



Panel 2: *The importance of Considering Freight in
Transportation Policy, Planning, Prioritization and Investment*

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Steer Davies Gleave is a highly-regarded independent consulting firm working worldwide across the transportation sector

- It is an employee-owned, independent company that was founded in 1978.
- The company employs over 300 staff in 16 offices in Europe, North America, Latin America and the Middle East.
- The firm has annual revenue of \$55 million.
- Our independence means that we offer truly unbiased and objective advice. We have no corporate affiliations and no obligations to downstream engineering resources.
- Our clients include government, operators, financiers, regulators, developers, international agencies and other industry groups.

Steer Davies Gleave Office Locations



Steer Davies Gleave Skills & Experience

MODES

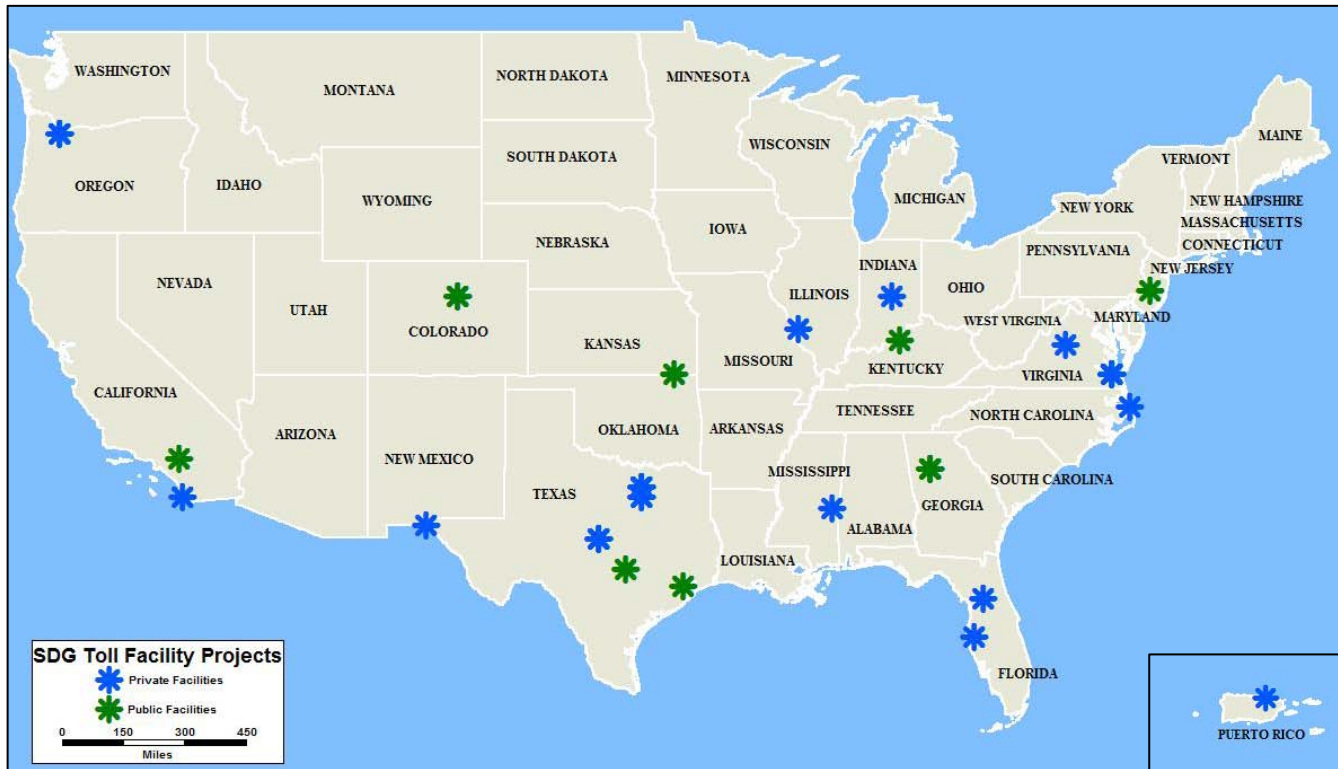
- | Aviation
- | Bus & coach
- | Cycling
- | Highways
- | Maritime
- | *Rail and high-speed rail*
- | *Toll roads & bridges*
- | Urban transit
- | Walking

