

Dear House Chair Matt Walker and Senate Chair Westman, and the Members of the House and Senate Committees on Transportation,

The Vermont Sierra Club is submitting concerns to the legislature regarding the Agency of Transportation's rush to establish a Mileage-Based User Fee. The Sierra Club has been concerned for years with attempts to add additional fees to vehicle electrification, as vehicle electrification is a good tool for rural states like Vermont to transition away from transportation choices that pollute. We believe that, foremost, those who pollute our air and climate should first pay for their damage before electric vehicles pay more for the roads than internal combustion engines.

For years, electric vehicle opponents tried to establish fees; however, we urged caution since the electric vehicles were not the reason for transportation budget shortfalls and are still an emerging technology. The lack of transportation planning and the increase in efficiency in vehicles are mostly responsible for funding shortfalls in transportation revenues, not the electric vehicles. We believe that instead of penalizing electric vehicle adoption, states should establish policies that still support the transition, while also funding transit and active transportation options to reduce vehicle miles travelled.

Therefore, we have concerns with the Agency of Transportation's proposal to establish a mileage-based user fee and suggest the following:

1. A mileage-based user fees established for all vehicles, instead of just being applied to electric vehicles. It is well established that the gas tax is inadequate to pay for transportation projects, so moving all vehicles to a mileage-based user fee would ensure equality in assessing fees based on driving patterns.
2. Vermont adopting a mileage-based user fee, adjusted for inflation, for all vehicles. Inflationary adjustments should be linked to the gas tax if the intent is for all drivers to pay for their "fair share". The Agency of Transportation has stated that with fluctuations in oil prices and tariffs, paving, maintenance, bridge, and road construction, and equipment purchases have all increased, while gas tax revenues have remained flat.
3. Drivers who frequently travel out of state should be given the option of voluntarily using an electronic monitoring system to deduct their out-of-state travel. We understand that not all drivers exclusively drive in Vermont, and for some, that could be an unfair burden.
4. The Agency's proposal fails to capture the impacts on our roads and air quality from out-of-state drivers. Approximately 25% of current gas tax revenues are obtained from out-of-state drivers, and with increased electrification, those drivers aren't paying their fair share. Included with any mileage-based user fee surcharge should be a modest increase in the rooms' tax.
5. Mileage-based user fees unfairly impact lower-income Vermonters, since, as in many cases, lower-income Vermonters must drive further to their places of employment. As the

Mileage Smart program and low-income incentives have been terminated, we suggest delaying until 2032 the mileage-based user fee for all Vermonters who had qualified for Mileage Smart or the low-income incentive, or would have qualified now.

With current prices again skyrocketing for gasoline and oil due to America's war with Iran, Vermont needs to make sure its policies are removing Vermonters from dependency on fossil fuel-driven automobiles. Vermont can drive itself to affordability by encouraging electrification and protecting Vermonters from volatile oil prices.

The Vermont Sierra Club urges the legislature to rethink the plans to adopt a mileage based user fee that only applies to Vermont drivers, but leaves out the primary causes of transportation revenue shortfalls.