Mileage-Based User Fee Public Opinion Study

Phase III Market Research

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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
Driving Forces

• Minnesota’s leadership role in Mileage-Based User Fees
• Road user fees linked to consumption of energy, not use of the road or GHG emissions
• Increasing fuel economy / new energy sources
• Inflation
• Should funding have direct connection with vehicle miles traveled?
• Need for a baseline understanding of public perceptions
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 to understand / accept
Methodology

Recruited:
- 1,302 MN drivers
- Age 18-69
- Owned/leased vehicle
- Drove 10,000+ miles per year
- Passed security screen

Mail out:
- Two versions of information packets mailed:
  - Half received one-page background
  - Half received two-page background

Follow-up:
- Called 5 days after mail out
- 821 interviews
  - 734 Random
  - 87 Hybrid Oversample
- Averaged 14 minutes

Recruited MN drivers

Mailed materials

Called back to complete survey
Mail Informational Materials

- Cover letter
- Concepts
- Background information
- 2009 Map

“Received Less Information”

“Received More Information”
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% 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
• Must carefully 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
For More Information go to
www.dot.state.mn.us/funding/mileage-based-user-fee

Or Contact
Ken Buckeye at the
Minnesota Department of Transportation
651-366-3737
kenneth.buckeye@state.mn.us
### Likes and Dislikes for Two Approaches

<table>
<thead>
<tr>
<th></th>
<th>Liked Least q12</th>
<th>Liked Most q11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High Tech</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of privacy</td>
<td>42%</td>
<td>Base for fees</td>
</tr>
<tr>
<td>Costs</td>
<td>31%</td>
<td>Easy to use</td>
</tr>
<tr>
<td>Base for fees</td>
<td>16%</td>
<td>Fairness</td>
</tr>
<tr>
<td>Uncertainty of outcomes</td>
<td>8%</td>
<td>Collection method</td>
</tr>
<tr>
<td>Inconvenience</td>
<td>6%</td>
<td>Lower costs</td>
</tr>
<tr>
<td>Enforcement issues</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Low Tech</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inconvenience</td>
<td>25%</td>
<td>Base for fees</td>
</tr>
<tr>
<td>Costs</td>
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<tr>
<td>Loss of privacy</td>
<td>11%</td>
<td>Collection method</td>
</tr>
<tr>
<td>Enforcement issues</td>
<td>7%</td>
<td>Less invasive/ more private</td>
</tr>
<tr>
<td></td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>
## Acceptable Solutions

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Total (base=734)</th>
<th>Support MBUF (base=170)</th>
<th>Oppose MBUF (base=255)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raising fuel taxes</td>
<td>20%</td>
<td>13%</td>
<td>27%</td>
</tr>
<tr>
<td>Adding toll roads</td>
<td>19%</td>
<td>15%</td>
<td>25%</td>
</tr>
<tr>
<td>Mileage-based user fee</td>
<td>19%</td>
<td>47%</td>
<td>2%</td>
</tr>
<tr>
<td>Fees for high emission vehicles</td>
<td>13%</td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>Increasing vehicle registration fees</td>
<td>11%</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>Increasing vehicle tax</td>
<td>7%</td>
<td>4%</td>
<td>7%</td>
</tr>
<tr>
<td>Increasing general sales tax</td>
<td>5%</td>
<td>3%</td>
<td>6%</td>
</tr>
</tbody>
</table>
### Reasons for Preferences

**Why do you prefer this approach?**

<table>
<thead>
<tr>
<th></th>
<th>High Tech (K) base=146</th>
<th>Low Tech (S) base=423</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenience (NET)</td>
<td>39%</td>
<td>Less invasive/more private (NET) 49%</td>
</tr>
<tr>
<td>Simple/Accurate</td>
<td>31%</td>
<td>Don’t like GPS/Gov’t monitoring 31%</td>
</tr>
<tr>
<td>Fairness (NET)</td>
<td>21%</td>
<td>Costs (NET) 23%</td>
</tr>
<tr>
<td>Road maintenance paid by user</td>
<td>11%</td>
<td>Lower administrative costs 18%</td>
</tr>
<tr>
<td>Collection method (NET)</td>
<td>20%</td>
<td>Convenience (NET) 19%</td>
</tr>
<tr>
<td>Like the GPS idea</td>
<td>11%</td>
<td>Simple/Accurate 18%</td>
</tr>
<tr>
<td>Base for fees (NET)</td>
<td>18%</td>
<td>Base for fees (NET) 16%</td>
</tr>
<tr>
<td>Based on time of day</td>
<td>7%</td>
<td>Not based on time of day 8%</td>
</tr>
<tr>
<td>Based on type of road driven</td>
<td>6%</td>
<td>Based on mileage driven 4%</td>
</tr>
<tr>
<td>Enforcement issues (NET)</td>
<td>9%</td>
<td>Collection method (NET) 12%</td>
</tr>
<tr>
<td>Costs (NET)</td>
<td>4%</td>
<td>Fairness (NET) 7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Enforcement issues (NET) 3%</td>
</tr>
</tbody>
</table>
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 greenhouse gas emissions
• Alternatives, like mileage-base fees, must be tested and understood to prepare for an uncertain future