



Vermont Businesses
for Social Responsibility

Vermont Business Support for an Ambitious, Equitable Transportation & Climate Initiative

December 11, 2020

Executive Office of Governor Phil Scott
109 State Street, Pavilion
Montpelier, VT 05609

Dear Governor Scott,

On behalf of the undersigned 103 Vermont businesses and community leaders, we are writing to express our collective support for an equitable, ambitious Transportation & Climate Initiative (TCI). TCI represents a once-in-a-generation opportunity for our state to do our part in tackling climate change and invest in cleaner, more affordable transportation solutions that grow our economy, create family-sustaining jobs, improve public health, and serve overburdened and underserved communities on the frontlines of this crisis.

Fossils Fuels: Bad for the Environment, Bad for our Economy

The science cannot be clearer. Our society needs to work together to cut our collective fossil fuel consumption in half by 2030 if we're going to stave off the worst, costliest consequences of climate change. Here in Vermont we're woefully behind. Fossil fueled transportation accounts for 44.5% of our greenhouse gas emissions, and we are the only state in the region that has failed to reduce our emissions below 1990 levelsⁱ. We also have the highest emissions per capita of any state in the region at over 15 tons of greenhouse gases per person—thanks in large part to the fact that there are more vehicle miles traveled in Vermont than any other state in the northeastⁱⁱ. Maintaining this status quo is not only costly to our environment, but to our economy as well.

At a time when Vermont must recover from the COVID-19 pandemic and build for the future, the challenges of a fossil-fueled economy continue to hold us back. 95% of our state's transportation sector is powered by fossil fuels, and we import 100% of the oil and gas we consume. Of the \$2 billion a year Vermont averages in fossil fuel spending, roughly 75%, or \$1.5 billion, leaves our state's economyⁱⁱⁱ. Conversely, investing in renewable energy and efficiency solutions keeps a much higher portion of our energy dollars here in Vermont, creates family-sustaining jobs, and spurs economic growth.

Fossils fuels are not only bad for our state's bottom line, but for our local businesses and households'. Cost comparisons between gas and electric vehicles (EVs), including cost per mile and maintenance costs, show that gas vehicle drivers spend nearly \$10,000 more on operations and maintenance over the course of 150,000 miles^{iv}. Many of our businesses have already made the transition to EVs, and our communities, employees, and profit margins are better for it.

While these numbers paint a stark picture, change is possible. Similar to TCI, the Regional Greenhouse Gas Initiative (RGGI), a cap-and-trade program focused on reducing emissions from existing and new power plants, not only cut emissions from our electric sector by 47%, it also generated **\$3.2 billion in allowance auction proceeds**, \$5.7 billion in health and productivity benefits, and a 47% increase in GDP among participating states^v. Of that \$3.2 billion, Vermont received \$19.9 million in RGGI proceeds between 2008 and 2016^{vi}. These dollars were used to fund various efficiency and renewable energy programs that have to date served over 8,700 Vermont households and 500 Vermont businesses, and are expected to cut over 100,000 tons of CO₂ and save Vermonters \$155 million in energy costs^{vii}. The successes of RGGI have clearly shown that carbon-control programs can be designed in ways that put less pollution in our atmosphere and more dollars in consumers' pockets.

Opportunities to Improve our Transportation Infrastructure and EVs

At a time when Vermont is facing significant budgetary pitfalls, TCI proceeds can be used to modernize Vermont's outdated transportation system with improved transit solutions that will make transit, alternative transportation modes, and electrification of transportation more affordable, reliable, safe, and accessible for all Vermonters. Potential investments include:

- Safe, convenient, reliable, and affordable public transportation, including in rural areas and for people with disabilities;
- Complete streets safe for walking, biking, and rolling;
- Modernized and resilient infrastructure;
- Clean electric school buses, transit buses, cars, and trucks;
- Improved broadband access to promote telecommuting, increase access to services, and reduce vehicle miles traveled;
- Incentives to advance land use decisions that promote the smart growth of our downtowns, villages, and compact community centers; and
- Affordable, equitable housing near job and transit centers;

It's important to note that Vermont can realize the benefits of TCI *only* if we choose to participate in the program. In fact, failure to join will likely cost Vermonters money yet rob of us of the program revenues: While most of the fuel dealers that will need to purchase allowances are located outside of Vermont, these companies are expected to pass on their compliance costs to Vermonters regardless of whether or not our state participates. In other words, if we don't join TCI, Vermonters could find themselves paying for transportation solutions in other states but not our own.

