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Your Assistance Needed to Oppose Plan to Ration and Eventually Eliminate Fossil Fuels

Much has been written about the so-called Green New Deal and its impact on the industry. One version of it authored by the Transportation and Climate Initiative (TCI), which is run by Georgetown University, proposes rationing fossil fuels in Virginia beginning in 2022, along with a requirement that consumption decline at least 4 percent each year. Under this proposal, Virginia would be required to reduce sales of gasoline, diesel, and heating oil 80% by 2042.

Unfortunately, Governors McAuliffe and Northam each decided to participate in the TCI, which had been the brainchild of the New England states, as well as New York and New Jersey. Those planning this scheme have released "a framework for a draft regional policy proposal," which is a blueprint for the slow death of the petroleum industry in those states that adopt it. You can read the entire four page manifesto here.

The authors have asked for comments on this "framework" by November 5th and we strongly urge every member company to register your opposition.

TCI has said that they will be releasing a revised "framework" in December and ask that member states sign off on it in the new year. Any of these changes would almost certainly have to be accompanied by changes to the Virginia code and regulations, which have been opposed by Republican majorities in the House and Senate during recent sessions. However, uncertainty over who will be in power after next week's elections makes enactment of TCI a **realistic possibility**. Depending on the election results, we may need you in Richmond in January to help defeat this. For now, though, the most immediate step in this battle is to show them the error of their ways. We have already done so and you can read the association's comments to TCI here.

To assist you in making comments we have assembled some bullet points below. Take five minutes today to edit them or send verbatim. Add your name, company and your number of employees and use the contact form <u>found here</u>.

The academics and unelected bureaucrats behind TCI and their sympathizers want to put you out of business and shut our association down. Take five minutes today and let them know we are not going to let that happen.

Suggested talking points to make in a message opposing TCI:

- (my company which employs ___ people) is strongly opposed to the "framework for a draft regional policy proposal" which seeks to expropriate the petroleum marketing industry. Over time this plan proposes to move Virginia from simple rationing and new taxes to the ultimate prohibition of fossil fuels.
- This plan does not assess the collateral damage it will inflict on state revenue, local tax collections, Virginia's Transportation Trust fund, and consumers.
- Many of the advocates of these policies support regulation to electrify transportation.
 Those advocates somehow forget to mention that a major component of batteries
 powering these vehicles is cobalt, 90 percent of which is mined in third world countries
 under unfavorable working conditions.
- As the number of electric vehicles grows, petroleum marketers will likely have to battle
 for a share of the electric vehicle charging market with utility companies that see EV
 charging as a new business opportunity without cost. When utility companies install
 charging stations, they may seek the ability to include that cost as part of their capital
 investment. When these costs are approved by governmental regulatory agencies,
 they can then be passed on to all ratepayers as part of their monthly electric bills.
- (my company) believes this would provide regulated utilities an unfair competitive advantage that Virginia based small businesses simply cannot compete with. I must economically justify and self-fund at risk investments in new equipment like EV charging stations and so should my competition.
- Another likely competitor under this scheme is the state government itself. This is not a
 concept, as just this past session the General Assembly passed legislation to allow the
 Departments of Conservation and Recreation, General Services, and Transportation to
 install electric chargers. Fortunately, our association was able to narrow this initiative
 considerably by limiting the number of state agencies involved and mitigating the threat
 of unfair competition by requiring the state to sell the power at prevailing market rates
 including taxes.
- All Virginians, particularly the petroleum marketing and convenience industries, support
 a clean environment. There are many ways to achieve this without rationing.
 Incentivizing the sale of electric vehicles does nothing to meet your stated goals of
 "equity, environmental justice, and non-discrimination." As one example, the stated
 goals could be achieved far faster and cheaper via efforts to assist low-income
 Virginians to purchase more fuel-efficient vehicles that meet current and future CAFÉ
 standards.
- History has proven that rationing followed by prohibition the ultimate goal of TCI has led to black markets, unregulated and untaxed sales, and undue burdens on law enforcement.

- The impact of these proposals will not be solely on fuel sellers and convenience stores what about the auto repair industry, muffler shops, service facilities at new car dealers, quick lubes etc.? What about agriculture, construction and watermen who will be forced to scrap present equipment or pay artificially high prices due to rationing? What about the consumer who will experience not only higher prices to operate their personal vehicles, but higher prices for consumer goods and services?
- (my company) opposes the TCI plan to ration, tax and ultimately eliminate fossil fuels.

Thank you for your help! Should you have questions, email mike@vpcma.com or call 804-282-7534.