SERVICES

- | Business advisory
- | Development planning
- | Economics
- | Environmental economics
- | Green logistics
- | Market research & insight
- | Marketing & communications
- | Modeling & forecasting
- | Policy-led procurement
- | Project development & appraisal
- | Sustainable transportation
- | Transaction support
- | Transportation engineering
- | *Transportation policy & planning*

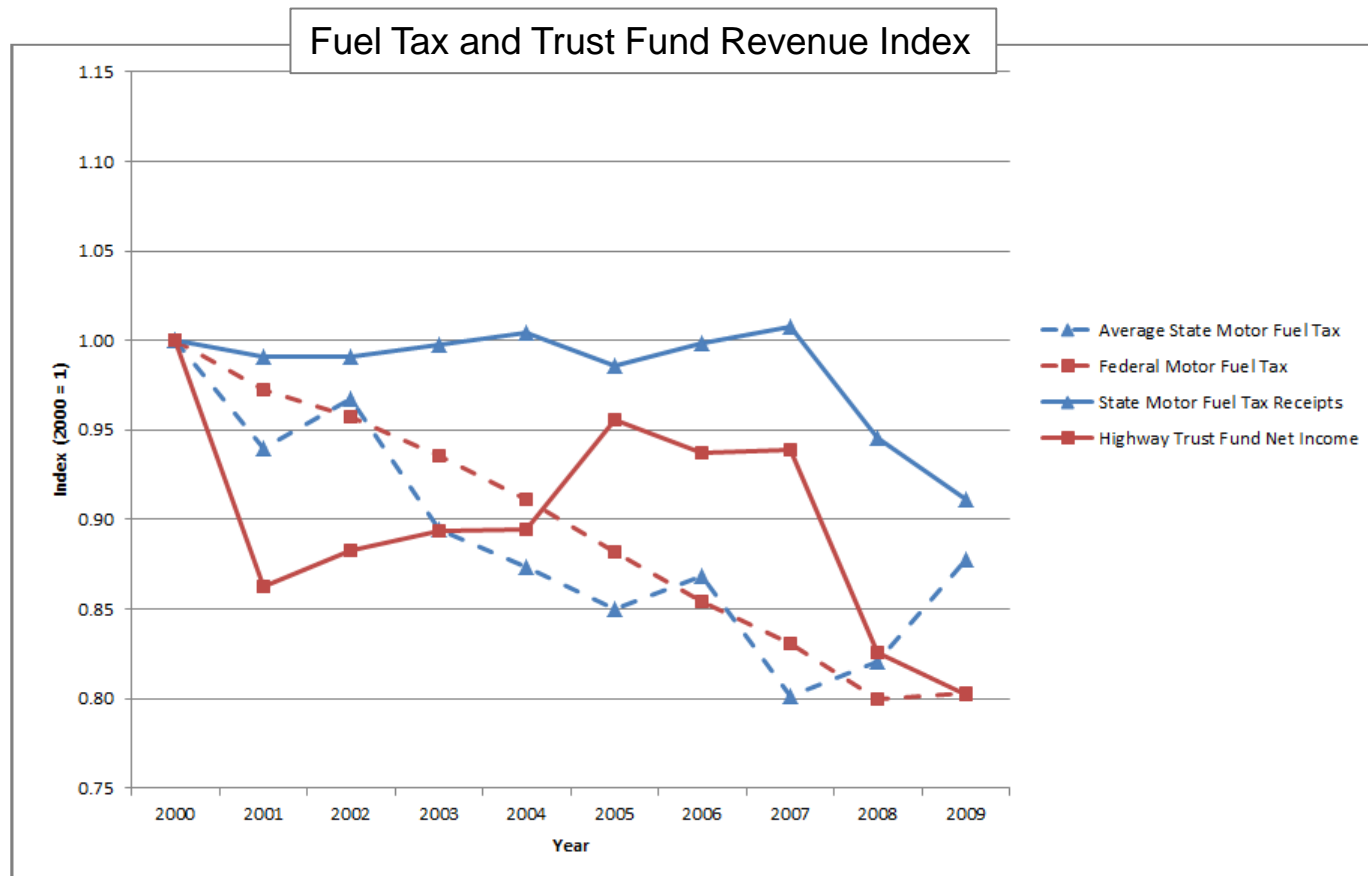
Steer Davies Gleave's US Traffic & Revenue Experience

