

# Funding and Financing Solutions for Surface Transportation in the Coming Decade



September 30, 2010

Capitol Visitor  
Center

Washington, DC

# Funding and Financing Solutions for Surface Transportation

## BACKGROUND

The conventional framework to fund and finance investments in surface transportation in the United States is facing increasing resource challenges at all levels of government, while increasing demands on the system for increased investment continues to put pressure for policymakers to respond with timely funding and financing solutions.

To that end, SAFETEA-LU established two Commissions: the first to provide policy and revenue recommendations for the next fifty years, and the second to determine the condition of the Highway Trust Fund and the feasibility of its funding mechanisms. While the Commissions' findings have established the national surface transportation policy vision and funding challenges, enactment of a succeeding reauthorization to SAFETEA-LU remains stalled as practical and feasible funding and financing options that can meet growing investment needs are not yet identified.

## OBJECTIVES

The purpose of this Forum is to explore a series of viable options to fund and finance surface transportation infrastructure at the federal, state and local levels in the coming decade. To find possible solutions, answers to the following questions will be explored:

- How do we fund the federal highway, transit, and other surface transportation programs in the short term from 2011 to 2015 and in the medium term from 2016 to 2025?
- How can Congress expand, improve, and create financing tools to be used by states, cities, counties and transit authorities to fund transportation improvements?

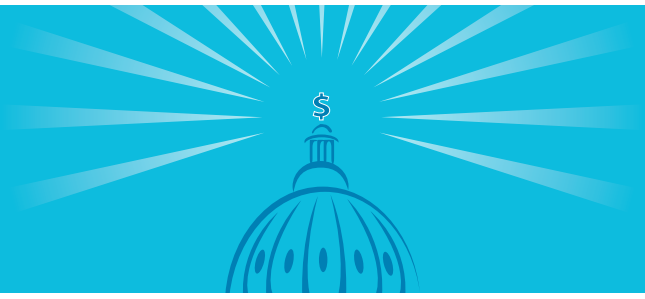
- How can the use of tolling and public-private partnerships be facilitated, consistent with protecting and preserving the public interest?
- How can states, cities and counties be empowered to use National Infrastructure Bank, Tax Increment Financing, Joint Powers Agreements and other similar techniques to finance transportation improvements?
- What kind of promises and pitfalls does the distanced-based (i.e. vehicle miles traveled) fee hold?
- What other ideas can be surfaced that are not embodied in the above discussion questions?

## FORUM SPONSORS

The core of this work will be a one-day Forum to be held on Capitol Hill and led by Congressional leaders and their staff. For this event, 100 of leading industry stakeholders will participate.

- AASHTO Center of Excellence in Project Finance
- America 2050 at the Regional Plan Association
- Fels Institute of Government at the University of Pennsylvania
- Keston Institute of Infrastructure and Public Finance at the University of Southern California
- Humphrey Institute at the University of Minnesota
- Nossaman LLP

An extensive set of findings and observations will be developed from this Forum process and will be published at the conclusion of this effort.



## Agenda

### ROOM SVC-212/210

**7:00–8:00 a.m.**

**Continental Breakfast**

### CONGRESSIONAL AUDITORIUM

**8:00–8:15 a.m.**

**Welcoming Remarks** from AASHTO Executive Director John Horsley

**8:15–9:15 a.m.**

**Session 1: Funding the Surface Transportation Program from 2011 to 2015**

**Moderator:** **Lee Munnich**, University of Minnesota Chairman **Barbara Boxer** (D-CA), Senate Environment and Public Works Committee (invited)

**John Mica** (R-FL), Ranking Member, Transportation and Infrastructure Committee (invited)

Chairman **James Oberstar** (D-MN), House Transportation and Infrastructure Committee (invited)  
Gov. **Ed Rendell**, Commonwealth of Pennsylvania

**9:15–10:15 a.m.**

**Session 2: Funding the Surface Transportation Program from 2016 to 2025**

**Moderator:** **Michael Meyer**, George Tech (invited)  
Chairman **Max Baucus** (D-MT), Senate Finance Committee (invited)

Rep. **Earl Blumenauer** (D-OR), House Ways and Means Committee

Chairman **Kent Conrad** (D-ND), Senate Budget Committee (invited)

