities, and their residents and businesses would be devastating.

We strongly urge you to learn more about TCI by visiting our website at [www.massfiscal.org](http://www.massfiscal.org). Further, your elected officials hold the key to the future of TCI more than anyone else in the Commonwealth. We urge you to request they bring the TCI scheme to a vote so the elected voice of the people of Massachusetts can vote against this regressive and punitive gas tax hike.

A handwritten signature in blue ink that reads "Laurie Belsito".

Laurie Belsito  
Legislative Director