

Comments on the New Hampshire State Energy Strategy
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Thank you for this opportunity to comment on the Draft State Energy Strategy. The State of New Hampshire should be commended for looking at its future energy needs for electricity, heating, and transportation. These comments focus solely on the transportation sections of the report.

While the draft State Energy Strategy provides useful data on current transportation spending, fuel consumption, and projected changes, it fails to acknowledge the most significant problems facing a sustainable transportation future for the Granite State. Indeed, it seems the report's authors are practically unfamiliar with the State save for some statistics they found on the website of the Energy Information Agency.

The State's rural nature is alone not its greatest transportation challenge, as suggested on page 79. Rather, the three most significant challenges are: (1) a lack of state leadership to support transit, smart growth, efficient vehicles, and modernized infrastructure; (2) a lack of funding, due to an outdated tax structure and a Constitutional prohibition on the use of gas tax revenue for non-highway projects; and (3) a legislative prioritization of I-93's expansion over all other transportation infrastructure projects in the State.

Recommendations

- (1) Eliminate the Constitutional prohibition on spending gas tax revenue on non-highway projects, tie the gas tax to an inflationary price index, and remove the 20-year/bond retirement limit on the recent gas tax increase.**

Article 6-A of the New Hampshire State Constitution currently reads:

Use of Certain Revenues Restricted to Highways. All revenue in excess of the necessary cost of collection and administration accruing to the state from registration fees, operators' licenses, gasoline road tolls or any other special charges or taxes with respect to the operation of motor vehicles or the sale or consumption of motor vehicle fuels shall be appropriated and used exclusively for the construction, reconstruction and maintenance of public highways within this state, including the supervision of traffic thereon and payment of the interest and principal of obligations incurred for said purposes; and no part of such revenues shall, by transfer of funds or otherwise, be diverted to any other purpose whatsoever.

Passed in 1938, this Constitutional Amendment reflects the mindset of a bygone era and is the most significant hindrance New Hampshire faces in achieving a genuinely multi-modal transportation system. The amendment should be eliminated and replaced with a provision that dedicates a specific percentage of gas tax revenue to public transit, park-and-ride facilities, bicycle and pedestrian amenities, and electric vehicle infrastructure (e.g., charging stations).

The State recently passed a gas tax increase of \$0.04/gallon (its first increase since 1991), but it is set to expire once the State has paid off the bonds for widening Interstate 93 or in twenty years, whichever happens first. The price of road maintenance and other transportation projects will not magically become cheaper once the Interstate project is complete. Concrete, other materials, and labor will all increase in cost over time. The State cannot continue to ignore this fact. Instead, it should tie the gas tax to an inflationary price index, such as the Consumer Price Index, to ensure that transportation revenues keep pace with costs.

(2) De-prioritize the widening of Interstate 93.

The State has legislatively prioritized widening a twenty-mile stretch of Interstate 93, from the Massachusetts state line to Manchester, over all other highway and bridge projects in the State. This decision has led to deferred maintenance of bridges and roads throughout the State, which in the long term will lead to significantly higher costs to keep basic infrastructure in working condition. Negative effects, however, are already occurring. The State closed thirteen bridges in 2012 due to structural concerns. 81% of State roads are considered in poor or fair condition.¹ The State will not achieve a sustainable transportation future – let alone preserve a system for single-occupant vehicles – unless it (1) finds an alternative method to pay for the interstate widening or (2) removes or temporarily suspends the prioritization of that project over all other highway maintenance and improvement needs.

Additionally, the State should re-examine several alternatives that were dismissed in the project's Environmental Impact Statement – namely increased bus and rail options for commuters travelling from southern New Hampshire to Massachusetts for work.

(3) Enable municipalities to collect parking levies to fund local transportation projects.

