

Institute of Transportation Studies
Center for Urban Infrastructure

**Results of March 7, 2003
Workshop in Costa Mesa, CA**

**Beyond Crisis: The New Generation of
Transportation Financing in California**

**Conference Findings & Recommended
Steps Toward a State Action Plan**

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Executive Summary of Conference Findings: A STATEWIDE ACTION PLAN

Overview of CUI's March 2003 Workshop

In response to the alarming FY 2003 California budget deficit that is now estimated to be between \$27 and \$35 billion, the newly founded Center for Urban Infrastructure (CUI), housed at UC Irvine's Institute for Transportation Studies, held a one-day workshop entitled *Beyond Crisis Response: The New Generation of Transportation Financing in California*. Approximately 250 experts and policy-makers from California's transportation, finance and business community met on March 7, 2003 to examine the following:

1. The extent and context of the California transportation infrastructure funding crisis;
2. Potential new revenue sources (user fees, innovative finance techniques and appropriate use of public/private partnerships); and
3. How to move forward strategically to increase and stabilize transportation funding over the short and long term.

Participants at the March 7 workshop agreed that it was time to consider every option available to increase the total amount of funding for transportation, and address all impediments to successful reform of the transportation funding environment. Therefore, the Center for Urban Infrastructure, in the company of other leaders throughout the state, will step forward and provide a venue, strong leadership and its unique expert network to facilitate the development, prioritization and implementation of these strategies and assist with the following necessary preparatory steps. This executive summary highlights major components of an initial Statewide Action Plan that can be used to guide the transportation community, elected officials, governmental agencies and business and community organizations in finding and implementing appropriate, fair and effective transportation funding solutions

Immediate (Next Six Months) Recommended Actions to Initiate Statewide Action Program:

Based on the workshop and ongoing stakeholder input, CUI proposes to facilitate or initiate the following activities, and to seek funding to carry them to successful completion:

Organize Stakeholders Around Urgent Action Strategies

- Reconvene workshop participants (and interested others), with more focused group and targeted work program, ensuring inclusion of all essential stakeholders not previously involved.
- Initiate contact with identified "missing stakeholders".
- Identify point people within each stakeholder organization to provide continuity among different aspects of the transportation funding problem and solutions.
- Develop key action squads for targeted issues
 - Institutional reform/legislation
 - Federal share/"growing the pie" issues
 - Public/private partnership development
 - Mega-project prioritization and funding
 - User fees
- Address TEA-3 and California Delegation issues immediately.
 - Expand to West Coast delegation.
- Explore appropriate, targeted enabling/devolution legislation for consideration, possibly in time for next legislative cycle.

- Example: Support state legislation that would allow the governing board of an area in danger of air quality conformity lapse to create a mitigation fee to backfill the financing of key transportation projects
- Identify critical unknowns and develop funded research program, coordinating state and national resources.

Short and Long Term Recommended Actions to Initiate Statewide Action Program:

Increase and Stabilize Transportation Funding

Workshop participants were willing to throw out the business as usual approach in upcoming efforts to craft effective means of “growing the transportation funding pie” as well as eliminating disastrous funding cycles that threaten both transportation improvements and ongoing critical maintenance of the system on which Californians depend.

- Characterize the problem correctly (identify the problem and lay out comprehensive and systematic solutions).
- Take action to study fully all potential solutions on the table, including innovative finance, public/private partnerships and user fees identified in Section III of this report.
- Identify the right action at the right level (local, regional, state or national solutions, as required by specific issues).
- Initiate pilot projects and incremental changes that support the potential solution strategies.
- Develop policies to ensure fairness and equity for different regions, transportation modes, system users, taxpayers and the communities dependent upon our transportation infrastructure.

Educate the Stakeholders & Public About the Issues

- Educate the “expert” community: put the facts on the table; research unknowns and report back to the community and continue the dialogue with elected officials.
- Engage the public with clear, pointed programs to build consensus for a total funding reform package.
- Develop strategic education and outreach to the following groups, to explain current situation, familiarize them with new funding strategies and reasons to implement them:
 - Stakeholder community
 - Public
 - Elected leaders & opinion makers
 - The next generation of leaders in this area
- Develop speakers’ bureau on transportation finance issues.
- Develop public outreach program, and a coherent message about problem and potential solutions.
- Address unknowns and disputed facts with education, research and/or demonstration projects.

