

Transportation Policy Issues and Opportunities

FORKENBROCK SYMPOSIUM

9/11/08

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It's a tough town!

□ Vision

It's a tough town!

□ Vision = Finance

It's a tough town!

□ Vision = Finance

□ Roles

It's a tough town!

□ Vision = Finance

□ Roles = Finance

ITS ALL ABOUT FINANCE TODAY !

FINANCE

FINANCE

FINANCE

FINANCE

FINANCE

A PLAN

FINANCE

VISION

A PLAN

FINANCE

CREDIBILITY

VISION

A PLAN

FINANCE

CREDIBILITY



VISION



A PLAN



FINANCE

Maybe it was easier then !

CREDIBILITY



VISION



A PLAN



FINANCE

**MacDonald,
Fairbank, Turner**

**Toll Roads and
Free Roads**

**Interregional
Hwys; 1944 Act**

1956 Act

Context for Policy

An Affluent Society

- ❑ Population growing at 1% and GDP at circa 3% means that GDP per capita will grow as dramatically as the last 50 years.
 - ❑ The affluence of the emerging society and the resulting immense value of time, will drive most decisions, including those related to transportation.
 - ❑ Increased value of goods will make similar demands on the freight side of the transportation system.
 - ❑ Both passengers and freight will demand and be able to pay for high quality, reliable, amenity-based, personalized transportation.
 - ❑ A large segment of society will have the time and resources for extensive recreation and leisure travel.
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Context for Policy

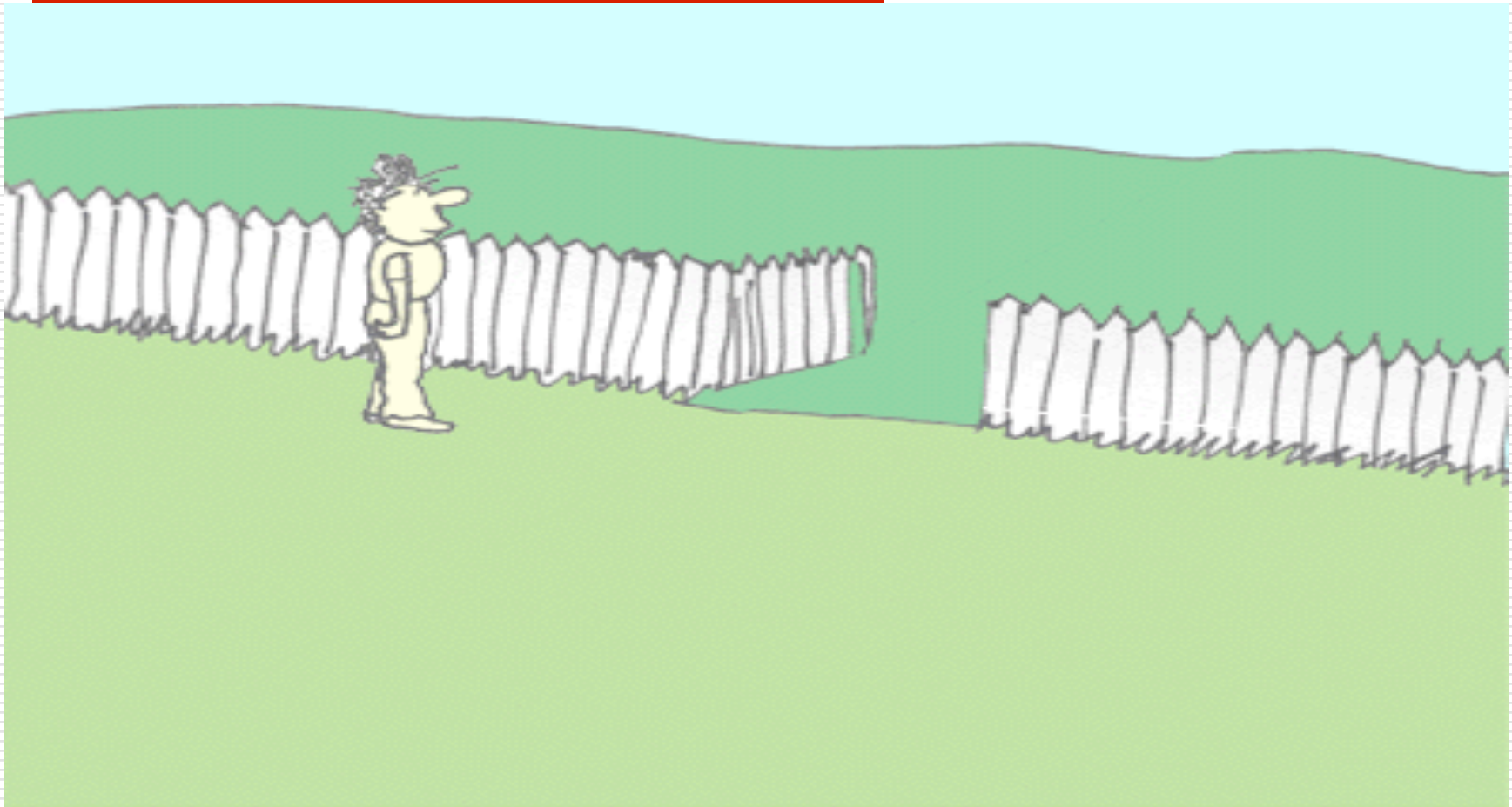
Location, Amenities, Flexibility

- The increases in services in the economy will permit more population to act on location preferences as workers and employers are less tied to resources and more attracted by amenities.
 - Areas of the country will compete for workers on the basis of life-style, climate, and ease of living. Good transportation will be one of the competitive amenities.
 - Employers will be forced to be more flexible in schedules and benefits to attract workers.
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In DC it's an "or" world

