National Center for Intermodal Transportation

National Transportation Week Conference

University of Denver

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Mortimer L. Downey
Senior Advisor
Parsons Brinckerhoff
National Center for Intermodal Transportation

Infrastructure Planning and Funding in the Wake of the Crisis
Multi Focused/Intermodal Agenda

- Surface Transportation Authorization
- Aviation Authorization
- Regulation/Organization/Policy
Context for Surface Legislation

- Expectation of Change - Not Business as Usual
- Dissatisfaction with SAFETEA-LU
- National Commission Reports
- Increasing Public Debate
- Growing Financial Pressure
America Is Changing

• Demographic Change
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The Emerging Megaregions

- Cascadia
- Northern California
- Front Range
- Arizona Sun Corridor
- Texas Triangle
- Piedmont Atlantic
- Gulf Coast
- Northeast
- Florida

Metro Area Population:
- 150,000 to 1 million
- 1 to 3 million
- 3 to 6 million
- 6 million +

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America Is Changing

- Demographic Change
- Global Economy
AASHTO Freight Transportation Bottom Line Report, 2006
Freight-Truck Highway Flows in 2005 and 2035

Source: Cambridge Systematics based on Global Insight, Inc TRANSEARCH 2004 data and economic forecasts
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Source: Cambridge Systematics Study for American Association of Railroads
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America Is Changing

- Demographic Change
- Global Economy
- Climate Change
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Levels are now off the chart

![Graph showing temperature and CO₂ concentration over time. The graph indicates significant increases in temperature and CO₂ levels, particularly in recent history, with a note that levels are now off the chart.](image-url)
America Is Changing

• Demographic Change
• Global Economy
• Climate Change
• Economic Downturn
Severe Economic Downturn

- Massive Governmental Response
- Long Term Implications
Major Concerns Across the Modes

- Trust Fund Insolvency
- Revenue Sources-User Taxes, User Fees, General Revenues
- Role of the Private Sector
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Conditions Are Changing Rapidly

Can Transportation Keep Up the Pace?
Changes in Transportation Policy Don’t Happen Overnight

- 1894-1916 “What Can We Do?”
- 1916-1956 “Get the Farmer Out of the Mud”
- 1956-1991 “Build the Interstates”
- What’s Next? And When?
Key Attributes of Current System

- Secured Funding: Guarantees and Firewalls
- Flexible Funding--Multi-Modal and Among Programs
- Devolution of Decision Making, Shared Among States and MPOs
- Donor/Donee & Earmarking Disputes
Key Attributes for a Future Program

• Match the New Geography and New Economy
• Provide Leadership in Investment
• Support Policy Innovation
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Next Steps
Timing of the Process
- Reports from Study Commissions
- Congressional Hearings held in 2008
- Industry and Association Working Groups
- Role of a New Administration

Looming Backdrop
- Trust Fund Insolvency
- Economic Downturn
- Multi Modal Needs

Key Time for Action
- New President/New Congress
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National Surface Transportation Policy and Revenue Study Commission

- Created in SAFETEA-LU (Sect 1909)
- 12 Members Appointed by Congress and Administration
- Report Issued in January 2008
Policy Commission Recommendations

• Need for a New Vision
• Define Comprehensive Multi-Modal Needs
• Retain Strong Federal Role
• New Paradigm for Program Delivery
• Resources to Match Needs
Policy Commission Minority Report

- 3 of 4 Bush Administration Appointees
- Limited Federal Role
- Emphasis on PPPs/Tolling
- No New Taxes
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National Surface Transportation Infrastructure Financing Commission

- Created by SAFETEA-LU (Sec 11142)
- Fifteen Members
- Organized in 2007
- Interim Report February 2008
- Final Report February 2009
- Continues Through 2009
Financing Commission Goals for the Transportation System

- Safe, Effective, Efficient, Fair, Sustainable
- Broadbased Review of Funding Mechanisms Against Evaluation Criteria
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Financing Commission Recommendations

- Demand Outpacing Investment
- Challenge to Maintain Existing System
- Fuel Tax is No Longer Sufficient and should be increased
- Direct User Charges Should Be Explored
- Need Intelligent Investment and Efficient Operations
Intergovernmental Forum on Transportation Finance

- Created by Intergovernmental Cooperation Consortium (CSG, ICMA, NACO, NAPA, NCSL, NGA, NLC)
- Final Report February 2008
- Emphasis on Intergovernmental Perspective
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Intergovernmental Commission Recommendations

• Sustain Existing Revenues
• Collaborate on Future Goals and Plans
• Maintain User/Beneficiary Pay Principle
• Examine Wide Range of Funding Scenarios
• Consider Intergovernmental Impacts
• Provide for Transition Time
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Others Looking to the Future

• Coalition for America’s Gateways and Trade Corridors
  ▪ Goods Movement Interest
  ▪ Freight Trust Fund Advocacy

• US Chamber of Commerce
  ▪ Americans for Transportation Mobility

• American Road and Transportation Builders Association
  ▪ Critical Commerce Corridors

• Bipartisan Policy Commission
  ▪ Report Scheduled for June 9
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And More

- National Committee for America 2050
  - Mega-Regional Focus

- Building America’s Future
  - Rendell, Schwarzenegger, Bloomberg

- STPP/Smart Growth America/Reconnecting America
  - T4 Coalition: Policy Document Issued

- Build America So America Works (LIUNA)

- AASHTO Visioning Process

- APTA Authorization Task Force
Constraints to Change

- Fiscal
  - Short Term and Long Term Budget Crises
- Programmatic
  - Donor/Donee and Earmarks
  - Interest Group Politics
- Institutional
  - Silos within the Administration and the Congress
  - Roles of States and MPOs
  - Separation of Public and Private Transportation Modes
Building an Action Agenda-Key Levers for Change