Address Institutional Issues, Review and Develop Legislation & Appropriate Political Action

Workshop participants identified a range of institutional reforms and improvements, including:

- Devolve State power to levy user fees and create public/private partnerships with appropriate agencies, regions or new JPAs tasked with providing service and infrastructure.
- Energize, educate and unify the California Delegation to promote statewide objectives (emphasize rail and goods movement)—tell them what California needs them to bring back.
- Work on national approach to port, border and goods movement issues.
- Insist upon leadership from the state to address the need for statewide reforms, oversight and support for new programs.

This issues outlined represent a good—if ambitious— starting point to organize the stakeholder community's concern and energies over the next months, though it is certainly subject to revision as more information becomes available, more ideas are introduced, and more stakeholders engage in the conversation. Detailed discussions of specific innovative finance and user-fee revenue issues and suggested actions are included in the body of this report, particularly in the tables in Section III. These suggestions and others will be considered as CUI moves ahead with the action steps outlined above.

Reform the Political Climate

One key theme that was repeated throughout the day related to the political climate in which our elected officials must work through delicate, controversial problems. Two issues, in particular—term limits and redistricting—have impacted California politics in general and transportation funding in particular.

Term limits have the pervasive impact of reducing the knowledge base and skill-set of our elected officials; they render some elected representatives too timid, and affect the institutional memory of all political organizations in the state. At the same time, re-districting has made many California Assembly and Senate members overly dependent upon those in their respective districts who will not compromise on ideological positions, thus hampering attempts to innovate and take leadership positions in the State Legislature. Political gridlock and transportation gridlock are thus not unrelated. Indeed, these dynamics affect the basic functioning of all levels of California government. These factors are likely to continue to present themselves for resolution as CUI and others act on the issues relating to reforming and improving transportation infrastructure funding.

Results of Center for Urban Infrastructure (CUI) March 7, 2003 Workshop

I. Introduction

On March 7, 2003, as part of its day-long workshop on transportation financing issues in California—*Beyond Crisis: The New Generation of Transportation Financing in California*—the Center for Urban Infrastructure engaged participants in tasks designed to produce a Statewide Action Plan. The components of the Plan (outlined in the Executive Summary, above) derive from a review of a pre-conference survey (presented in Section II) and a series of four roundtable sessions (summarized in matrix form, in Section III.) Additional ideas and recommendations for the Statewide Action Plan originated from comments and presentations of the distinguished conference speakers. Their presentations can be downloaded from the Center for Urban Infrastructure website at www.c-u-i.org.

II. Pre-Conference Survey Results

Each conference attendee was asked to complete and return a survey prior to the start of the day’s program. The intention was to assess the pre-conference state of attendees’ awareness of and attitudes toward a variety of potential transportation infrastructure finance strategies that were the subjects of conference speakers and roundtable discussions. The pre-conference survey provides us with an idea of how people who are relatively “tapped in” and “up to speed” thought about the issues—before they were exposed to expert presentations on each of the topics. Seventy-five of the approximately 250 conference attendees (or about 30 percent) returned surveys for tabulation. Results are presented in this document. (A copy of the one-page survey is provided for reference at the end of this report.)

A. Defining the Problem

Participants were asked to respond to the following open-ended question, designed to elicit a deeper understanding of participants’ perspectives on underlying causes of the current transportation budget crisis:

What is *your* definition of the “problem” facing California as it tries to ensure adequate transportation infrastructure for its citizens and residents in the 21st Century?