- Trucks vs cars**
 - Interstate Commerce vs "Metro Mobility"**
 - Gas taxes vs tolls**
 - Big vs Little/No Federal Role**
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The grass is always greener on the other horn of the dilemma



Trucks vs Cars

**Dual Road use has high benefits and
HUGE DIS-BENEFITS**

- Temporal Separation: cars own the interstate by day; trucks by night**
 - Rising truck volumes and share generate conflicts and FEAR!**
 - Expansion of congestion peaks damages truck productivity**
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Interstate Commerce VS "Metro Mobility"

Globally Integrated

- Longer trips
- Broad "community"
- Choices
- Market forces
- Major freight focus
- Mobility
- Private
- Individualized
- Technological fix
- Let it happen

Neighborhood

- Shorter trips
 - Walk/bike
 - Land use solutions
 - Design/Plan
 - What's freight?
 - Accessibility
 - Public
 - Mass
 - Change behavior
 - Make it happen
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The key conflict

- ❑ **A “metro mobility” stove pipe**
 - ❑ **State/metro clash**
 - ❑ **Interstate commerce role vs local service**
 - ❑ **Access to skilled workers over very large distances will be a key transportation function linked to productivity**
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THE TWO VIEWS IN TOWN ON FINANCE

THE "TABULA RASA" SCHOOL OF PUBLIC POLICY

- "Isn't it great that we can start over?"

THE "CREEPING INCREMENTALISTS"

- "Where is this all leading?"
-

THE CONFLICT

“TR” School – sees an oppt’y to get things “right” at last!

- HOT Lanes**
- Leased Facilities**
- System-wide tolling**
- Tolls = Variable Pricing**

“CI” School – sees a lot more proof needed!

- A complement not replacement – what %?**
 - Protect present tax base**
 - Cash cow-ification of tolling**
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THE FEDERAL ROLE

- Everything is federal vs just about nothing
- Is the federal role based on sound policy or on financial needs?
- Lack of funds may force focusing
- Finance needs may force more open approach to Private Participation
- ~~Devolution by default- Commission~~

Trucks and Cars

Some attempts at answers

- ❑ Physical Separation: truck lanes; TOT; truck only roads**
 - ❑ Banishment is an option**
 - ❑ A national “parkway” system?**
 - ❑ Tied to funding questions**
 - ❑ Diesel priced for truck’s allocated cost**
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WHY CAN'T THERE BE AN END
TO ALL THIS KILLIN'?

WHY CAN'T THERE BE PEACE IN
THE VALLEY?



Walter Brennan
in a scene from all of
his pictures!

There could be peace in the valley if we agreed:

- #1. The gas tax and tolling concepts are complementary.
 - #2. The basic gas tax approach can significantly benefit from greater emphasis on tolling where the opportunities exist, often on major high level long distance facilities or where congestion is most serious.
 - #3. Toll roads cannot do it alone. They are a very useful supplement in the road system but cannot approach meeting the basic needs of the system.
 - #4. Protecting toll roads revenue from diversion is as important as protecting the gas tax.
 - #5. Mechanisms need to be put in place that support the continued effectiveness and strengths of these two fundamental revenue sources.
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My financial agenda

Vision; Plan; Finance

- **Defend the highway trust fund's role**
 - Re-establish Trust Fund Solvency
 - Defend the program from further diffusion of goals and \$
 - Defend the program from other budget "wants"

- **Assure a supportive, rational tolling policy**
 - Assure tolls are dedicated to facility
 - Assure tolls are revenue tools; not social engineering and not a general purpose bail-out tool that mortgages the future

- **Restore confidence in State and Federal Programs**
 - Not the first time that sound economic theory was corrupted by the political process

A BROADER VISION OF “AND” NOT “OR” ?

- A MIX OF CAR OR TRUCK ONLY AND MIXED TRAFFIC SOLUTIONS – EVENTUALLY REPLACED BY SEPARATE FACILITIES – TRUCKS BANISHED**
 - A MIX OF FINANCE SOLUTIONS EVENTUALLY TO BE SUPERCEDED BY VMT-LIKE FEES**
 - FED/STATE CONTROL OF INTERCITY COMMERCE VS LOCAL MOBILITY**
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A VERY POSITIVE FUTURE

- Problems More Operable Today**
 - The Resources to Respond are there**
 - People, Technology, Political & Financial**
 - MUST RECOGNIZE CENTRAL ROLE OF MOBILITY IN OUR SOCIETY**
 - MUST BE WILLING TO ACT TO FOCUS RESOURCES**
-

THE TIME FOR ACTION IS PAST!



THE TIME FOR ACTION IS PAST!

***Now
is the time
for
senseless bickering.***

With a thank you to the demotivators

Thank you

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