Explaining the How and Why of RUC to the Public: the Hawaii Perspective

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NCSL RUC Summit
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HiRUC Demonstration Overview

Hawaii: Four Counties, Eight Major Islands

Transportation is fundamental to keep Hawaii’s islands and counties connected.
Our HiRUC Advisory Group

- Senator Chris Lee, Chair, Transportation Committee
- Senator Lorraine Inouye, Vice Chair, Transportation Committee
- Senator Ron Kouchi, Senate President
- Representative Scott Saiki, Speaker of the House
- Representative Henry Aquino, Chair, Transportation Committee
- Senator Donovan Dela Cruz, Chair, Ways & Means Committee
- Representative Sylvia Luke, Chair, Finance Committee
- Hawaiian Perspectives
- Tax Foundation of Hawaii
- Hawaii Department of Taxation
- Hawaii County Department of Public Works
- City & County of Honolulu Department of Budget & Fiscal Services
- Kauai Department of Public Works
- Maui Department of Public Works
- AAA
- Blue Planet Foundation
- Chamber of Commerce of Hawaii
- State Department of Business, Economic Development and Tourism
- Hawaii Tourism Authority
- Hawaii Transportation Association
HiRUC – Public and Participant Touchpoints

Community Meetings
March – May 2019
Meeting were held throughout the islands to hear questions, concerns and other feedback from the community

Driving Report
July 2019 – Dec 2020
Driving Reports comparing individual’s current gas taxes with what would be paid with a Road Usage Charge

Technology Test Drive
July 2020 – Jan 2021
Volunteers were recruited to test driving technology methods. Fleet pilot: May – June 2021.

Policy Issues & Analysis
June 2019 – June 2022
Project team researched policy issues as identified by stakeholders and the public

Communications Touchpoints

- 14 MEETINGS on 6 islands + 1 virtual community meeting
- 359,969 DRIVING REPORTS MAILED TO HAWAII DRIVERS
- 2,219 PARTICIPANTS in the Technology Test Drive
- Final Report: Report findings to policy makers, FHWA, and fellow states
How did we talk about transportation funding as it relates to RUC?

• Funding is decreasing and we must find a source that is:
  • Sustainable
  • Equitable, and
  • aligns with fossil fuel reduction goals without deterring EV purchases

• RUC is a replacement for the gas tax

• This project is about research and collecting public input
Preparing for Public Outreach: Gaps & Perceptions

- When told the average resident pays around $80 in state gasoline taxes, nearly half (45%) of the respondents said it sounded “about right” or “less than” what they thought they paid.

- Interestingly, a third (34%) of the respondents said they were unaware of a state gas tax.

Q3: In Hawaii, gasoline taxes are about 50 cents per gallon. The state portion of the gasoline tax is 16 cents per gallon. At the rate of 16 cents per gallon, a typical driver pays about $80 per year in state gasoline taxes. Is the state portion of the gasoline tax:

Base: (n=1519)
Shortly after their vehicle inspections, drivers received a Driving Report from HDOT. The report encouraged drivers to respond to a survey and explore public acceptance factors through immersive experiences. Drivers were presented with a comparison of fuel taxes paid vs. a RUC for their vehicle and a survey for which to respond.

8 seconds to capture attention!

"The gas tax is no longer doing its job. Help us by joining the conversation on a new way to pay for our roads." - Jade Butay, HDOT

Hawaii is aiming for 100% clean energy by 2040. Currently, there are more fuel-efficient cars on our roads, including some electric ones. Great news, but there's a downside. The per-gallon gas tax is becoming less effective at funding our roads and bridge upkeep and improvements, because we are using less gas.

Instead of the gas tax, might a system where we pay for how many miles we drive—a road usage charge—work better? Hawaii, along with other states, is taking a careful look. This Driving Report shows how a road usage charge would affect you based on the vehicle you recently had inspected.

Please review the information below and take the short survey online to share your thoughts. We're open for hearing your voice.

Your 2012 Toyota RAV4 (HGX212)

<table>
<thead>
<tr>
<th>Report number</th>
<th>5RX09A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety inspection</td>
<td>Dec 23, 2019</td>
</tr>
<tr>
<td>Period covered</td>
<td>Jan 2019 to Dec 2019</td>
</tr>
<tr>
<td>Total miles driven</td>
<td>10,523</td>
</tr>
<tr>
<td>Compare estimated gas taxes paid...</td>
<td>$155 (About $12/mo)</td>
</tr>
<tr>
<td>to a potential road usage charge.</td>
<td>$168 (About $14/mo)</td>
</tr>
</tbody>
</table>

Based on estimated gallons purchased over 12 months.
Based on miles driven between two passed safety inspections over 12 months.
Driving Report Overall Results: Initial Reaction

What is your initial reaction to the idea of funding roads and bridges in Hawaii through a RUC instead of a gas tax?

Key Takeaways

✓ Driving Report led to increasing public support of a RUC

✓ Both EV and non-EV drivers were most supportive of a RUC which collected money to be used only for maintenance and improvement of the state’s roads and bridges and/or if rental cars paid a higher rate per mile than other cars.

✓ Revealed that a large majority preferred to pay all at once and have odometer readings collected at their annual safety checks.
Effective Communication Tools: Lessons Learned

HDOT learned valuable insights from the public feedback that enabled more effective communication about RUC:

✓ Start community meetings in more urban areas where perceived impact is lower.
✓ Reached out pro-actively to media to get facts out.
✓ Hands-on experience with RUC and customized impact information increased support.
✓ Listen carefully to fully understand the public's concern and any regional nuances.
✓ Key aspects of RUC must be presented clearly and simply, every time:
  ✓ RUC is a replacement for the gas tax, not a new tax
  ✓ if RUC is being studied, remind the public this is a study or exploration
✓ Vehicle inspections can be a trusted method for mileage reporting
It is time to begin transitioning to RUC as an eventual replacement for the gas tax

1. HDOT recommends a modest first step in that transition:
   • Introduce a RUC for electric vehicles and eliminate the annual $50 EV registration surcharge
   • Charge EVs 0.8 cents per mile, equal to the average combustion engine vehicle pays in fuel taxes
   • Cap the amount paid in any one year at no greater than the amount the average vehicle pays in gas taxes per year ($70 - $80)

2. Leverage motor vehicle inspection program as the basis of mileage reporting

3. Continue to work with stakeholders, partner agencies, and the public in establishing the program

4. Seek federal grants to fund up to 70-80% of program implementation costs.
Mahalo!

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