



The State of New Hampshire
Department of Environmental Services



Thomas S. Burack, Commissioner

January 19, 2016

The Honorable Steven Smith, Chairman
House Transportation Committee
Legislative Office Building, Room 203
Concord, NH 03301

RE: House Bill 1602 - establishing a road usage fee.

Dear Chairman Smith and Members of the Committee:

Thank you for the opportunity to comment on HB 1602, which seeks to establish a road usage fee for motor vehicles registered to travel on New Hampshire roads based on the equivalent miles per gallon of the vehicle. While the New Hampshire Department of Environmental Services (NHDES) is neutral with respect to this legislation, it agrees that all users of the State's transportation system should contribute equitably toward the cost of maintaining New Hampshire's transportation system.

Motor vehicles are the primary source of emissions of oxides of nitrogen and volatile organic compounds in the state. These pollutants also react in the presence of sunlight and heat to form ground level ozone, a respiratory irritant that is the primary component of smog. The transportation sector is also the largest single source of greenhouse gas emissions in the state. In order to reduce emissions from this sector, NHDES has consistently encouraged New Hampshire residents and visitors to reduce the amount of miles they drive, utilize public transportation system, use cleaner vehicle fuels and drive fuel efficient vehicles. These strategies result in a cleaner and healthier environment for our residents and visitors. Therefore, NHDES has some concern that the mechanism proposed under this bill could unintentionally send a market signal that is counter to our efforts in this sector.

The intent of this legislation is to address the decline in road toll revenue resulting from the transition to a higher fuel economy fleet, and resulting reduced sales of fuels that are subject to the road toll. The decrease in fuels usage is primarily related to three factors: a reduction in total vehicle miles traveled (VMT) due to changing demographics and economic factors; increasing fuel efficiency of the vehicle fleet as a whole; and, to a minor degree at present, the increasing use of electric vehicles (EV) and plug-in hybrid vehicles (PHEV). This problem, and its

in that assessment and to balance state policies relative to road toll income with those that seek to encourage fuel efficiency and advanced technologies due to the economic and environmental benefits of reduced use of petroleum fuels.

Thank you again for the opportunity to comment on this bill. If you have questions or need additional information, please contact Craig Wright, Air Resources Division Director (craig.wright@des.nh.gov, 271-1088) or Rebecca Ohler, Technical Services Bureau Administrator (rebecca.ohler@des.nh.gov, 271-6749).

Sincerely,



Thomas S. Burack
Commissioner

CC: Sponsors of HB1602: Reps Major, Cooney, Ohm, Chandler, Packard, Almy, Cloutier, Henle; Sen. Watters
John Barthelmes, Commissioner, DOS
Victoria Sheehan, Commissioner, DOT