Public Sector	Project Sponsors	Lenders
Dominion Boulevard	Midtown Tunnel / Downtown Tunnel MLK Extension (Skanska / Macquarie)	Jordan Bridge
GDOT Northwest Corridor Managed Lanes	PR 22 / PR5 Concession (Abertis / Goldman Sachs)	Pennsylvania Turnpike
New Jersey Asset Monetization	LBJ Managed Lanes (ACS)	North Tarrant Express Managed Lanes



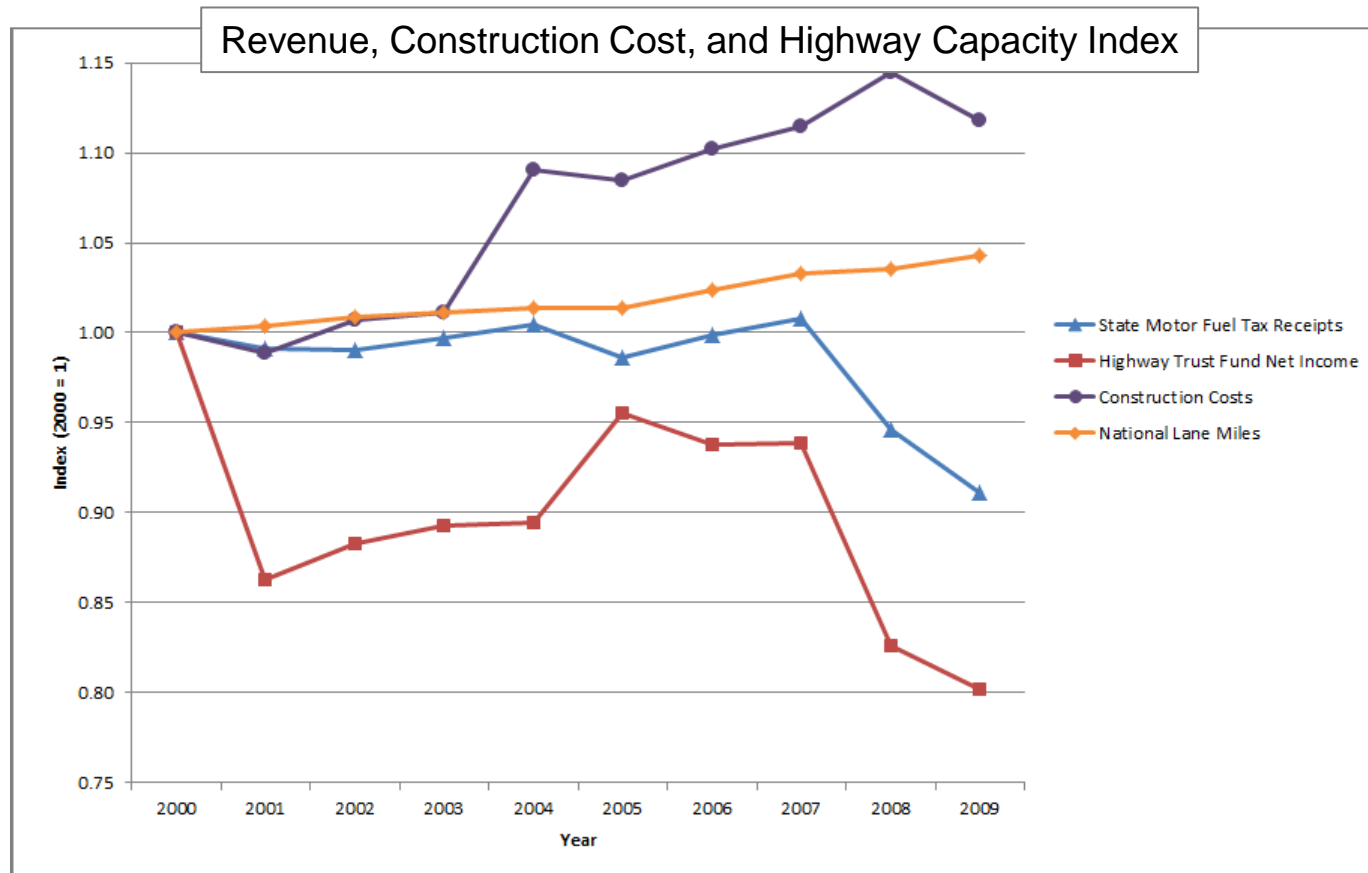
Why PPTA & Tolling: Shortage from traditional sources...

