

I sincerely appreciate the Vermont Senate Transportation Committee for the opportunity to present on the HiRUC Program.

As requested, please see below for information regarding some fiscal background and information. As a note, Hawaii's RUC rate of \$8/1000 miles (\$0.008/mile) was set to be revenue neutral with the current state fuel tax for an average ICE vehicle. The RUC rate was determined based with the following considerations in mind:

- Rate-Setting: Page 62 of the HiRUC Program Phase-1 Final Report Volume 1
[HiRUC Final Report Flipbook – HiRUC](#)
- Rate-Setting Consideration to Low Income Drivers
[D-2-HiRUC-RUC-and-Low-Income-Drivers.pdf](#)
- Rate-Setting Consideration to Rural Drivers
[D-3-HiRUC-RUC-and-Rural-Drivers.pdf](#)

I've also attached the financial revenue forecast under our recommended vehicle phase-in strategy for long-term transition. Please note the following:

- The chart assumes gas tax continues to be collected through 2040. Vehicles <20 MPG pay more in gas tax than they owe in RUC, so that is why there is a little bit of gas tax continuing to be collected from 2033 to 2040. It declines slightly since vehicles <20 MPG gradually disappear from the fleet.
- Diesel tax (mostly from medium and heavy vehicles) is fairly steady during this period.
- The RUC shown reflects the total RUC owed by vehicles. The gas tax that these PHEV/hybrid/ICE vehicles pay need to be credited back when they pay RUC. However, it is not depicted on this chart.

Please let me know if you have any further questions.

Thank you,
Mindy