- Recovery Program Debate
- Climate Change Debate
- Concern for Economic Growth and Competitiveness
- Fear of Trust Fund Insolvency
Recovery Program Lessons

- Infrastructure in a New Place
- How Much and How Fast
- What Kinds of Projects
- New Programs-High Speed Rail & TIGER
- Implications for the Long Term
Climate Change Debate

- Bonn and Copenhagen Conferences in 2009
- Transportation a Key Energy User and CO2 Emitter
- Will A Climate Change Strategy Help Reform the Transportation System and how?
Economic Growth and Competitiveness

- New Focus on Freight Movements and National Purpose
- Focus on Metropolitan Areas—can this be effective?
- Can We Resolve Issues Around PPPs?
Trust Fund and Budget Conditions

• Fear as a Motivator
• Time Constraint as a Reality
• Technical Scoring Issues Can Have Consequences
Highway Trust Fund Depletion

Ending balance for FY 2008 includes $8.017 billion transferred from the General Fund in September 2008 pursuant to Public Law 110-318.
Targets for Comprehensive Change

- Research and Technology
- Adequate and Flexible Resources
- Institutions and Partnerships
- Performance Based Decisions
- Earmark Control
- Sustainability
- Goods Movement
- MultiModal Planning and Development
Early Indications

- Budget and Appropriations Status
- House T & I Legislation Emerging
- Administration Positions Under Development
- Senate Activity
House Legislation Emerging

• Markup Scheduled for May/June
• Oberstar Outline
• No Consensus with Ways & Means
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Oberstar Outline (1)

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THE PAST
1956-'77
- I-Syst: 90-10 NTF
- Primary
  - Secondary
  - Rural
1978-'91
- I-Syst: 90-10 NTF
- P/R: 10-30 NTF

I-STEAP/TEA-21/SAFETEA
1991-2005
- NHT - I-Syst.
  - NHT (P/R)
  - Safety
  - CPC
  - Mega-Projects
  - SR25
  - Bridges

THE FUTURE OF TRANSPORTATION

THE FUTURE > 4 MAJOR FORMULA PROGRAMS

0 CRITICAL ASSET PRESERVATION
- I-Route
- NHT
- Small Formula Programs
  - RTS
  - Rec. Trails
  - Ferry Boats (now decommissioned)

0 SURFACE TRANSPORTATION PROGRAM ENHANCEMENTS - 15% set-aside
- NHT Sub-Allocations - based on population
- KDP
  - Rural Road Safety
  - Motorcycles Safety
  - NHT

0 CONGESTION MITIGATION & AIR QUALITY IMPROVEMENT
- 15% of NHT miles
- 90% of VMT

PROBLEM - EQUITY PASSENGER
- As the largest NHT program
- Retain as some form of equity

DISCRETIONARY
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Oberstar Outline (2)

**DISCRETIONARY PROGRAMS**
- Non-Formula

**METROPOLITAN AREAS/AGGREGATES**
- 68 maj metros
  - 7830 congestion costs
  - NAS/TREB-evaluate, Recommend (e.g.) 30%
  - $18/45yr, + RER/CR
  - GARVEE/PAB/TIF/SIF
  - Rels/Conops/Pricing
  - Pub. Fin. Auth. oversight

**6YR TARGET PLAN**
- Annual Progress Reports
- 6-yr Accountability Report
- Might have a formula element
- Projects of Nat'l Significance
- Federal Lands Highways
  - Public lands
  - Park roads
  - Forest Hwy. Roads
  - Refuge roads
- Seawall by-ways

**MANAGEMENT STRUCTURE**
- From 108 > 4 categories

**PERFORMANCE**
- DOT + STATES design:
  - 6-yr Targets for each of 4
  - Annual Benchmarks
  - Annual Reports on Progress
  - To DOT/Congress
  - Transparency on Web

F. Hwy. Area Re-structure
- Off of Expedited Project Delivery
- Off of Liveability

**TRANSIT - New Starts/Small Starts**
- Land decision-making factors between Hwy & Transit choices/projects
- CED (cost-effect index): Delete
- Replace w/greatly simplified review process
- Reduce time from 14 yrs to 6-8 yrs
Senate Activity

- Multiple Committees/Conflicting Schedules
- EPW Committee/Climate Change Issues
- Banking Committee/Banking Issues
- Commerce Committee
  - Normally a Background Player
  - New Focus on Freight and Policy
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Rockefeller-Lautenberg Bill

- National Surface Transportation Policy
  - Goals, Objectives and Measures
  - Data Collection
  - Performance Plan and Progress Reports
Meanwhile…
Budget and Appropriations

- Consensus on Surface Baseline Levels and HSR
- No Agreement How to Get There
  - Congressional Focus on Status Quo
  - Administration Focus on Budget Reform—General Fund Financing
- Aviation User Fees Also Controversial
High Speed and Intercity Rail

- Obama Administration Initiative
- Kickstart in Recovery Bill—Now in Budget Baseline
- Needs to Become Established in the System
- Implications for Surface Authorization
Outlook for Aviation

- Legislative Delay—Two Year Extension
- Reasonable Consensus on Core Outcomes—NextGen, Safety, Capacity
- No Agreement on Financing
- Same Players as Surface Legislation
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Regulatory Issues

• Rail Reregulation?
• STB Appointments
• Role of Freight Rail in the National System
Management Issues

- New Administration Taking Shape
- Possible Changes in Organization
- Emphasis on Performance
- New Institution-National Infrastructure Bank
Questions?

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