New Hampshire's municipalities are cash-strapped and have few legal mechanisms to pay for local transportation projects. The City of Lebanon, for example, has a 2014 paving budget of approximately \$60,000 and over \$1,000,000 in project needs. The reason for this gap in revenue is (1) over-reliance on property tax revenues for all municipal expenses and (2) lack of effective alternative funding strategies. Business Improvement Districts, for example, are prohibited from generating more than \$20,000 in revenue per year.² Tax Increment Finance (TIF) districts, while useful for projects such as parking garages, are dependent on future development, user-generated revenue, or both. TIFs, therefore, are inappropriate for financing bike trails because one generally wants those resources to be free of charge and open to public.

The State should enable municipalities to collect parking levies on a *per space* basis and require that a minimum percentage be dedicated to improving public transit, bicycle, and pedestrian resources. Allowing municipalities to issue a levy on existing and future private parking would generate significant revenue and discourage the practice of building excess parking capacity.

(4) Re-establish State funds for public transit.

With the exception of a commuter bus service in southern New Hampshire (which the State funds only because the Conservation Law Foundation successfully challenged parts of its Interstate 93 Environmental Impact Statement), the State provides NO funding for public transportation.³ This utter lack of support for public transit will make it impossible to achieve the State Energy Strategy's "Vision Element" on page 81: "Enhanced options for mass transit and supportive land use."

The Strategy suggests that this Vision Element could be achieved by "[working] with regional transit agencies and private partners to coordinate schedules and services using the General Transit Feed Specification." While better coordination is always welcome, and Google does make schedules easier to

¹ Department of Transportation Commission Christopher Clement, "The Roads to New Hampshire's Future," Presentation to the Upper Valley Lake Sunapee Regional Planning Commission (January 2013).

² Upper Valley Transportation Management Association and Vermont Law School Land Use Clinic, "Managing Transportation Demand in the Route 120 Corridor: Policy, Finance, and Governance Options," prepared for the City of Lebanon, NH (December 2012). Available at <http://www.vitalcommunities.org/uvtma/doc/FINAL%20Route%20120%20Corridor%20Study.pdf>.

³ The State does pass through Federal transit dollars, but it does not provide any match for those funds.

understand with its transit feed, coordination is not the biggest challenge facing public transit. A budget of \$0.00 in state funds is.

(5) Establish a dedicated State program for park-and-ride lots.

While the State has done a fair job building park-and-ride lots along its interstates, the development of these resources has occurred in an unstrategic fashion. Looking to neighboring Vermont, New Hampshire should establish a dedicated State program for park-and-ride lots that annually makes funding available to municipalities to develop or expand commuter parking lots. Doing so will increase the number of carpoolers in the state and improve commuter transit services by providing an efficient way to board riders.

(6) Adopt California's Low Emission Vehicle Standard.

The Draft State Energy Strategy correctly identifies the need to adopt California's Low Emission Vehicle standard as a way of incentivizing automobile dealers to sell more efficient vehicles.

(7) Adopt complete streets legislation and establish a compliance fund to ensure all new and significantly renovated roadways accommodate all transportation modes.

The Draft State Energy Strategy also correctly identifies the need to "enhance support of municipal smart growth and transportation efforts" (p. 81), but it provides little guidance on how to achieve that. The State should adopt a complete streets law that requires all new and significantly renovated roadways to accommodate all transportation modes. Legislators would need look no further than neighboring Vermont for sample language for the law. However, learning from Vermont's experience with the law, New Hampshire should include a provision in its legislation that dedicates a certain portion of gas tax revenue to a complete streets compliance fund. This would ensure that projects will not violate the principles of complete streets due to lack of funding.

(8) Only support an expansion of natural gas fleets if a ban is placed on hydraulically fractured gas.

While natural gas does burn more cleanly than conventional gasoline and diesel, it does not necessarily reflect the wisest environmental choice for transportation fuel. If the State is going to support expanding natural gas fleets, it should ban the import of hydraulically fractured (or "fracked") gas.

Thank you again for this opportunity to comment on the New Hampshire State Energy Strategy. We hope that our recommendations will provide the Office of Energy and Planning, the Governor's Office, and the New Hampshire Legislature with ideas on ways to fund strategies for a more sustainable transportation future for the Granite State.

Sincerely,

Aaron Brown