Responses fell into the following categories:

Number of Responses	Definition of the “Problem”
36	Lack of adequate, sustainable source of dedicated transportation funding (also, need to “grow the pie”)
6	Lack of consideration of innovative strategies or alternative to highway building
3	Population growth
4	Lack of cooperation among stakeholders (governmental and public/private)
3	Land use—failure to address suburban growth (no “smart growth” program)
3	Failure to address goods movement impacts and needs
3	Failure to promote transit as a practical, everyday solution

Number of Responses	Definition of the “Problem”
2	Caltrans project development process and environmental clearance time requirements
2	Caltrans mismanagement and failure to work politically
1	Heavy-handed governmental regulation
1	Term limits (“amateur government”) and institutional inadequacy

B. Survey Results: Self-Financing Mechanisms for Transportation Facilities and Services

Participants were asked to rate 12 transportation user fee strategies, using the scale below:

- 1=very favorable
- 2=somewhat favorable
- 3=neutral
- 4=somewhat unfavorable
- 5=very unfavorable
- 6=I need to know more before I can judge

The strategies are ranked according to their average score, below, in descending order (top of the list is most favorable, according to respondents.) Note that scores of “6” were removed from the calculation of averages.

Average Rating	Transportation User Fee Strategy
2.1	Roadway use fees based on damage to highways (axles or weight)
2.1	Maintain current gas tax
2.2	Increased Gas tax
2.4	Expand High-Occupancy Toll (HOT) Lanes or Managed Lanes
2.4	Roadway use fees based on congestion of highway (value pricing)
2.6	Begin system-wide user fees on most congested commute routes
2.6	Vehicle License Fee
2.7	Roadway use fees based on vehicle emissions
2.8	Alternative Fuel or Energy Tax (replacement of gasoline tax)
2.9	Roadway use fees based on combined factors <i>Respondents listed the following:</i> <ul style="list-style-type: none"> o emissions/road damage/congestion (2) o congestion/vehicle miles traveled (1) o goods movement/truck lanes (1) o all (vmt, congestion, emissions + axle weight) (2)
3.0	Roadway use fees based on number of vehicle miles driven (regardless of congestion)
3.7	Collecting transportation revenues from non-usage-based activity (sales tax on food, e.g.)

Other?___ Responses to this open-ended question included:

- Sales tax, but not on food
- Premium fee transit passes in return for “club” privileges; transit improvement benefit districts;
FAA passenger facilities charges for service to airports
- Downtown/CBD congestion and parking
- Use banking/user credits

More Information Needed about User Fees

A review of returned surveys also shows that a number of participants, even within this knowledgeable population, needed more information about some of the topics. Topics are listed in descending order, with highest “need to know more” responses listed first.

Number of Responses	Topic
13	Roadway use fees based on combined factors
7	Alternative Fuel or Energy Tax (replacement of gasoline tax)
5	Roadway use fees based on congestion of highway (value pricing)
4	Begin system-wide user fees on most congested commute routes
3	Roadway use fees based on vehicle emissions
2	Roadway use fees based on damage to highways (axles or weight)
2	Increased Gas tax
2	Expand High-Occupancy Toll (HOT) Lanes or Managed Lanes
2	Roadway use fees based on number of vehicle miles driven (regardless of congestion)
2	Collecting transportation revenues from non-usage-based activity (sales tax on food, e.g.)
1	Maintain current gas tax
1	Vehicle License Fee

Not surprisingly, the more complex strategies such as fees based on combined factors, and a system of fuel taxes to replace current gasoline taxes need to be explained in greater detail for people to be comfortable with assigning a rating to them. Responses indicated basic familiarity with strategies including HOT lanes and mileage-based fees.

C. Survey Results: Innovative Finance & Public/Private Partnerships

Participants were asked to rate nine innovative transportation finance strategies, using the scale below:

- 1=very favorable
- 2=somewhat favorable
- 3=neutral
- 4=somewhat unfavorable
- 5=very unfavorable
- 6=I need to know more before I can judge

Average Rating	Transportation Finance Strategy
1.8	Special Purpose Agencies/Nonprofit Corporations/Joint Powers Authorities
1.8	Design-Build Contracts
1.8	Joint Development Revenues
2.0	Federal Finance Tool: TIFIA
2.0	Sales Tax, Gas Tax and/or Motor Vehicle Registration Fee Revenue Bonds
2.1	Federal Finance Tool: GARVEE/Grant Anticipation Notes (GANS)
2.2	Senior and Subordinate Tax Exempt Farebox/Toll Road Revenue Bonds
2.4	Long Term Warrantees
2.5	Outsourcing Operations and Maintenance
2.6	Assessment District Bonds