Invest in Communities Hardest Hit by Climate Pollution

We support an ambitious and equitable TCI program that includes strong safeguards and guaranteed investments for communities overburdened by pollution and underserved by current transportation options. Our region's existing transportation system is deeply inequitable. Decades of systemic racism has influenced where highways, bus and truck depots, airports, ports, and other infrastructure are located. As a result, Black, Brown, and low-income communities are disproportionately exposed to transportation pollution and their health has suffered greatly for it. Adding insult to injury, many of these same communities face greater challenges in obtaining safe and affordable transportation to get to work, school, medical appointments, recreation, and other needs. A recent study from Harvard and other leading universities shows that an equitable TCI program, one that sets ambitious emissions reductions targets and prioritizes more equitable transportation investments, could help to reduce these disparities and combat health issues associated with air pollution^{viii}.

TCI must include robust community consultation, transparency, Equity Advisory Bodies, and guarantees to prioritize and dedicate significant program spending to address the needs of overburdened and underserved communities.

Supporting Rural Vermonters

Vermont's greatest transportation challenges often lie in our rural communities, who bear the brunt of the impacts of climate change and face the most significant hurdles when it comes to accessing affordable, efficient transportation. They also stand to benefit greatly from climate solutions like the Transportation & Climate Initiative.

As you well know, climate change is here, and its impacts are already being felt across the state. Spring is arriving earlier; our summers are hotter and drier than ever; and more frequent, severe storms are triggering floods that cost us millions in damaged property and infrastructure. TCI revenues can be used to adapt rural transportation infrastructure to fit the needs of our changing climate and lessen the impacts of extreme weather events like Hurricane Irene—which cost our state over \$250 million in damages to our transportation infrastructure and left 13 Vermont communities stranded in its wake^{ix}.

Geographic mobility and economic mobility go hand in hand. For drivers living outside of Vermont's urban centers—who often have to travel farther, repair their vehicles more often, produce more carbon emissions per capita, and spend more money on fuel—TCI and other state programs can support more frequent and far-reaching rural transit lines, EV purchase incentives and charging infrastructure, expanded park and ride lots, and other solutions tailored to the unique needs of our rural communities. These investments would reduce costs, lower emissions, promote resiliency, and grow local economies.

Vermont's outdated, fossil-fueled transportation system is a roadblock to our state's long-term economic growth and our largest source of climate pollution. The Transportation and Climate Initiative is a historic opportunity to advance solutions that recognize our shared responsibility to take climate action, improve our ailing transportation infrastructure, stimulate our economy, and strengthen our most vulnerable communities. We urge you to support Vermont's participation in an equitable, ambitious TCI. Together we can pave the way toward a transportation future that works for all Vermonters.