Sen. **George Voinovich** (R-OH), Senate Environment and Public Works Committee

**10:15 a.m.—Break**

**10:30–11:45 a.m.**

**Session 3: Expanding Existing Federal Programs for Funding and Financing Transportation**

**Moderator:** **Jack Basso**, Chief Operating Officer, AASHTO

*Overview of federal roles and considerations in advancing transportation investments*

**Geoff Yarema**, Partner, Nossaman

*Utilizing New Tax Credit Program for Transportation Infrastructure*

**David Seltzer**, Principal, Mercator Advisors

*USDOT's National Infrastructure Innovation and Finance Fund*

**Polly Trottenberg**, Assistant Secretary for Transportation Policy, USDOT (invited)

**11:45–1:00 p.m.**

**Luncheon Keynote: Future of Build America Bonds**

Sen. **Ron Wyden** (D-OR)

**1:00–2:00 p.m.**

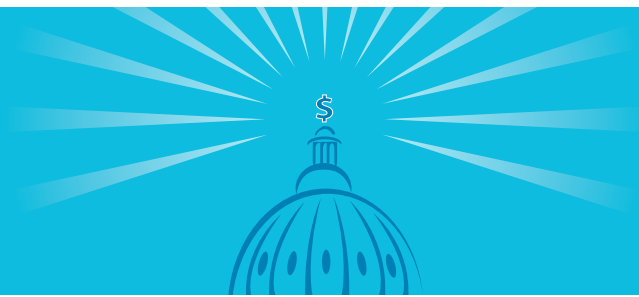
**Session 4: "Solving Several Problems Together" Approach**

**Moderator:** **Mark Pisano**, Senior Fellow, University of Southern California

*Growing public and private pension assets and possibly Social Security by investing in transportation infrastructure (capitalizing Infrastructure Banks with these resources)*

**Richard Little**, Keston Institute for Public Finance and Infrastructure, University of Southern California

# Funding and Financing Solutions for Surface Transportation in the Coming Decade



*Climate Change and energy independence-oriented financing approaches that can be used to finance transportation.*

**Shin-Pei Tsay**, Director, Leadership Initiative for Transportation Solvency, Carnegie Endowment for International Peace

*Making the connection: transportation as key driver of economic development*

**Bob Yaro**, President, Regional Plan Association  
**David Thornburgh**, Executive Director, Fels Institute of Government, University of Pennsylvania

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## 2:00–4:00 p.m.

**Session 5: What Can We Learn from Recent Experiments in Transportation Finance Throughout the Country?**

**Moderator:** **Mort Downey**, PB Consult

*New revenue-backed projects (i.e. greenfield projects); Availability payment structure to finance capital, operations, and maintenance*

**Phil Russell**, HW Lochner, Former Assistant Executive Director for Innovative Partnerships, Texas DOT  
**Lowell Clary**, P3 Development Company, Former Assistant Secretary for Finance and Administration, Florida DOT

**Jim Preusch**, Chief Financial Officer, Alameda Corridor, California

**Mike Parker**, Managing Director, Jeffrey A Parker and Associates

*Value capture techniques for transportation finance*

**Scott Polikov**, Gateway Planning Group, Inc.

**David Levinson**, Center for Transportation Studies, University of Minnesota

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## 4:00 p.m.—Break

## 4:15–5:15 p.m.

**Session 6: Is There Another Way?**

**Moderator:** **Jane Garvey**, North American Chairman, Meridiam Infrastructure

*Given the limitations facing transportation finance, new thoughts and approaches need to evolve. The program will conclude with a focus on the vehicle-miles traveled fee and its promises and pitfalls.*

Implementable Strategies for Shifting to Direct Usage-Based Charges for Transportation Funding, **Paul Sorenson**, Operations Researcher, RAND Corporation

**Paul Hanley**, Director of Transportation Policy Research Program and Associate Professor, Urban and Regional Planning, Department of Civil & Environmental Engineering, University of Iowa

**Glenn Deitiker**, President, Telvent Caseta

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## 5:15–5:30 p.m.

**Final Remarks** from AASHTO Executive Director John Horsley

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## 5:30 p.m.—Break

**ROOM SVC-212/210**

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## 5:45–7:00 p.m.

**Reception and Event Conclusion**