



Minnesota House of Representatives
Transportation Finance and Policy Committee Transportation Committee
Attn: Cyndy Wallin, GOP Legislative Assistant
2502 Centennial Office Building
658 Cedar Street
Saint Paul, MN 55155

Dear Chair and Committee members,

Please accept this written testimony in opposition to H. F. 5, specifically repealing the retail delivery fee. Our transportation system is not adequately funded to account for repair and maintenance of existing facilities; [MNDOT's recent MnSHIP Plan](#) reported "Over the next 20 years, MnDOT estimates there will be \$36.7 billion in available revenues to address \$52-57 billion in identified transportation needs, resulting in a funding gap of approximately \$15-20 billion." The state needs more dedicated funding to support our current transportation network.

Most road users pay far less than the actual costs they incur for building, maintaining, and repairing roads through direct fees including registration fees and gas tax; for individual private automobiles, these direct costs account for an estimated 10% of the actual costs while commercial vehicle fees account for approximately 20% of their costs. Transit users pay around 50% of their costs on average through fares. The remainder of the costs are paid for from indirect revenue sources including property and sales taxes, which of course are not proportional to an individual's costs incurred nor benefits received from the transportation network. The retail delivery fee is a fair way to collect revenue for transportation from those using the system.

The transportation system benefits all Minnesotans, regardless of how or why they use it. Even when we're not traveling on the system, we rely on the delivery of goods and services, so we all benefit from having a robust network. When people walk or bike places, they are not charged any direct fees for the facilities they use. However they still contribute through indirect revenue streams including primarily property and sales taxes. Since they are contributing to these costs at the same rate as every other user, although the costs for bike and pedestrian infrastructure is approximately 1% per mile compared to automotive infrastructure, we can fairly say these users are paying proportionately 80-90x more for their transportation costs compared to someone driving an automobile, and are in fact subsidizing the transportation network (definitely not the other way around!).

It is vital to the interests of Minnesota and its residents that we maintain a transportation system that allows for the safe, efficient, and reliable movement of people, goods, and services. Private automobiles are the least efficient mode of travel available,

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and yet remain the most heavily subsidized form in our state. By contrast, active modes of travel including walking, biking, and rolling offer the greatest benefits for the lowest cost, and yet remain drastically underfunded relative to other modes of transportation.

The retail delivery fee directs proceeds to a transportation advancement fund that supports efficient and responsible investment of resources within our transportation system. While this fee does not solve the long-term structural deficiencies of our network, nor balance the unfair disproportionate allocation of resources to the least efficient modes, it's at least a step in the right direction. Repealing the retail delivery fee moves us back to a less fair, less sustainable path forward on transportation and would be a mistake for the state. BikeMN urges the committee members to reconsider the proposal which would remove this fee.

Thank you for your consideration,

Carl J Lindor

CJ Lindor
Education Manager
Bicycle Alliance of MN