

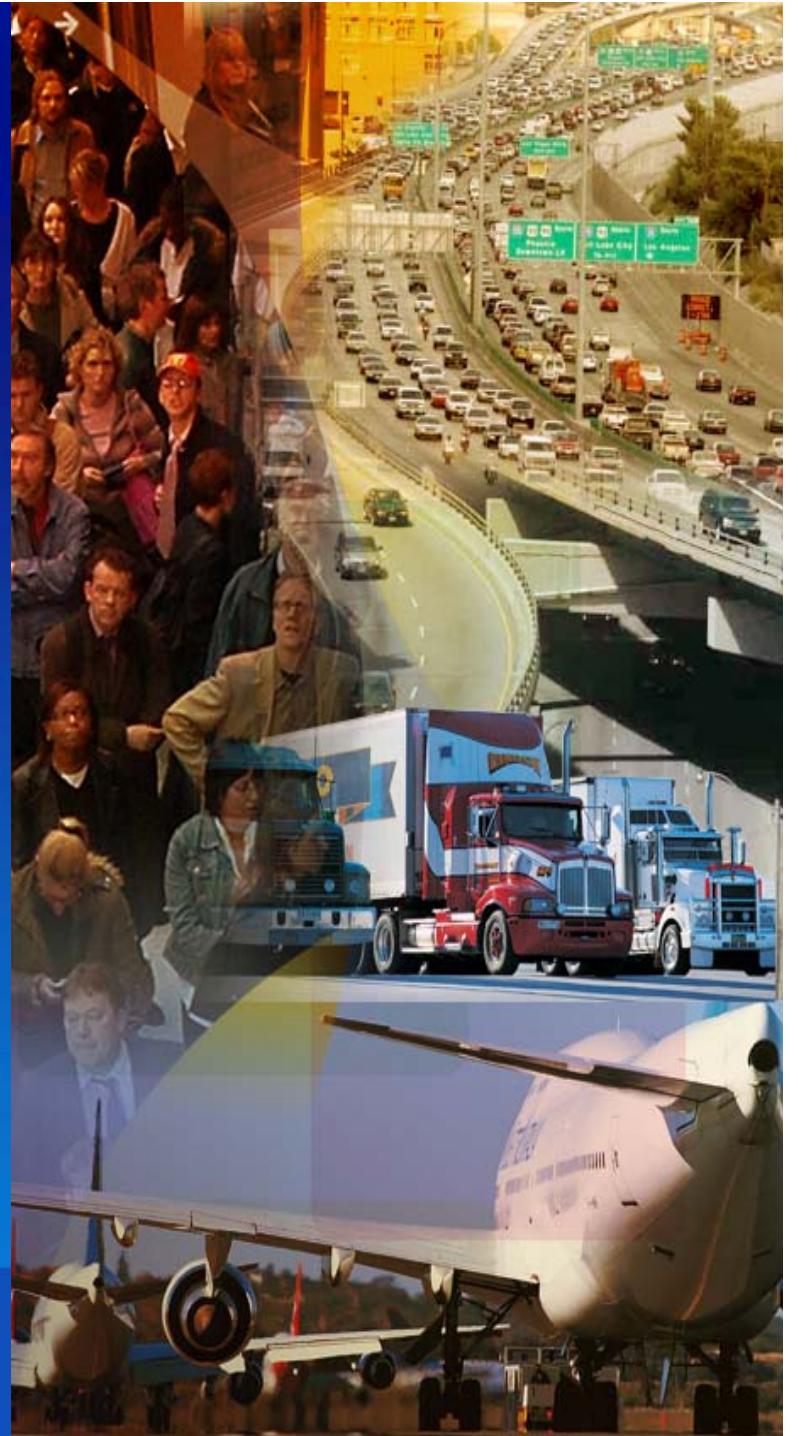


U.S. Department of
Transportation

Transportation Policy Failures and Principles for a New Approach

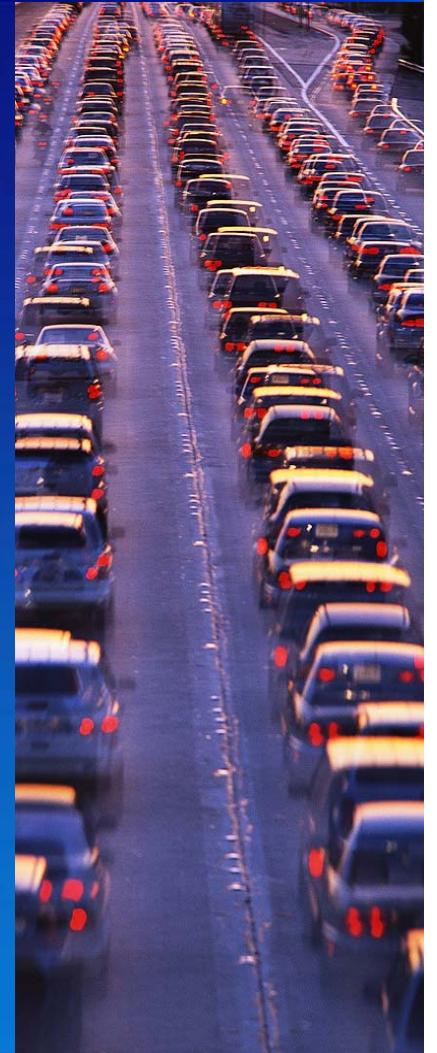
David Horner
Deputy Assistant Secretary, U.S. Dept. of Transportation
Acting Chief Counsel, Federal Transit Administration

July 31, 2007



The Story in Brief

- The failures of our current surface transportation policies are becoming increasingly apparent and consequential
- To keep our roads running safely and smoothly, we need a new approach to transportation policy
- Key principles for a new approach are demonstrated by USDOT's Urban Partnership Program



U.S. Department of
Transportation

U.S. Surface Transportation Policy Failures



- More spending, more traffic
 - Despite a 240% increase in Federal highway spending over the past 25 years, congestion in U.S. metropolitan areas has nearly tripled
- The end of the financial road
 - With transportation spending exceeding highway trust fund (HTF) revenues, the HTF is on track to go into deficit in 2009
- Funding transportation vs. reducing gas consumption
 - We have a bi-partisan consensus to reduce gas usage, yet rely upon the gas tax to fund the majority of our surface transportation system