Other? ___ *Written responses included:*

- Mello-Roos fees for new housing development and transit
- Only taxes have worked
- Constant revenue for goods movement
- Tax credit bonds
- Reduce cost of planning projects
- Abolish Federal highway trust fund, turn back revenues to states; states should distribute funds to all road providers with no discrimination against privately provided roads

More Information Needed about Innovative Finance, Public/Private Partnerships

A review of returned surveys also shows that a number of participants, even within this knowledgeable population, needed more information about some of the topics. Topics are listed in descending order, with highest “need to know more” responses listed first.

Number of Responses	Topic
15	Federal Finance Tool: GARVEE/Grant Anticipation Notes (GANS)
14	Federal Finance Tool: TIFIA
14	Senior and Subordinate Tax Exempt Farebox/Toll Road Revenue Bonds
13	Long Term Warrantees
10	Assessment District Bonds
10	Joint Development Revenues
6	Special Purpose Agencies/Nonprofit Corporations/Joint Powers Authorities
5	Sales Tax, Gas Tax and/or Motor Vehicle Registration Fee Revenue Bonds
4	Design-Build Contracts
3	Outsourcing Operations and Maintenance

D. Observations

It is important to keep in mind the two parameters of this survey. First, the survey was taken prior to exposure to the expert presentations that provided background and details on each of the topics listed on the survey form. Second, the survey respondents are self-selected. Although the universe of potential respondents represents a population much more conversant with the survey topics than would a population taken from eligible voters or California residents in general, we cannot say that respondents were uniformly more aware of specific topics they rated as part of the survey.

- Respondents' perception of the problem in this limited format did not penetrate beyond a somewhat "first blush" assessment related primarily to lack of funds.
- The range of respondents' average scores for each set of strategies indicates an initial general preference for financing strategies (average scores ranged from 1.8 to 2.6) over user fees (average scores ranged from 2.1 to 3.7).
- Seemingly somewhat at odds with the previous observation, results also indicate that, in general, respondents were less familiar with finance strategies than with the set of options being considered under the user-fee category.
- Perhaps understandably, fees rated most favorably were the "line of least resistance" fees (truck weight, gas tax maintenance or increase).
- Expansion of currently proven systems of express lanes/HOT lanes (strategies collectively labeled at the Federal Highway Administration as "Value Pricing") is a top rated strategy.
- Among the survey respondents there is a preference for fees assessed on transportation facility utilization vs. non-transportation activities.
- There is an immediate need for education of the transportation community and other affected stakeholders in the area of both innovative finance and user fee strategies, as well as more discussion of the institutional and practical aspects of potential public/private partnerships.

III. Roundtable Discussion Results

In the afternoon, CUI workshop participants chose one of four roundtable discussions designed to move the entire group toward articulation of a Statewide Action Plan that will guide our next steps.

