



Mileage-Based User Fees Public Opinion Study

Phase III

*2010 Symposium on Mileage-Based
User Fees: Moving Forward
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Research Phases

- **Phase 1** – Qualitative, June 2007
 - Online panel discussion with transportation experts
 - 10 Focus groups with Minnesota drivers
- **Phase 2** – Qualitative, August 2008
 - 9 Mini-focus groups with Minnesota drivers
- **Phase 3 – Quantitative**, June-July 2009
 - 821 phone-mail-phone interviews with Minnesota drivers.
- **Risk Assessment**





Goals and Objectives

- **Goal**

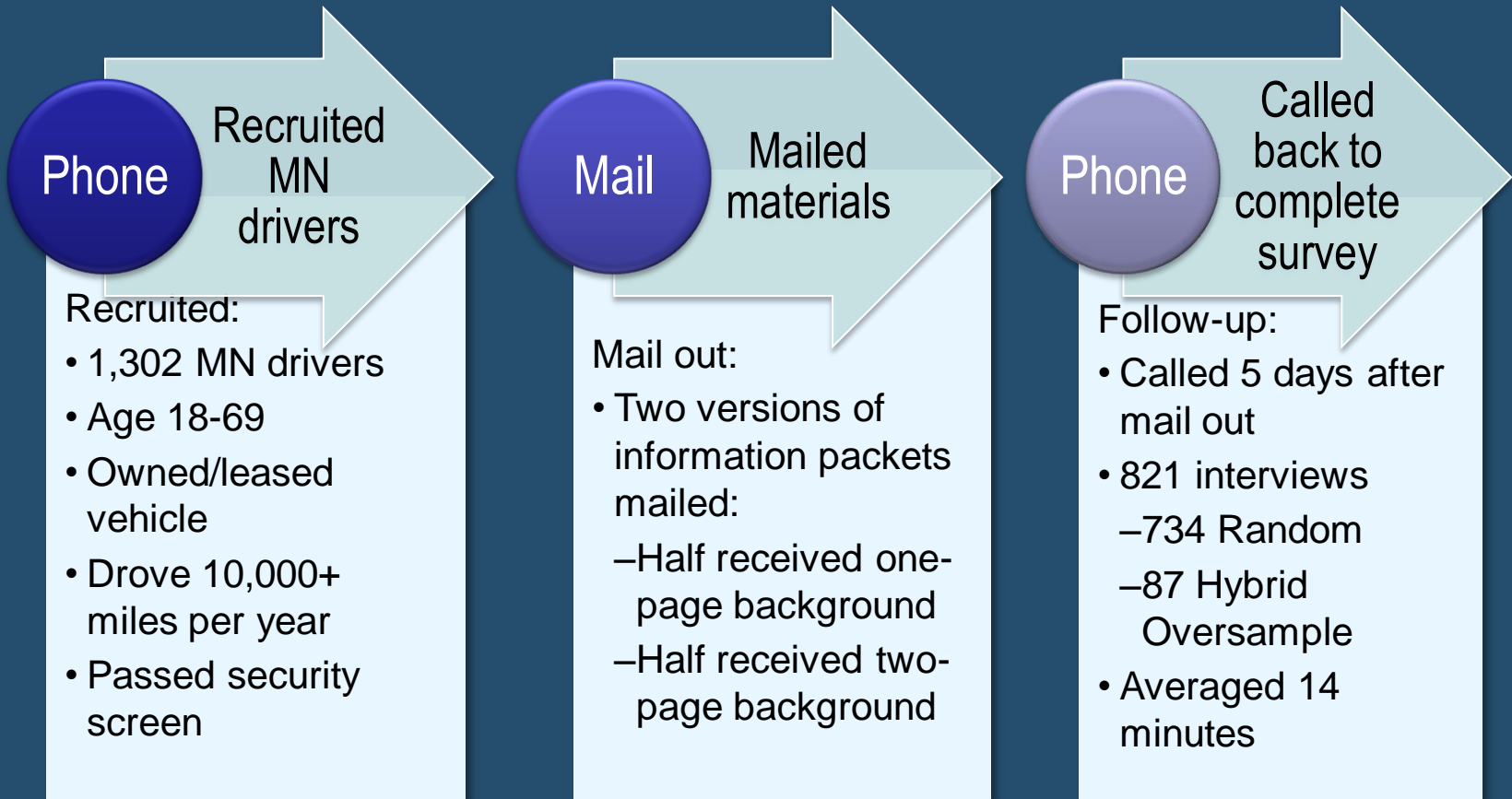
- Understand public attitudes and awareness
- Learn how to communicate with the public regarding transportation funding and potential solutions

- **Objectives**

- Gauge reactions to informational pieces on transportation funding scenarios
- Gauge reaction to written concept(s) of the mileage-based user fee
- Quantify the barriers to a mileage-based user fee
- Identify potential solutions that would aid the public in acceptance