U.S. Department of
Transportation

U.S. Surface Transportation Policy Failures



- Special interests vs. public interest
 - Increasing numbers of earmarks and special interest transportation programs rob States of the flexibility to focus on State and national priorities
- Process without purpose
 - Federal laws and regulations force States to comply with a complex array of process requirements that are not tied to system performance objectives
- No accountability to drivers
 - Since highway users do not pay directly for services, they have little recourse when they face congested or unsafe roads



Guiding Principles for a New Approach

- Increased State flexibility
- Dramatic simplification of Federal programs
- Decisions based on merit
- Public-private partnership
- Direct pricing of road use



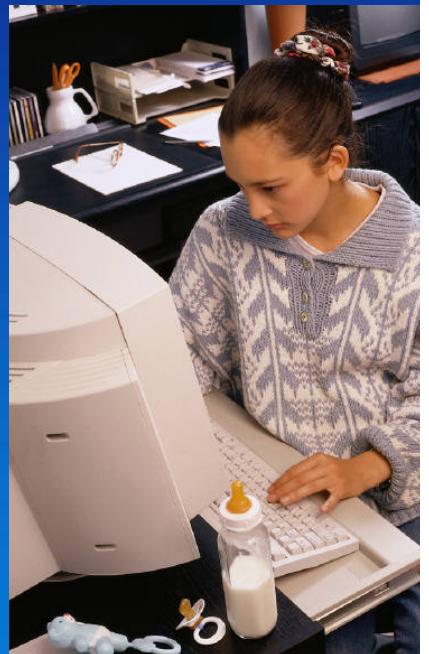
USDOT's Urban Partnership Agreement

The Four “T’s”:

1. Tolling (congestion pricing) - Establishment of a variable tolling/pricing demonstration
2. Transit - Utilization of cost-effective transit options such as Bus Rapid Transit (BRT)
3. Telecommuting - Expansion of telecommuting and flexible work schedules
4. Technology and Operations – Utilizing cutting edge approaches to improve system performance

