CURBING VEHICLE POLLUTION

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EXECUTIVE SUMMARY

Noxious exhaust from Virginia's millions of vehicles disproportionately harms the health of people of color and low-income communities and is the largest source of carbon emissions in the state. To fix both the public health and climate pollution problems, the Commonwealth must set a limit on total carbon emissions from tailpipes and tighten that limit annually. Binding limits on pollution also require that we fund clean transportation solutions. The General Assembly should authorize Virginia to join the Transportation and Climate Initiative Program (TCI-P) and reallocate existing transportation funds to support clean transportation while prioritizing overburdened and underserved communities.

CHALLENGE

A fundamental problem with our transportation system is that the people who suffer the worst from its pollution tend to enjoy its conveniences the least. Transportation is the largest source of carbon dioxide pollution in Virginia.² The deceptively cheap price of gasoline and diesel encourages more driving, while the low-income communities most vulnerable to the added stressors of climate change are the ones most likely to be impacted by them.³ In addition, the health problems caused by the soot, smog, and ozone from car exhaust are inflicted on people who live and work in close proximity to high-traffic areas. Those communities are disproportionately BIPOC and low-income.⁴

Two policy gaps exacerbate these inequities. First, the true cost to society of burning gasoline and diesel is not reflected in the price at the pump. This encourages people to buy more gasoline than they would if the full cost and health harms of gasoline were incorporated into the price. Many of the people buying the fuel do not

pay the unfair health costs associated with the pollution their driving causes, though they do enjoy the benefits.

Second, Virginia has no policies in place to prevent transportation pollution from increasing. Fuel efficiency standards and state inspections provide some limit to pollution, but the total vehicle miles traveled in Virginia continues to increase, and with it, total air pollution, causing 750 premature deaths annually.⁵

This pattern of ever escalating dependency on polluting cars and trucks will continue, unless the policies that created it are changed.

SOLUTION

Limiting carbon emissions from tailpipes and tightening that limit annually is essential. That binding limit on pollution also requires that we fund clean transportation solutions.

In addition to reallocating funding away from carbon-intensive transportation priorities, a boost from new funding is essential to swiftly transition to low-carbon transportation, while also increasing equity and reducing air pollution in overburdened and underserved communities.

Similar to the Regional Greenhouse Gas Initiative (RGGI), additional transportation funding can be provided by the Transportation and Climate Initiative Program (TCI-P), which would limit carbon emissions from transportation fuel. That limit would gradually tighten every year. As a further benefit, other pollutants from vehicle exhaust would also decrease, resulting in improved public health.

Under TCI-P, gasoline and diesel wholesalers would pay a fee for the carbon pollution caused when end users burn the fuel. The fees are expected to result in an average \$300 million a year⁶ in proceeds to Virginia, providing the necessary resources to invest in projects that reduce vehicle miles traveled and expand Virginians' ability to engage with their communities both economically and socially.

The resulting price increase at the gas pump would be substantially less than regular fluctuations in gas prices (see *Figure 1*) below. That modest increase would be a small nudge to drivers to choose alternatives: combine trips, buy more fuel-efficient or electric vehicles, or take public transit. The \$300 million/year in proceeds will make those alternatives more prevalent and accessible, especially for people who have been historically underserved or overburdened.

| Figure 1

POLICY RECOMMENDATIONS

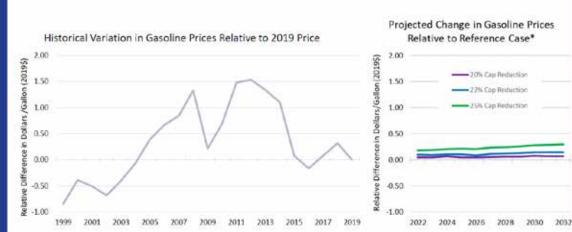
Authorize Virginia to join the Transportation and Climate Initiative Program (TCI-P) and dedicate all proceeds from its carbon pollution fees towards projects that reduce transportation emissions, prioritizing overburdened or underserved communities.

Reallocate transportation funds to fully support equitable access to reliable transit, new walking and biking infrastructure, and a swift transition to electrified transportation (see *Transforming Transportation*, pg 61).

Allocate \$2 million for localized air quality monitoring of $PM_{2.5}$ levels at high-traffic areas in overburdened neighborhoods.

Modeled Gasoline Prices in Policy Scenarios

Compared with historical variations



*If fuel companies decide to pass on allowance costs it could mean an incremental price increase in 2022 of \$0.05, \$0.09 or \$0.17 / gallon in the 20%, 22% and 25% Cap Reduction Scenarios, respectively. This is not a prediction of gasoline prices in the future. Several factors affect future gas prices, including policy and market forces.