Roundtable	First Principles	Facts that Need Checking	Obstacles to Effective Implementation	Missing Stakeholders	Next Steps
<p>User Fees</p> <p>(Facilitator: Trixie Johnson, Research Director, Mineta Transportation Institute)</p>	<ul style="list-style-type: none"> ▪ Benefit to Users ▪ Accountability ▪ Sustainability/ability to bond ▪ Equity ▪ Fees should cover costs (could not agree whether this should include all external costs or just the direct costs of building, operating and maintaining facility) <p>Equity/Benefit Considerations</p> <ul style="list-style-type: none"> ▪ Do we want total or selective consistency with free market principles? ▪ Importance for some of covering total costs, including social costs <p>Policy Considerations</p> <ul style="list-style-type: none"> ▪ How should user-fees be implemented? Collection-level of fee/ How these are set ▪ Convenience ▪ KISS (Keep it Simple, Stupid) ▪ More systemic ways of funding 	<ul style="list-style-type: none"> ▪ Public perception (user feedback) ▪ Laws (what needs to be changed; legal obstacles) ▪ Actual benefits that would accrue (For whom? What? How much?) ▪ What are the non-user benefits?? (Non-payers may benefit—can this be documented?) ▪ What is user price elasticity? ▪ Is it too difficult to cover total costs with user fees? ▪ Evaluation of alternatives to user fees ▪ What laws need to be changed? (legal restrictions?) ▪ What is the cost of the service provided? ▪ What benefits are actually provided by the fee? (time saved, congestion bypasses, alternatives for non-users, accountability) ▪ Risk profile of investors/stakeholders and degree of risk for investor <ul style="list-style-type: none"> ▪ What is the specific problem we want to solve with user fees? (Replace gas tax, fund general transportation; change trip-making behavior; financing specific projects) <ul style="list-style-type: none"> ▪ Look in better detail at Gas Tax (Original vs. fees; Is gas tax obsolete?) ▪ Discuss other types of fees/detail (Congestion fee; miles driven fee; Weight impact fee) <ul style="list-style-type: none"> ▪ Why are taxes not enough? ▪ Ultimate impact of paying for everything (Hidden/not hidden; Choice/no choice) ▪ How do user fees fit into our state tax situation? 	<ul style="list-style-type: none"> ▪ Legal restrictions, including tax code and systems ▪ Political, social, environmental (public consensus) ▪ Legal restrictions* ▪ Fed/state/local ▪ Tax code changes may be needed ▪ Social equity questions ▪ Political* <ul style="list-style-type: none"> ○ Public resistance/public relations <ul style="list-style-type: none"> ▪ Media ▪ Economic ▪ Environmental ▪ Technical <ul style="list-style-type: none"> ○ Ease of collection/enforcement ○ Networking/standardization ▪ Competition reducing value of user fee <ul style="list-style-type: none"> ○ Exclusivity ○ State competition against private investment ▪ Environmental concerns <ul style="list-style-type: none"> ○ Opposition to the project, not necessarily the fee 	<ul style="list-style-type: none"> ▪ Residents/transportation users ▪ Business & industry <ul style="list-style-type: none"> ○ Employers ○ Sites ○ Moving goods ▪ Development community ▪ Environmental groups ▪ Organized labor ▪ Public safety ▪ Research academia 	<ul style="list-style-type: none"> ▪ Need facts ▪ Set priorities—where are user fees going to be most valuable? ▪ Public and community outreach ▪ Mechanisms/implementation <ul style="list-style-type: none"> ○ Policies ▪ Speak with relevant lobby groups <ul style="list-style-type: none"> ○ Build a coalition of advocates ▪ Fact checking on development process* ▪ Change legal impediments* <ul style="list-style-type: none"> ○ Tax code ▪ Write a more detailed proposal <ul style="list-style-type: none"> ○ Identify where/what sort of projects could be proposed ▪ Introduce user fees into state and federal TEA -3 budget discussions ▪ Identify innovative user fees solutions <ul style="list-style-type: none"> ○ Through research groups/academia ▪ Public community outreach* <ul style="list-style-type: none"> ○ Building support