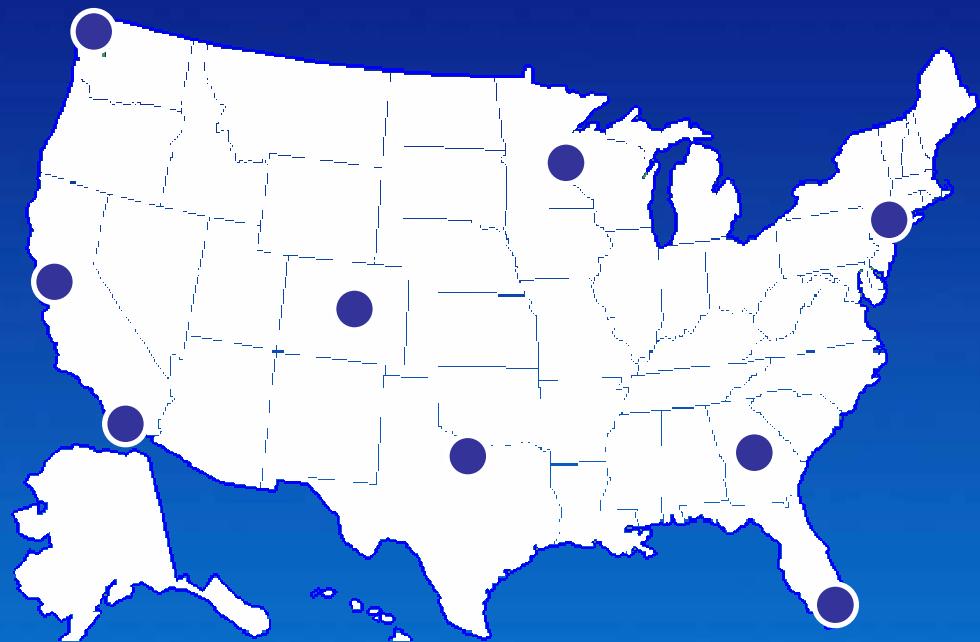
What USDOT Brings:

1. Financial resources (grants, loans and borrowing authority)
2. Expedited Federal approvals
3. Dedicated USDOT resources, expertise and personnel



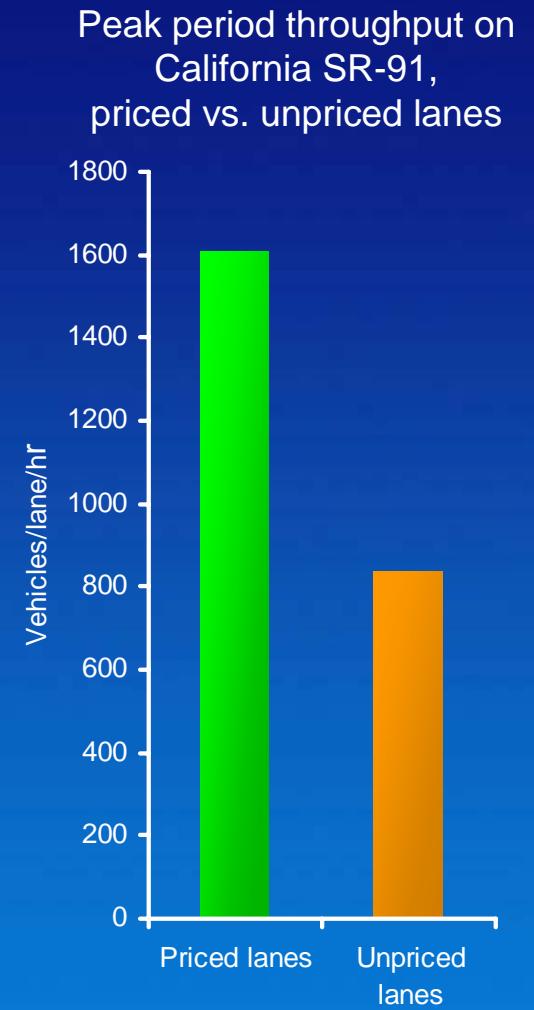
Preliminary Urban Partners (designated on 6/7/07)

- Atlanta, GA
- Dallas, TX
- Denver, CO
- Miami, FL
- Minneapolis-St. Paul, MN
- New York, NY
- San Diego, CA
- San Francisco, CA
- Seattle, WA



Impact of Pricing on Congestion

- Increased vehicle throughput
 - CA SR-91 priced lanes carry twice as many vehicles/lane during rush hour as the adjacent toll-free lanes
- Reduced traffic and increased travel speeds
 - *London*: delay ↓30%, bus delay ↓50%, road speed ↑37%
 - *Stockholm*: traffic ↓25%, transit ridership ↑8%,
 - *Singapore*: peak hour traffic ↓13%, road speed ↑20%
 - *Minneapolis*: 85% of users happy with priced lanes' traffic flow
- A little less traffic can mean a lot less delay





U.S. Department of
Transportation

Questions,
Comments, and
Discussion

