

# Minnesota Distance Based Fee Technical Advisory Committee (TAC) Meeting

1-2:30 pm

6/10/2020

Zoom

Convene: 1:10pm

Adjourn: 2:37pm

## **Attendees:**

### **TAC Members:**

Nick Thompson, Met Council

Margaret Donahue, Transportation Alliance

Randy Sanford, (for Cynthia Bauerly) Dept. of Revenue

Paul Weinberger, MNIT

Bill Dossett, Shared Mobility

Emily Murray, Assoc. of Mn Counties

Laurie McGinnis, Center for Transportation Studies

Katy Mayell, City of Minneapolis

Scott Peterson, TAC Chair, MnDOT

Brendan Jordan, Great Plains Institute

Shawn Kremer, (for Elizabeth Connor) MMB

Tony Anderson, DPS

Russ Stark, City of St. Paul

### **Core Team Members:**

#### **MnDOT**

Ken Buckeye

Chris Berrens

Serge Phillips

Lynn Poirier

Jeanne Aamodt

Ray Starr

Erik Rudeen

Tim Sexton

Lynda Chao

### **University of Minnesota**

Lee Munnich

Frank Douma

Meredith Benesh  
Joe Loveland  
Jerry Zhao  
Adeel Lari  
Raihana Zeerak  
Camila Fonseca Sarmiento

### **WSP**

Mike Warren  
Markell Moffett  
David Ungemah

### **Welcome - Scott Peterson**

Thanks for being on the TAC! An interesting journey we're about to embark on. References other DBF deployments that we can learn from.

### **Zoom Meeting Guidelines, Lee Munnich**

### **Introductions of TAC**

Tony Anderson - Working on MNLARS replacement  
Shawn Kremer - revenue forecasting. Elizabeth Connors will not be participating  
Paul Weinberger - IT services at the state. Help with technical support  
Nick Thompson - long ranging planning on behalf of the Met Council  
Russ Stark - Chief resilience officer with Mayor Carter's office. Goals to reduce VMT. Also interested in infrastructure resiliency  
Margaret Donahoe - has served on MBUF task force in the past  
Brendan Jordan - interested in decarbonizing the transportation sector. Help or harm decarb efforts?  
Bill Dossett - interested in the long term government model of shared mobility. Right-of-way consideration  
Laurie McGinnis - Wants to learn about an important topic. Not an expert, so this is a great opportunity for her. Wants to bring this to a broader audience  
Emily Murray - Transportation analyst. Priority is to increase revenue for transportation. Provide local level perspective  
Kathleen Mayell - New technology for mode shift goals. A lot within this model that could impact this. Wants to be part of the conversation while MN looks at this issue.  
Scott Peterson - Excited about the opportunity to identify an efficient revenue stream for the future. Also interested in the way this could manage transportation demand.

### **Charge to the TAC – Ken Buckeye**

- Not actively seeking media coverage at this time, but that will come
- Want to add value to the conversation on DBF
- There are challenging conversations around this project
- Many programs around the country are setting flat rate structures
- We would likely need to create a new model
- Consider this project/demo through the lens of the organization you represent

### **Background, Lee Munnich**

- Various names to refer to DBFs - RUCs, MBUFs, VMT fees
- Oregon was really the leader in the realm initially
- 2010- Mileage Based User Fee Alliance (MBUFA)
  - Education, outreach, encouragement of research
- Many states have become involved in piloting and exploring DBFs since 2010
- \$95 million in STSFA grant program under the FAST act
  - A mileage based approach is really the major system that is being considered as a replacement or a supplement to the fuel tax
  - Latest legislation that has been moved by the house includes a national pilot
- Currently there are active projects in about 11 states
  - States in the mid-west are also interested in exploring/implementing

### **Minnesota's DBF experience, Ken Buckeye**

It's useful to step back and take a look at how we got this point! MN has a long history of involvement with this topic.

- A new approach to assessing road user charges
  - Policy structure assessment
  - A little bit of technology focus too
- Pay-as-you-drive demonstration
  - 125 volunteer drivers
  - Help to understand driver preferences
- Public Acceptance of User charges
  - Gave us a lot of information that we're still using today based on the perceptions of drivers
  - Many drivers understand the need for user-pay concept
  - Concerns about equity, fairness, and complexity as well as privacy and cost of collection
- Minnesota Road Fee Test
  - Policy task force, 2011 - legislators and stakeholders
    - Developed series of recommendations. Available online at MnDOT's website. We can send this along
  - Developed model that enhances simplicity for the user

- Finally, Distance based fee demo in 2019!
  - Considers new mobility and societal trends
  - Focuses on efficiency in collection costs
  - Retaining the motor fuel tax is an imperative of this project
    - This is an incremental deployment, not a transformation
- What have we learned from our research?
  - Need to increase efficiency in collection costs and ensure privacy and security
  - How do we scale a demonstration that is potentially viable?