Roundtable	First Principles	Facts that Need Checking	Obstacles to Effective Implementation	Missing Stakeholders	Next Steps
<p>Innovative Finance/Public Private Partnerships</p> <p>(Facilitator: Walter D. Kreutzen, Chief Executive Officer, Transportation Corridor Agencies)</p>	<ul style="list-style-type: none"> ▪ Promote regional and local authority ▪ Need for rethinking toll roads ▪ Privately owned infrastructure is necessary to meet unfunded obligations ▪ Plan land use & transportation jointly ▪ Consider land use as performance measure for fund distribution ▪ Need good land use prior to transit—need carrot and stick 	<ul style="list-style-type: none"> ▪ What kind of state oversight could be developed so that regions don't abuse each other? 	<ul style="list-style-type: none"> ▪ Lack of public understanding about need for profit in order to attract private investment in public infrastructure ▪ Localities are constrained by regional budgets ▪ Regions have little authority to implement tolls or engage in other innovative finance techniques ▪ Need state level program to entice transit ▪ Need good land use prior to transit—need carrot and stick 	<ul style="list-style-type: none"> ▪ Unions ▪ Construction designers ▪ Industry (Associated General Contractors, Caltrans) 	<ul style="list-style-type: none"> ▪ Establish standards for all types of projects to ensure no high-profile debacle ▪ Explore housing/density incentives to reward good land use with state financial incentives ▪ Remove or extend term limits ▪ Plan new roads at regional level ▪ Expand eminent domain
<p>Stakeholder Relations</p> <p>(Facilitator: Walter D. Kreutzen, Chief Executive Officer, Transportation Corridor Agencies)</p>	<ul style="list-style-type: none"> ▪ Connect responsibility for service and facility provision to the ability to fund or the power to levy fees ▪ Establish on the ground communication that uses local communication paths, methods and language ▪ Always ask “why” five times (the “5 Whys Principle”) ▪ Address asset preservation requirements first ▪ Re-democratize the funding context (address term limits and taxing “super majority” requirement) 	<ul style="list-style-type: none"> ▪ What is implementable? ▪ How can we “expand the pie?” ▪ What legal, political, California constitutional issues are there? ▪ What “color of money” problems could be fixed? ▪ What's an easy vs. hard fix—how do we prioritize our next steps? ▪ What new construction materials could be used to revolutionize how we provide infrastructure? ▪ 	<ul style="list-style-type: none"> ▪ Community stakeholders are difficult to find and engage ▪ Stakeholders are overwhelmed by the process ▪ Rampant cynicism and disillusionment in government ▪ Government's reluctance to tax and the implications of term limits on that issue ▪ Lack of interagency cooperation ▪ No message, no vision ▪ Competing interests (e.g. taxpayers vs. bus users) ▪ Subregional disconnect with project prioritization ▪ Litigious society (tort claims as additional cost to trans. Infrastructure) ▪ Institutional turf wars ▪ Increasing costs of basic natural resources to construct highways ▪ Regional differences ▪ Agency discontinuity (loss of institutional memory) 	<ul style="list-style-type: none"> ▪ Bond market ▪ Business ▪ Fed administrators ▪ Fed reps (California delegation) ▪ Lending institutions ▪ Users ▪ Smaller cities and counties ▪ Developers/Land use stakeholders ▪ Environmental community ▪ People as “community” (not users, taxpayers or consumers) ▪ Truckers ▪ Big box stores (and similar large impact stakeholders) ▪ Fear/Homeland Security issues and stakeholders 	<ul style="list-style-type: none"> ▪ Transportation community itself needs education on these new financing strategies ▪ Identify needs (are we characterizing the problem correctly?) ▪ Educating public ▪ Get voter buy-in ▪ Establish consensus ▪ Develop coalitions ▪ Interdisciplinary cross-fertilization at college level ▪ Link funding requests to past projects produced—show case our good results ▪ Develop some coherent alternatives to showcase with public ▪ Develop organic champions among various stakeholder groups—they do the work! ▪ Visioning with right people ▪ Work with electeds ▪ Demonstrate national significance of local projects

