

FHWA Quarterly Report for STSFA, April – June 2020

Minnesota Distance Based Fee (DBF) Demonstration

The Minnesota Department of Transportation (MnDOT) is demonstrating a user based fee mechanism with fleet operated Shared Mobility (SM) service providers. MnDOT believes the future of personal travel will be captured in the new and evolving SM business model. SM includes a range of new travel forms that promise greater efficiency, safety, and enhanced mobility. It provides a platform to explore a practical and implementable path toward wider deployment of distance-based fees as a replacement for the motor fuel tax on appropriately equipped vehicles. By leveraging the advanced technology that has become a standard of SM service providers, MnDOT will look to develop a user-based fee using existing embedded vehicle technology. This project will prepare Minnesota for the convergence of shared mobility with broad adoption of vehicle electrification as well as coming vehicle automation.

Minnesota continues to explore DBFs as identified in the Phase I grant project (FY 2016 award) including planning and high-level design for a future demonstration, and the Phase II grant project (FY 2018 award) to deploy, administer, communicate, and evaluate a 12-month DBF demonstration on SM vehicle fleets.

Accomplishments completed during the second quarter of FY 2020 include:

Project Management

- Conducted bi-weekly status meetings with core team to discuss status, plans, and demonstration risks
- Held inaugural DBF Technical Advisory Committee meeting on June 10th (**Presentation – Attachment 1; Meeting Notes – Attachment 2**)
- Evaluated impacts of COVID-19 on demonstration and partner/provider engagement; Gained commitments from each partner on their willingness to support the demonstration while maintaining social distancing
- Updated risk register post demonstration launch (**Attachment 3**)

Demonstration Operations

- Launched 12-month demonstration on April 1st, 2020
- Collected and evaluated April and May 2020 demonstration operations datasets from SM Providers, including miles traveled and fuel purchased by vehicle
- Conducted first prescribed automated vehicle data collection test with C/AV research partner
- Identified other specific test cases for the C/AV research partner to conduct over the course of the demonstration
- Drafted demonstration DBF (simulated) revenue report template (**Attachment 4**)
- Discussed plans for conducting mock audit with SM providers and Minnesota Department of Revenue during latter part of demonstration

- Began evaluation of potential pricing schemes and tiered rate structures. Initially, revenue neutral rates for the 28.5 cent Minnesota state gasoline tax and the 18.4 cent federal gasoline tax are being used.
- Began identifying plans to launch location-specific reporting for one SM provider while maintaining compliance and sensitivity to their personal privacy and data use policies

Communications and Outreach

- Evaluated the existing MnDOT DBF website and identified potential design alternatives
- Identified and began developing content updates to the MnDOT DBF demonstration website
- Drafted privacy policy considerations technical memorandum (**Attachment 5**)
- Held bi-weekly project team meetings and discussed ways to further communications strategies and efforts

Evaluation

- Identified demonstration performance evaluation criteria
- Conducted initial evaluation interviews with SM Providers and Minnesota Department of Revenue (**Attachment 6**)

Next Steps

Throughout the 12-month demonstration (concludes March 2021), MnDOT and its partners will evaluate the data collected by the SM providers, prepare and evaluate financial revenue reports on the calculated DBF, work with the Minnesota Department of Revenue to perform mock audits, deploy specific AV tests with C/AV Research Partner, and conduct an independent evaluation of the demonstration. The newly formed Technical Advisory Committee will focus on considerations for a potential future statewide DBF deployment and conduct public communications and outreach to Minnesota motorists, legislators, and other agency officials.

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