### **Convergence, Chris Berrens**

- Electric, automated, and shared fleets
  - There are opportunities associated with these changes and challenges to mitigate as well!
- There's nothing that unique about shared fleets, but they do provide a unique opportunity for economies of scale.
  - Fleets are a natural starting point for a DBF discussion and testing
  - Even though we're currently focused on car-sharing companies, we see broader applications in the future. Car-sharing operators are new to the space and see the need to rethink the way we approach mobility.
- Automation and Electrification
  - We're working with a CAV company in this pilot
    - Hard to say when CAVs will take hold, but it is likely to some extent in the next decade or so, but we need to plan for that
    - Same with electric vehicles
  - Key functions of TAC as Chris sees it
    - Broader acceptance and knowledge of user fees
    - Transportation sustainability advisory board at MnDOT will learn about the work of the TAC and the pilot
    - Help the broader transportation landscape see how we can rethink transportation pricing in general
  - How do we see these transportation industry disruptors as opportunities?
    - People have a very personal connection with their personal vehicles
    - Shared models challenge this relationship and may help people see the relation to transportation pricing models

### **MN DBF demo project technical design, Mike Warren**

- FHWA design V shows where we're at this this demonstration
- Concept of operations
- Systems Architecture Diagram
- Business Requirements
- Technical Requirements
- Interface Control Document
- Test Plans and Procedures

- This all lead to proof of concept that was developed before the demonstration launched
- Demo started in March and ends in March 2021
- Organizational Construct
- Partners
  - MnDOT
  - WSP
  - Hourcar
  - Zipcar
  - VSI labs
  - MN Dept of Revenue
    - Mock audit and evaluation of financial reports that are generated from the demo
- Scenarios
  - Customers - will not be impacted by this demonstration at all
  - SM Providers
    - Function as normal, but sanitize, aggregate, calculate, and generate report
  - C/AV researcher
    - 6 trip tests
      - Provide aggregated data. No need to sanitize data
- Any questions so far? -No
- Three demonstration stages
  - Stage 1: WSP creates financial reports
  - Stage 2: SM creates financial reports with help of WSP to provide to revenue
  - Stage 3: SMs are on their own in creating the financial report
- Three demonstration phases
  - Phase 1 - static rate to mimic fuel tax
  - Phase 2 - variable rate depending on time of day
  - Phase 3 - variable rate location and time of day
- Data and reporting
  - Maintaining data security and privacy
  - Protection of proprietary systems
  - All providers have their own buckets
  - MN DOR will only receive financial reports, not actual trip data
- Mock Audit
  - Audit that will track from the financial report all the way back to the source data (which the SM will do)
  - Define audit processes with MN DOR
  - Mock Audit results will be reported back to FHWA

### **Issue Areas, Frank Douma**

- Humphrey has developed short (5 pages) policy memos on these issues
  - Privacy
    - Discusses sources of privacy rights



cases might DBFs be applied to? The TAC might be able to help us explore this.

- Ken: 20 million cars have been manufactured that have the capacity to collect data to be used for DBFs. The question is how is that data accessed and used for DBFs?
- Brendan Jordan:
  - Wrestles with what's in scope. This demonstration really focuses on the technology and he feels that the long-term, broad scale considerations might be out of scope.
    - E.g.:
      - Many stakeholders would like to see the incentive for higher-efficiency vehicles preserved
      - Are we really charging vehicles for the true impacts of vehicles on the road?
        - E.g heavier vehicles vs. lighter vehicles
        - Chris hopes this is a key topic of discussion for this group
          - Could the TAC come up with recommendations for different vehicle categories?
          - We do want to talk about the scaling of some of these concepts!
        - Ken: We do want to consider the different factors that will impact pricing of vehicle miles
- Scott Peterson
  - Is there a method for TAC members to submit questions or other points of discussion?
    - They can contact Ken
    - MNDOT is rebuilding the DBUF website. This is a good resource to start with, but reach out to project team members with any questions you don't find there.
- Shawn Kremer
  - Is there background reading for a baseline level of knowledge that could be shared with the group so everyone can be prepared for the discussion?
    - Ken suggests the DBF 101, seven page briefing document and project summary
    - We will endeavor to make sure you get the correct documents to help with your background on DBFs

Brendan, from the chat:

I would suggest we consider the state's Next Gen Energy Act GHG reduction goals as part of this study. In what ways can a mileage-based tax support state GHG reduction goals?

- Kathleen agrees with this

Meeting Adjourned at 2:45