Methodology





Baseline Assumptions

- Motor fuel tax is the major source of funding for highways in the U.S.
- Long-term viability is in question due to changing technologies and increasing efficiencies
- The motor fuel tax does not account for externalities like congestion or green house gas emissions
- Alternatives, like mileage-base fees, must be tested and understood to prepare for an uncertain future





Background

Context

- Trends
- Costs
- Congestion
- Future
- Factual
- Objective

Sources of Information

- **Credibility**
 - State Transportation Plan
 - Two National Reports on future revenue
 - TTI
- **Possible alternatives re: Distance Based Fees**
 - Low Tech
 - High Tech
- **How fee would be used**





Low Tech and High Tech

Low Tech Features

- Odometer readings
- Charge is based on weight or type of vehicle
- Subtraction made for motor fuel tax
- May also replace registration fees

High Tech Features

- Uses GPS
 - Charge based on time of travel
 - Charge based on location
 - Does not track movement
- Subtraction made for motor fuel tax
- May also replace registration fees





Findings

- Few Minnesota drivers are concerned about current levels of funding for transportation
 - 25% say current funding is a serious problem; Behind healthcare and education
- More Minnesota drivers acknowledge that transportation funding problem may worsen in the future
 - 72% say funding will be problem in the future
- Despite increasing media coverage, the concept of a mileage-based user fee remains relatively new
 - 41% had heard of the concept





MBUF Preference

- Higher technology approach drew stronger negative reactions among drivers
 - High Tech
 - 8% were extremely positive
 - 56% extremely negative
 - Low Tech
 - 18% extremely positive
 - 35% extremely negative
 - One in five refused to choose an option
 - Younger drivers were less averse to high tech solutions





Findings

- Of the two approaches, the less technical option preferred because:
 - Base for fees
 - Considered more “fair” and acceptable
 - Lower costs to administer and easier to use





Findings

- Drivers believe that future funding solutions will include a mix of options:
 - Raising fuel taxes (20%)
 - Toll roads (19%)
 - MBUF (19%)
 - Emissions fees (13%)
 - Increase reg. fees (11%)





Conclusions from Market Research

- Anticipate initial reservations from public as a natural reaction to change
- GPS is a potential deal breaker; for that reason MBUF (at least initially) should be voluntary with financial incentives
- Craft communication around a more fully developed model - uncertainty breeds apprehension – explain
 - Need for a new solution
 - How a MBUF will meet those needs
 - How drivers will be impacted, and
 - How privacy will be protected.





Minnesota MBUF Risk Assessment

(Top Five Risks Identified)

- Increasing fees when necessary
- Perception of privacy invasion
- Legacy systems interface
- Cost to implement
- Debate on revenue distribution





Reasons for Preferences

Why do you prefer this approach?

High Tech (K) base=146		Low Tech (S) base=423	
Convenience (NET)	39%	Less invasive/more private (NET)	49%
Simple/Accurate	31%	Don't like GPS/Gov't monitoring	31%
Fairness (NET)	21%	Costs (NET)	23%
Road maintenance paid by user	11%	Lower administrative costs	18%
Collection method (NET)	20%	Convenience (NET)	19%
Like the GPS idea	11%	Simple/Accurate	18%
Base for fees (NET)	18%	Base for fees (NET)	16%
Based on time of day	7%	Not based on time of day	8%
Based on type of road driven	6%	Based on mileage driven	4%
Enforcement issues (NET)	9%	Collection method (NET)	12%
Costs (NET)	4%	Fairness (NET)	7%
		Enforcement issues (NET)	3%



Acceptable Solutions

		Openness to MBUF	
	Total (base=734)	Support MBUF (base=170)	Oppose MBUF (base=255)
Raising fuel taxes	20%	13%	27%
Adding toll roads	19%	15%	25%
Mileage-based user fee	19%	47%	2%
Fees for high emission vehicles	13%	7%	14%
Increasing vehicle registration fees	11%	7%	10%
Increasing vehicle tax	7%	4%	7%
Increasing general sales tax	5%	3%	6%





Likes and Dislikes for Two Approaches

High Tech

Low Tech

Liked Least q12		Liked Most q11	
Loss of privacy	42%	Base for fees	24%
Costs	31%	Easy to use	16%
Base for fees	16%	Fairness	14%
Uncertainty of outcomes	8%	Collection method	9%
Inconvenience	6%	Lower costs	4%
Enforcement issues	5%		
Inconvenience	25%	Base for fees	34%
Costs	22%	Fairness	16%
Base for fees	16%	Lower costs	11%
Uncertainty of outcomes	11%	Easy to use	11%
Loss of privacy	11%	Collection method	8%
Enforcement issues	7%	Less invasive/more private	6%



For More Information go to
www.dot.state.mn.us/funding/mileage-based-user-fee

Or Contact
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