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Executive Director

TO: Transportation Climate Initiative

DATE: November 5, 2019

SUBJ: Comments on Draft Framework for a Regional Policy Proposal

FROM: Thomas Matuszko, Executive Director



The Berkshire Regional Planning Commission (BRPC) appreciates the opportunity to provide comment on the Transportation Climate Initiative's (TCI's) Framework for a Draft Regional Policy Proposal. This document outlines the key elements associated with the development of a regional low carbon transportation policy. The objective is to solicit comments and input as work continues to finalize a draft policy and accompanying memorandum of understanding which is expected to occur by December 2019. BRPC is active in climate change efforts and is interested in supporting a reasonable, well thought out policy. Having had the opportunity to review the draft policy proposal, BRPC is eager to share comments to assist in this effort and to support the interests of the Berkshire region.

We are encouraged to see that equity is included as part of the policy framework. The document speaks to equity and environmental justice; it alludes that jurisdictions (states) have made a commitment to address equity. Our recent experience with an Equity Analysis prepared for MassDOT's 2020 -2024 Capital Investment Plan causes us to be reserved about how this matter will be addressed. The policy framework should delineate a consistent methodology which all jurisdictions agree to follow so that this element receives the attention which it is due.

The section on equity also mentions that inequities exist in different community types and this recognition is greatly appreciated. Berkshire county is primarily rural with very low-density development. Household incomes are amongst the lowest in the state. Residents have limited transit options. The rural nature of the county results in vehicle trips which are longer and the option to use public transit is limited to just 14 routes operated by Berkshire Regional Transit Authority. Longer trip lengths result in a disproportionate financial impact as a result of a carbon-based fuel tax to our residents. Although the framework speaks to expanding low carbon and clean mobility options in rural communities, no specific examples are provided. Jurisdictions (states) should also act and initiate dialogue with MPOs to determine what options would be best for their respective areas.

Also related to equity is a concern that funding be re-distributed equitably in relation to the amount in which was collected from an area. Rural areas have had to provide funding for large scale public works

projects and for transit operations in urban areas which they will never utilize. The framework should establish subregions within states to address this aspect of equity.

There are several actions associated with the policy framework which will require additional effort by each jurisdiction such as emissions tracking and reporting. No information has been provided which indicates where funding will come from to support program activities. It is strongly recommended that each jurisdiction (i.e. state) participating in this effort appropriate and utilize funding from their respective State or agency budgets for administrative and reporting purposes. Utilizing state funds will encourage efficient program management and program administration. It will also negate developing a task to determine an appropriate and equitable level of funding for these activities if it was to be covered by a portion of the carbon based fuel tax revenue. By having the states absorb this cost, it will allow for the maximum benefit of emission reductions to be achieved from this initiative. Furthermore, it is imperative that the framework incorporate provisions that these new funds are not used by jurisdictions to supplant funding which would have otherwise been required and/or expended.

Within the framework there is wording which appears to grant discretion to TCI jurisdictions. It is unclear if the intent is to grant individual jurisdiction's discretion or if collectively, jurisdictions will make those determinations. It is our position that the framework should require consistency amongst the jurisdictions and that any discretionary decisions be made in a collective manner, by all parties, so that no inequities arise from discretionary actions.

Emissions reporting requirements appear to allow for the use of US EPA emission factors or emission factors derived from other similar sources. The reporting that is developed should incorporate consistency within its design. Therefore, the policy needs to specifically designate which other emission factors can be used. If the emission factors are to be derived from a model, a subcommittee should be created to develop the input file parameters to maintain consistency amongst emission factors. Without doing so, the integrity of this program can be undermined.

As it currently stands, the reporting systems associated with this program have not been determined. This determination should be made as soon as feasible, but no later than December 2019, so that it can be referenced in the draft MOU of the regional policy.