- Indexed for inflation, state and Federal fuel tax rates have decreased leading to reductions in fuel tax receipts and trust fund revenue



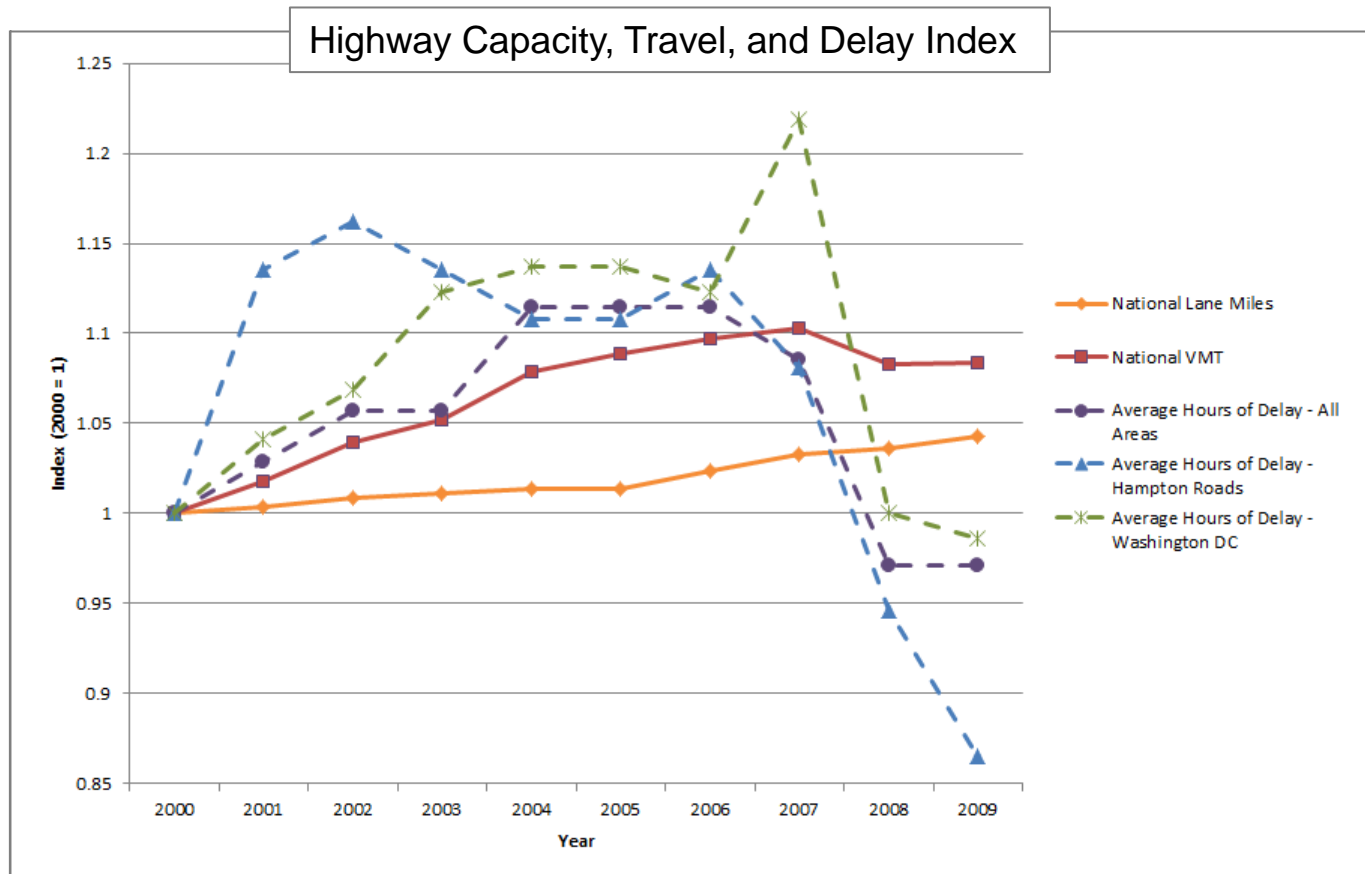
Why PPTA & Tolling: ...leading to marginal capacity increases...

