

# Opinions on a Distance-Based User Fee Demonstration Project

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November 1, 2018



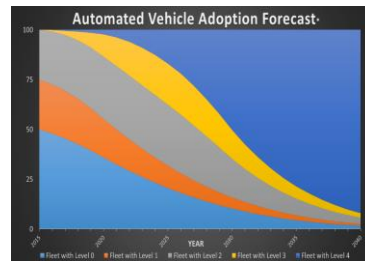
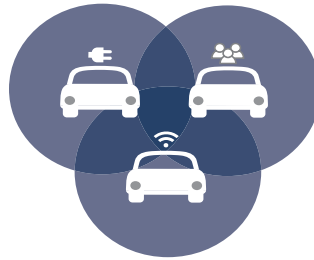
## Background – the issues

- Declining relationship between revenue collected from gas tax and vehicle miles traveled
- More fuel efficient vehicles and more electric vehicles
- Gas tax is extremely efficient to collect (collection costs of .25%)



## Transportation trends

- More electric vehicles
- Introduction of Autonomous Vehicles
- Increasing prominence of Shared Mobility



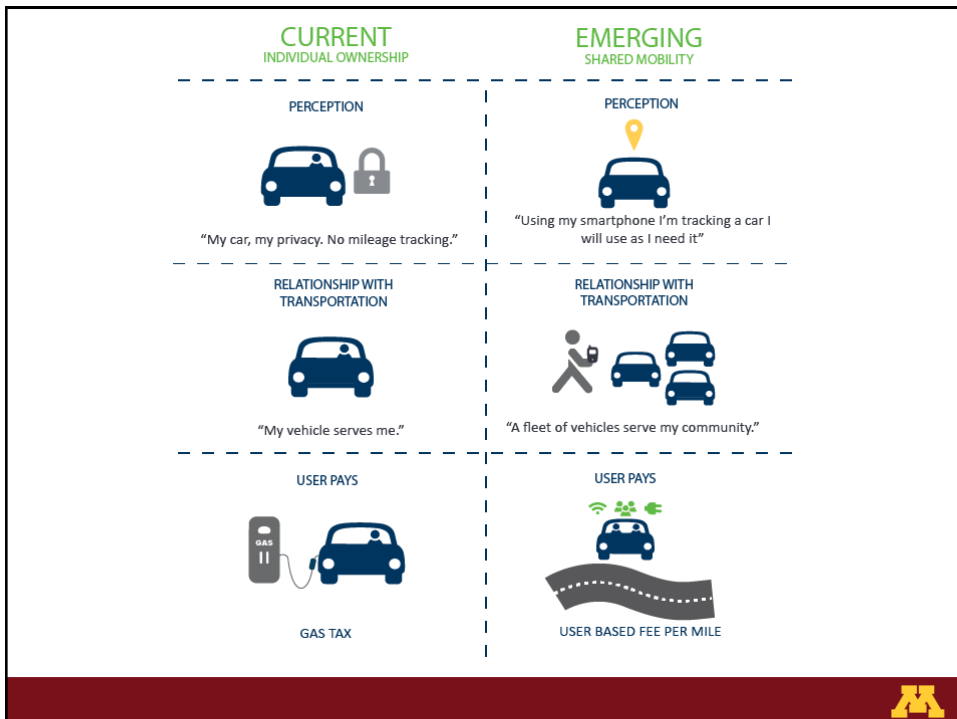
## Distance-Based User Fees

- Collect a charge per mile traveled versus per gallon purchased
- Results in collection from millions of vehicles rather than around a dozen gasoline distributors
  - Higher administrative costs
  - Increased barriers
    - Privacy
    - Technology
    - Equity



## A different approach – Shared Mobility

- Simplifies collection to only a handful of providers
- Technology is already installed in vehicles
- Information is already collected by apps and vehicles.
  - Tracking of miles traveled is seen as a feature
- Users already opt in to tracking my using these services



## The project

- What if we applied a distance-based user fee to shared mobility providers?
- Fee would be a supplement, not a replacement of the gas tax
- Research will include collecting the opinions of stakeholders including potential riders
- End goal is for a demonstration program to be conducted



## The Stakeholders

- Special Interest Groups
  - Association of Minnesota Counties
  - League of Minnesota Cities
  - AAA
  - Move Minnesota (transit representative)
- Elected Officials
  - Senators and Representatives from both political parties
- Government Officials
  - Staff from Department of Public Safety
  - Staff from Metropolitan Council



## Barriers - Privacy

- Elected officials concerned about tracking individuals and the miles they travel
  - Did not believe that geographic locations should be tracked and stored
- Reflected on distrust of government collecting and tracking that information while maybe people wouldn't be as concerned about a private company



## Barriers – Public Acceptance

- Issue of privacy enough to stop project
- Lack of trust in government tracking information
- Wariness of new/different forms of taxation
- Increased collection costs could be significant enough to prevent implementation



## Considerations - Equity

- Equity means different things to different people
- Potential issues brought up
  - Fairness between rural and urban drivers
  - Fairness to electric or high gas mileage vehicle drivers
  - Impact on low income drivers



## Considerations – Funding Dedication

- Consensus that money collected should be used for transportation projects and not general revenue
- Counties want to continue to receive funding from state
- Transit representative want to make sure transit projects are under consideration
- Cities are interested in being compensated for the miles users drive on their system



## Overall Takeaways – Positive Response

- Consensus on need to do something about funding
- Interested in learning more about a shared mobility approach to distance-based user fees
- Positive reaction to approach to limiting administrative costs and potentially gaining public acceptance
- Positive reaction to concept project is a supplement and not a replacement
- No opposition to a demonstration project but more information is needed before a full implementation



## Overall Takeaways – Issues Must Be Addressed

- Privacy remains a huge barrier and must be addressed
  - Geographic location
  - Mileage tracking information
- Equity could be an issue for some groups
- More information is needed before a full scale implementation





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