We are encouraged to see that the framework contains provisions for flexibility with respect to the annual emission cap and cost containment. These are important items for a regional policy. One item which requires additional elaboration is the policy provision which would allow participating jurisdictions to set aside a small number of allowances that can be used to achieve other policy priorities. No information is currently included which describes what a small number of allowances are nor what the parameters are in terms of other policy priorities. This gives the appearance the set asides will provide for cash grabs by the jurisdictions for other policy priorities. To achieve the full and maximum benefit of this cap and invest initiative, these provisions should be removed. If they do remain, they must be specifically defined in the draft policy along with an allowance limit.

More information is needed regarding the regional organization responsible for marketing and auction administration. For instance, will this be a new organization or is there an organization capable of taking on this responsibility which has the opportunity for cost savings. Other questions include where the funding will come from for this activity and if it is intended to be funded by the auction revenue, a spending limit should be identified in the policy.

The policy framework includes a discussion about Complimentary Policies including provisions for jurisdictions to implement other measures which reduce emissions but also achieve other important policy goals. Including this provision is concerning. Although some complimentary policies may be related to climate change, they may not have a direct emission reduction benefit. The inclusion of this provision in the policy may serve as a loophole and lead to the diversion of revenue that should be solely directed towards emission reductions.

The policy framework correctly acknowledges the different transportation needs amongst the jurisdictions. The framework policy should specify that the jurisdictions must coordinate with MPOs to determine how the proceeds are invested and MPOs should have a say in developing priorities for investment of cap and invest revenue.

It is important to inquiry about a key component of the policy framework which is absent. To date, the TCI initiative has been virtually silent about the cost which would be added to transportation fuels. The policy framework, as it currently stands, does not address costs nor is a fiscal impact analysis included or is there mention if one will ever be provided. It is imperative that fiscal information be prepared and be provided to decision makers. BRPC's position is that the low carbon cap and invest transportation policy will have a disproportionate impact on our region where median household income is 29 percent less than statewide median household income. If this initiative is truly going to be equitable, the financial impact attributed from this effort must be offset for all Berkshire County residents. The policy should reflect such provisions.

One additional area in which the framework needs to focus additional attention on is economic impact. Increased transportation costs have the potential to negatively impact the local economy. The framework should provide highlights from the economic modeling that TCI is conducting as part of this initiative. The Berkshire region continues to struggle with keeping existing employers and has limited success in attracting new businesses. Small businesses whose operations include distribution and delivery stand to be significantly impacted by this effort. The models should project the economic impacts to rural areas. Consideration should be given to providing financial assistance to small businesses to negate the impact of this financial hardship.

The TCI initiative involves the development of numerous models to provide a fuller picture of the benefits and costs of different regional program design options. Work continues on this effort by several parties/firms each responsible for developing their respective model; however, there is no firm deadline specified for when this modeling effort will be completed. It appears that the modeling process is top down, where initially TCI will be conducting the regional modeling and then jurisdictions are given these tools (models) to conduct their own analyses. It appears more appropriate that each jurisdiction develop their respective model input parameters first and that TCI then incorporate input parameters from each jurisdiction into the regional model.

This initiative has the potential to impose a significant financial impact on citizens. TCI and its member jurisdictions must do more to communicate and inform their citizenry about this initiative. In addition, the memorandum of understanding should clearly establish a consistent method of adoption by each jurisdiction. Adoption should be by a general vote of the electorate or by vote of the legislative bodies of each jurisdiction.

In closing, BRPC appreciates the efforts which have gone into this collaborative climate change effort which seeks to negate GHG emissions from mobile sources, improve transportation infrastructure within the Berkshire region while also promoting geographic and social equity

Cc:

The Honorable Charles Baker, Governor

The Honorable Adam Hinds, Senator, Berkshire, Hampshire, Franklin & Hampden District

The Honorable John Barrett, Representative, 1st Berkshire District

The Honorable Paul Mark, Representative, 2nd Berkshire District

The Honorable Tricia Farley-Bouvier, Representative, 3rd Berkshire District

The Honorable Smitty Pignatelli, Representative, 4th Berkshire District

Secretary Kathleen Theoharides, Executive Office of Energy and Environmental Affairs

Secretary Stephanie Pollock, MassDOT