

WORKING TOGETHER FOR SUCCESS: PUBLIC – PRIVATE COALITIONS

INNOVATIVE APPROACHES TO FUNDING THROUGH PUBLIC - PRIVATE PARTNERSHIPS

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Overview

- Background
- Issues
- Current Status
- Future Trends And Issues
- Funding
- Public Private Partnerships



Background

- California's economic future depends upon an efficient transportation system.
- California's multi-modal transportation system connects this state and our nation to the global economy.
- The transportation system is no longer able to keep up with the demand.

ISSUES

- Container volumes coming through California seaports are up over 10 percent in 2004.
- Truck volumes on I-5 have jumped 7 percent from one year ago.
- Railroads are running out of capacity.
- Communities are concerned over diesel exhaust and noise.



Current Status

Trucking

- Overall volumes nationally are up six percent over 2003.
- 81 percent of all California freight is moved by trucks
- Issues – Increased congestion, driver shortages, hour of service rules, soaring fuel prices, insurance costs.



Interstate 710 Truck Congestion



Current System Status

Railroads

- New volume records – Intermodal traffic up 9.7 percent nationally; carload traffic up 2.9 percent.
- Railroads are operating at or near capacity in many parts of the country
 - Short-term: Labor, equipment shortages
 - Long-term: Main line capacity improvements needed

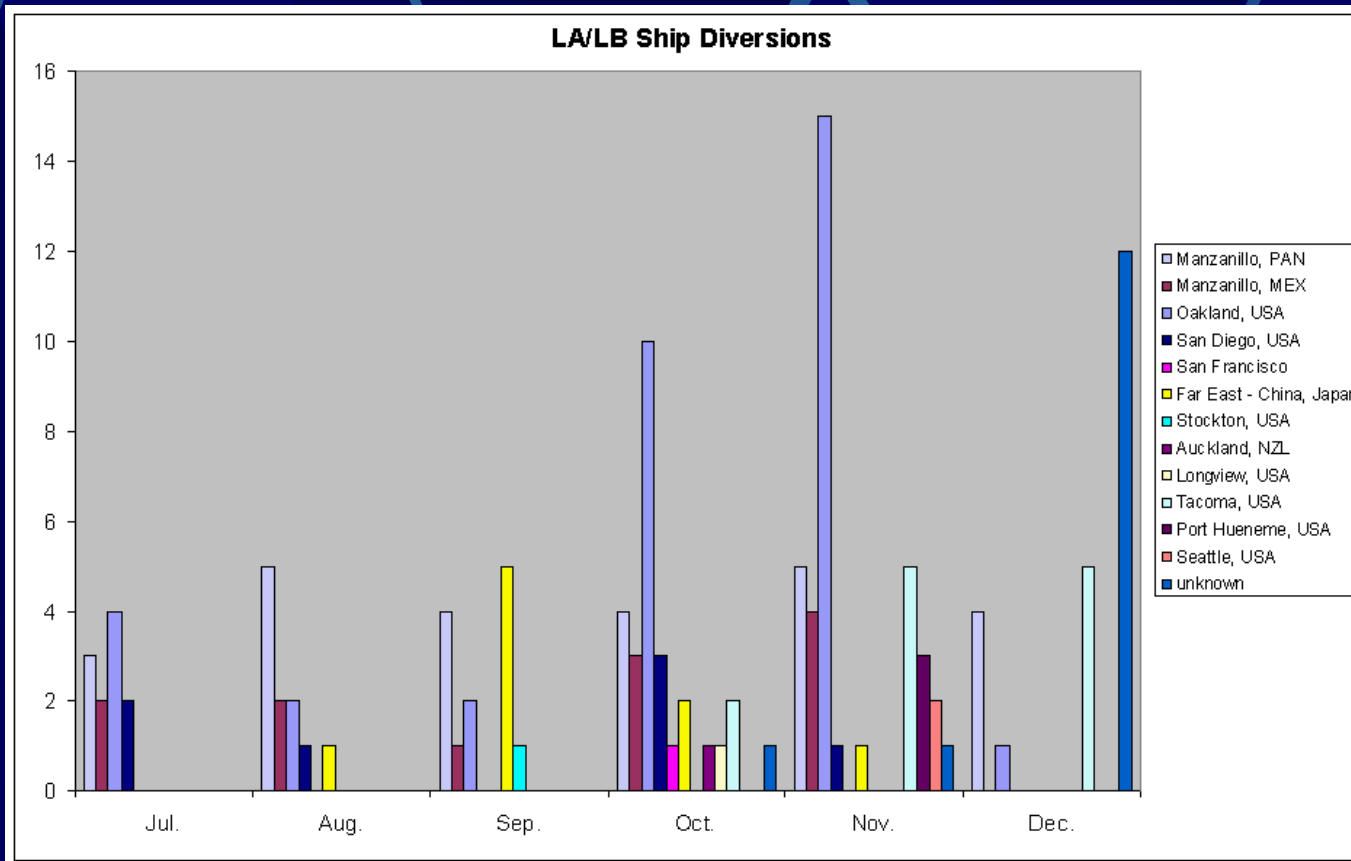


Future Trends and Issues

● Seaport Forecasts

- Ports of Los Angeles/Long Beach
 - 11.8 million TEUs in 2003
 - 36 million TEUs by 2020
- Port of Oakland
 - 1.9 million TEUs 2003
 - 4.0 million TEUs 2020

PORTS OF LA/LB DIVERSIONS



Bay Area Issues

- Congestion in Southern California means more freight will be diverted to Oakland and Seattle
- More highway and railroad congestion
- More air quality problems
- More off-highway access improvement projects will be needed
- More coordination with the freight industry will be necessary

Existing Federal Freight Funds

- Surface Transportation Program (STP)
Problem: Highways only
- National Highway System Program (NHS)
Problem: Highways only
- Congestion Mitigation and Air Quality Funds (CMAQ) Eligible for non-highway use
Problem: Used for people movement

Existing State Freight Funds

- All current funding programs for freight are restricted to state highway projects only.
- The only exception is when used to improve passenger rail service on freight railroads

Existing Local Freight Funds

- Congestion Mitigation and Air Quality (CMAQ)
- Regional Improvements Funds
- Local Sales Tax Measures

Innovative Funding Programs

- Private Activity Bonds
- State Infrastructure Bank
- Railroad and Highway User Fees
- Industrial Development Bonds
- Tax Credit Financing



Public Private Partnerships

- Keys to Success:
- Political Leadership
- Public Sector Involvement
- Well Thought-Out Plan
- Communications With Stakeholders
- Selecting The Right Partner



Public Private Partnerships

- Alameda Corridor
- Kansas City Sheffield Flyover
- Chicago Regional Environmental And Transportation Efficiency Project (CREATE)
- JFK International Air Terminal 4
- Port of Galveston Cruise Terminal



Conclusion

Goods movement issues have reached a critical stage in California. We must engage all goods movement stakeholders to work together to develop a plan and to participate in a goods movement investment fund to address major problems.



Conclusion

- Public private partnerships are essential in order to fund the major goods movement projects needed to meet future demand
- With concerted effort, we can make a significant difference in how freight moves to and through California.