Thank you,

4 Points VT	Kria Botanicals
Adventure Dinner	Lake Champlain Chocolates
American Sustainable Business Council	Lake Champlain Committee
ANA-Vermont	Light-Works, Inc.
Andy Robinson Consulting LLC	Maclay Architects
AroMed Essentials	Main Street Landing
Austin Design, Inc.	Mamava
BCK Law, PC	Merritt & Merritt
Bellwether Craftsmen	Mia Moore Consulting
Ben & Jerry's	Michael's on the Hill
Birdseye	Middlebury Natural Foods Co-op
Brattleboro Savings & Loan	Morris Recruiting & Consulting, LLC
Burlington Paint and Sip Studio	Northeast Organic Farming Association of Vermont (NOFA-VT)
Burton	Norwich Solar
Business Culture Consultants	Operations Plus
Capstone Community Action	Otter Creek Law, PLLC
Champlain Community Services	Outdoor Gear Exchange
Champlain Valley Dispensary	Radiance Studios LLC
Champlain Valley Office of Economic Opportunity	Railroad Row LLC
Cheese & Wine Traders	rbTechnologies
Clean Yield Asset Management	Regan Leadership, LLC
CQ Strategies	Renewable Energy Vermont
Cx Associates	Sadowski Consulting Services, LLC
Danforth Pewter	Salvation Farms, Inc
Darn Tough Vermont	Seventh Generation
David Ellenbogen, Inc	Stowe Street Emporium
Better Together, HR Consulting	SunCommon
Dorset Theatre Festival	SunWood Systems LLC
Downtown Up	Sustain Local LLC
Echo Consulting LLC	Sweet Basil Cards & HANDS
Encore Renewable Energy	The Alchemist
Energy Futures Group	The Moulton Law Group
Flavor Plate	The Mountain Goat
Gardener's Supply Company	Tiny Home Helper, Inc.
gbA Architecture & Planning	Two Rivers-Ottawaquechee Regional Commission
Greater Burlington Sustainability Education Network	United Way of Northwest Vermont
UVM Environmental Program and Rubenstein School of Environment and Natural Resources	UP for Learning
Good Culture Works LLC	VEIC
GRAKLES	Vermont Creamery
Green Mountain Support Services	Vermont Energy Education Program
Green Mountain Transit	Vermont Family Farms
Green Mountain United Way	Vermont Gynecology
Green River	Vermont Housing Finance Agency
Greenvest	Vermont Works for Women
Groennfell Meadery LLC	Vital Communities
GVH Studio, Inc.	VSECU
Hotel Vermont	VT Independent Power Producers Association
J.Scott Marketing	Waste Free Earth
JAM Creative	Waterbury LEAP
	Wiemann Lamphere Architects

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ⁱ Vermont Agency of Natural Resources. (2020). Vermont Greenhouse Gas Emissions Inventory and Forecast: 1990 – 2016.

https://dec.vermont.gov/sites/dec/files/aqc/climate-change/documents/_Vermont_Greenhouse_Gas_Emissions_Inventory_and_Forecast_1990-2016.pdf

ⁱⁱ Vermont Agency of Transportation. (2017). The 2017 Vermont Transportation

Energy Profile. https://vtrans.vermont.gov/sites/aot/files/planning/documents/planning/The%20Vermont%20Transportation%20Energy%20Profile_2017.pdf

ⁱⁱⁱ Vermont Agency of Commerce and Community Development. (2020). Vermont 2020

Comprehensive Economic Development Strategy. <https://accd.vermont.gov/sites/accdnew/files/documents/DED/CEDS/CEDS2020FullReport.pdf>

^{iv} Energy Action Network. (2020). 2019 Annual Progress Report for Vermont. <https://www.eanvt.org/wp-content/uploads/2020/03/EAN-report-2020-final.pdf>

^v Acadia Center. (2019). The Regional Greenhouse Gas Initiative: 10 Years in Review. https://acadiacenter.org/wp-content/uploads/2019/09/Acadia-Center_RGGI_10-Years-in-Review_2019-09-17.pdf

^{vi} RGGI, Inc., Auction Results, 2019. <https://www.rggi.org/auctions/auction-results>

^{vii} RGGI, Inc. (2018). The Investment of RGGI Proceeds in 2016. https://www.rggi.org/sites/default/files/Uploads/Proceeds/RGGI_Proceeds_Report_2016.pdf

^{viii} The Transportation, Equity, Climate and Health (TRECH) Project. (2020) TRECH Project Research Update Preliminary Results. <https://cdn1.sph.harvard.edu/wp-content/uploads/sites/2343/2020/12/TRECHResearchUpdate-Dec9.pdf>

^{ix} Vermont Agency of Natural Resources. (2012). Lessons from Irene: Building resiliency as we rebuild. https://anr.vermont.gov/sites/anr/files/specialtopics/climate/documents/factsheets/Irene_Facts.pdf