Roundtable	First Principles	Facts that Need Checking	Obstacles to Effective Implementation	Missing Stakeholders	Next Steps
<p>Mega-Projects</p> <p>(Moderator: Hon. Betty Karnette, State Senator & Member, Senate Transportation Committee)</p> <p>Facilitator: Glenn Pascall, Director, West Coast Corridor Coalition)</p>	<ul style="list-style-type: none"> ▪ Charge system users a portion of the value added by reforms, and apply the revenue to offset the cost of implementing new procedures. (Users are willing to pay for added speed and capacity through process improvements as well as capital projects.) ▪ Plan and design capital projects so they are consistent with and facilitate operational reforms ▪ Develop priorities on performance basis, including revenue potential ▪ Incentivize terminal operators ▪ Don't impede freight traffic <ul style="list-style-type: none"> ○ Grade separations ○ Wide enough ○ Commuter ▪ Mainline and grade separations must be treated with a comprehensive approach ▪ Rationalization ▪ Coordination ▪ Integration ▪ Maximize IT investment 	<ul style="list-style-type: none"> ▪ What kind of port fees would be acceptable, nationally? ▪ What would importers pay (they're losing market share)? 	<ul style="list-style-type: none"> ▪ CA has no statute for public private partnerships <ul style="list-style-type: none"> ○ AB 680 gone, yet, public-private partnership framework essential to support bonding capacity requires legislation ▪ Operational reforms needed to enhance efficiency of freight movement <ul style="list-style-type: none"> ○ Attract demand side ○ Provide single point of contact for freight community ○ Comprehensive and systematic 	<ul style="list-style-type: none"> ▪ The REAL private sector (those who pay the bills) 	<ul style="list-style-type: none"> ▪ Support California state legislation re-authorizing public-private partnership projects ▪ Plan and design capital projects so they are consistent with and facilitate operational reforms. ▪ Develop and strengthen the financing tools available for capital projects: <ul style="list-style-type: none"> ○ Toll revenue bonds ○ Equity participation by investors worldwide ○ TIFIA reauthorization ○ Tax-exempt financing (for inter-modal projects) ○ Tax credit bonds ○ Container fees (to replenish the Treasury for Class I rail investments and other projects) ▪ Build coalitions for freight across US ▪ Seek funding based on homeland security tie-in ▪ Firewall trust funds ▪ Expand the pie ▪ Use powerful west coast delegation ▪ Freight/transit—balance: both are important ▪ List projects statewide, and then prioritize. Don't build locally unless coordinated ▪ So cal more profit potential—through investment, but statewide priorities should be established ▪ Momentum—keep pieces moving ▪ Get fed support ▪ Need unified approach ▪ Revenue potential important criterion

Appendix A: Survey form provided to all workshop attendees

BEYOND CRISIS RESPONSE: The New Generation of Transportation Financing in California Pre-Conference Survey of Attendees

March 7, 2003

Please fill out the following one-page survey and return to registration desk before 9 AM

1. DEFINING THE PROBLEM

What is *your* definition of the “problem” facing California as it tries to ensure adequate transportation infrastructure for its citizens and residents in the 21st Century?

2. SELF-FINANCING MECHANISMS FOR TRANSPORTATION FACILITIES & SERVICES

How would you rate the following transportation user fee strategies?

- 1=very favorable
- 2=somewhat favorable
- 3=neutral
- 4=somewhat unfavorable
- 5=very unfavorable
- 6=I need to know more before I can judge

- Maintain current gas tax
- Increased Gas tax
- Alternative Fuel or Energy Tax (replacement of gasoline tax)
- Vehicle License Fee
- Roadway use fees based on congestion of highway (value pricing)
- Roadway use fees based on vehicle emissions
- Roadway use fees based on damage to highways (axles or weight)
- Roadway use fees based on number of vehicle miles driven (regardless of congestion)
- Roadway use fees based on combined factors (list: _____)
- Collecting transportation revenues from non-usage-based activity (sales tax on food, e.g.)
- Expand High-Occupancy Toll (HOT) Lanes or Managed Lanes
- Begin system-wide user fees on most congested commute routes
- Other? _____

3. INNOVATIVE FINANCE & PUBLIC/PRIVATE PARTNERSHIPS

How would you rate the following innovative transportation finance strategies?

- 1=very favorable
- 2=somewhat favorable
- 3=neutral
- 4=somewhat unfavorable
- 5=very unfavorable
- 6=I need to know more before I can judge

- Special Purpose Agencies/Nonprofit Corporations/Joint Powers Authorities
- Design-Build Contracts
- Long Term Warrantees
- Outsourcing Operations and Maintenance
- Federal Finance Tool: TIFIA
- Federal Finance Tool: GARVEE/Grant Anticipation Notes (GANS)
- Senior and Subordinate Tax Exempt Farebox/Toll Road Revenue Bonds
- Assessment District Bonds
- Sales Tax, Gas Tax and/or Motor Vehicle Registration Fee Revenue Bonds
- Joint Development Revenues
- Other? _____