- With decreasing state and national revenues and increasing construction costs, highway capacity has only slightly increased



Why PPTA & Tolling: ...leading to increased delays

- The slow growth in highway capacity and increase in travel led to an increase in travel delays (before the effects of high fuel prices and the recession)



Why PPTA & Tolling: Opportunities Offered

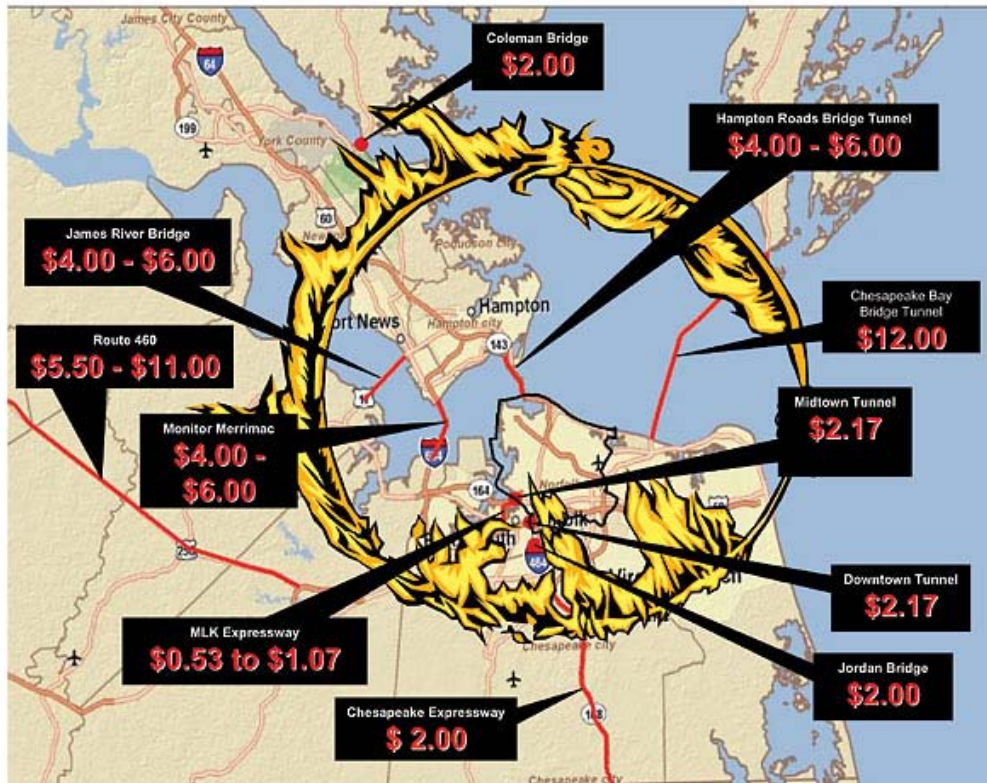
I Tolling Features

- User fees can help fund capacity additions and maintenance and rehabilitation
- Advancing technologies allow toll collection without tollbooth queues

