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Sent: Tuesday, April 16, 2024 10:15 AM
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Cc: Lauren Hierl <lhierl@vermontconservationvoters.org>; Ben Edgerly Walsh <bwalsh@vpirg.org>; robb.kidd@sierraclub.org <robb.kidd@sierraclub.org>; kgallagher@vnrc.org <kgallagher@vnrc.org>
Subject: [External] VNRC, VPIRG, Vermont Conservation Voters + Sierra Club - Input on H.868 for Consideration

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Dear Honorable House and Senate Transportation Committee Members,

We have been following the important work underway in the House Transportation Committee and, more recently, in Senate Transportation on [H.868](#). As organizations representing thousands of Vermonters, and working in many broad coalitions, we are deeply committed to ensuring Vermont's transportation network meets the needs of all Vermonters – and the moment.

Vermont has an obligation and an opportunity to help Vermonters reduce their reliance on internal combustion vehicles – and the automobile in general – by building a much cleaner, more efficient, multi-modal and accessible transportation system. H.868 takes some important steps in that direction, and there is clearly far more work to do.

We have leaned heavily on one-time, significant infusions of federal dollars to bolster or begin new programs to help more Vermonters access cleaner, electric transportation, build out an electric vehicle charging network, help communities invest in and innovate on non-vehicular transportation solutions and beyond. Those investments have been helpful, important and appreciated. Heavy reliance on one-time dollars is also precarious and insufficient, placing successful programs at risk of falling off a cliff in just a few years. New policy, regulatory and funding models are essential to fostering and sustaining a 21st century transportation system, as well as reducing transportation climate pollution in line with the statutory requirements.

We recognize that the final days of the 2024 legislative session are drawing near, and we appreciate many provisions in H.868. We also recognize that far more work must be done to transform our outdated transportation system and develop a fair, forward-looking transportation funding formula as well as a policy and/or regulatory approach to reduce carbon pollution in line with state law. To that end, we wanted to highlight a few things for further consideration and effort – for this year and beyond – including:

- **MileageSmart** - This has been one of Vermont's most successful equity focused transportation programs, bolstered by Covid-era financial support. It has helped lower-income, more vulnerable Vermonters access cleaner, more affordable

vehicles, enabling their ability to secure reliable transportation while also helping cut climate pollution. It has also helped strengthen needed partnerships with automobile dealers who serve as important, trusted and efficient conduits to consumers. The lack of a long-term funding source threatens the viability of the program. We recognize there is hope that Vermont will secure the highly competitive Carbon Pollution Reduction Grant – and we sincerely hope that happens – but that is uncertain and risks potentially shuttering or dramatically whittling the program. A more secure, sustainable funding source is imperative to ensure an ongoing, robust program. For this year, we encourage the Legislature to consider shifting program dollars from paving or maintenance to ensure that MileageSmart is funded for at least another year if the federal competitive grants are not awarded.

- **A Fee on Electric and Hybrid-Electric Vehicles** – We have supported the enactment of an additional fee on electric/hybrid electric vehicles once the 15% market-penetration threshold identified by VTRANS was met. We understand we might be near that mark – but we’re not there yet. We all agree that electric vehicles must help pay their fair share for Vermont’s road and highway networks. We urge enactment of a fee once that threshold has been firmly established, not before, and appreciated Senator White’s suggestion to establish a trigger for such a surcharge once the 15% threshold had officially been met. We do appreciate that Senate Transportation directed revenues from this surcharge to be invested in programs to support electric vehicle deployment and use. We would also recommend considering directing those revenues to bolster MileageSmart, considering the financial constraints on this important transportation equity program.
- **Electric Bicycle Incentive Program** - The E-bike incentive program has been an extremely popular program that has helped increase access to a less polluting active transportation solution for Vermonters with different abilities and in more rural areas. Despite the popularity of the program, Vermont has consistently underfunded the program. Each year so far, program dollars have rapidly been depleted. In a transportation budget of over \$860 million, we find it troubling that the state is unwilling to designate even the \$150,000 as directed by the House Committee. E-bikes are an important option to help ensure equitable access to clean mobility options that are not dependent on single occupancy passenger vehicles. Furthermore, the E-bike incentive program has been very helpful in bringing business to many of our small independent bike and outdoor recreation shops.

- **Sustainable Transportation Funding and a Regulatory and Revenue-Raising Approach to Build a Cleaner Transportation System** - We appreciate the incorporation and support for the collaborative, Climate Action Office-led examination of policy and regulatory approaches in the transportation sector to reduce climate pollution in line with what the Global Warming Solutions Act requires. That will be an important body of work that we hope will, once and for all, identify and set the stage to enact the most impactful, equitable and affordable policy pathway(s) to ensure transportation sector emissions reductions. That analysis and approach will also be an important complement to the more full, in-depth analysis the House recommended – and we agree is critical – to explore and establish a sustainable transportation funding solution that recognizes and responds to the need to transition away from the gas tax as a primary funding source for transportation investments.

We look forward to continuing to follow your important work and collaborating with you and others on H.868 as it moves through the Legislature this session. We also very much look forward to working with you and others in the next year and beyond to tackle the sustainable transportation funding question, as well as identify and advance a primary pollution-reduction policy or approach to cut planet-warming pollution in the transportation sector.

With appreciation and hopes for further dialogue and collaboration,

Johanna Miller, Vermont Natural Resources Council
Ben Edgerly-Walsh, Vermont Public Interest Research Group
Robb Kidd, Vermont Chapter of the Sierra Club
Lauren Hierl, Vermont Conservation Voters