I PPTA Features

- Better treatment of risks
- Introduction of new transportation investment sources
- Faster project deliveries
- Improved operational efficiencies (life-cycle management)
- Private sector expertise

But tolls may not be popular



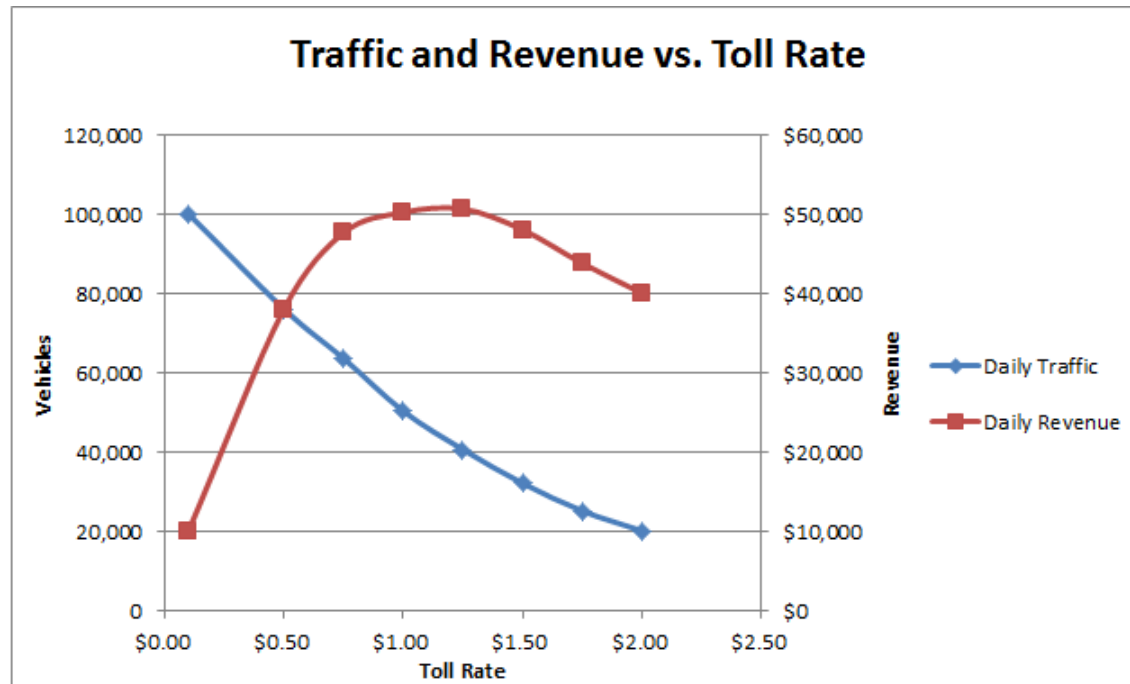
Toll Ring of Fire - worst case scenario

Source: City of Norfolk staff, as appeared in the Virginia-Pilot

Trucking industry positions:

- "Trucking Group Slams Plan to Toll I-95" (*Journal of Commerce Online*)
- "ATA Urges Governors to Reject N.Y., N.J. Toll Hike" (truckinginfo.com)

Is there a balance?



- Toll curves are typically flat near revenue maximum
 - In the above, maximum revenue is at a \$1.50 toll
 - But a \$0.75 toll reduces revenue by only 3% while serving almost 60% more traffic
- This can be addressed through toll setting mechanisms
 - Government subsidies
 - Availability payments

Incorporating PPTA and Freight in the Planning Process

- PPTA considerations should become more integrated into the planning process
 - Value for Money and Public Sector Comparator can identify preferred delivery approach at project-level
 - Also need to incorporate PPTA analysis in project prioritization
 - Sometimes a disconnect between public and private priorities
- Similarly freight issues need to be a part of the planning process
 - Improvements in freight transportation has been proven to produce economic growth
 - This economic growth needs be accounted for in the planning process
 - Further, the impact on the economic growth due to tolls and travel time benefits of toll projects needs to be considered

Thank you