

Public Private Partnerships



“Creativity is thinking up new things. Innovation is doing new things.”

-- Theodore Levitt, Harvard Business School

Preview

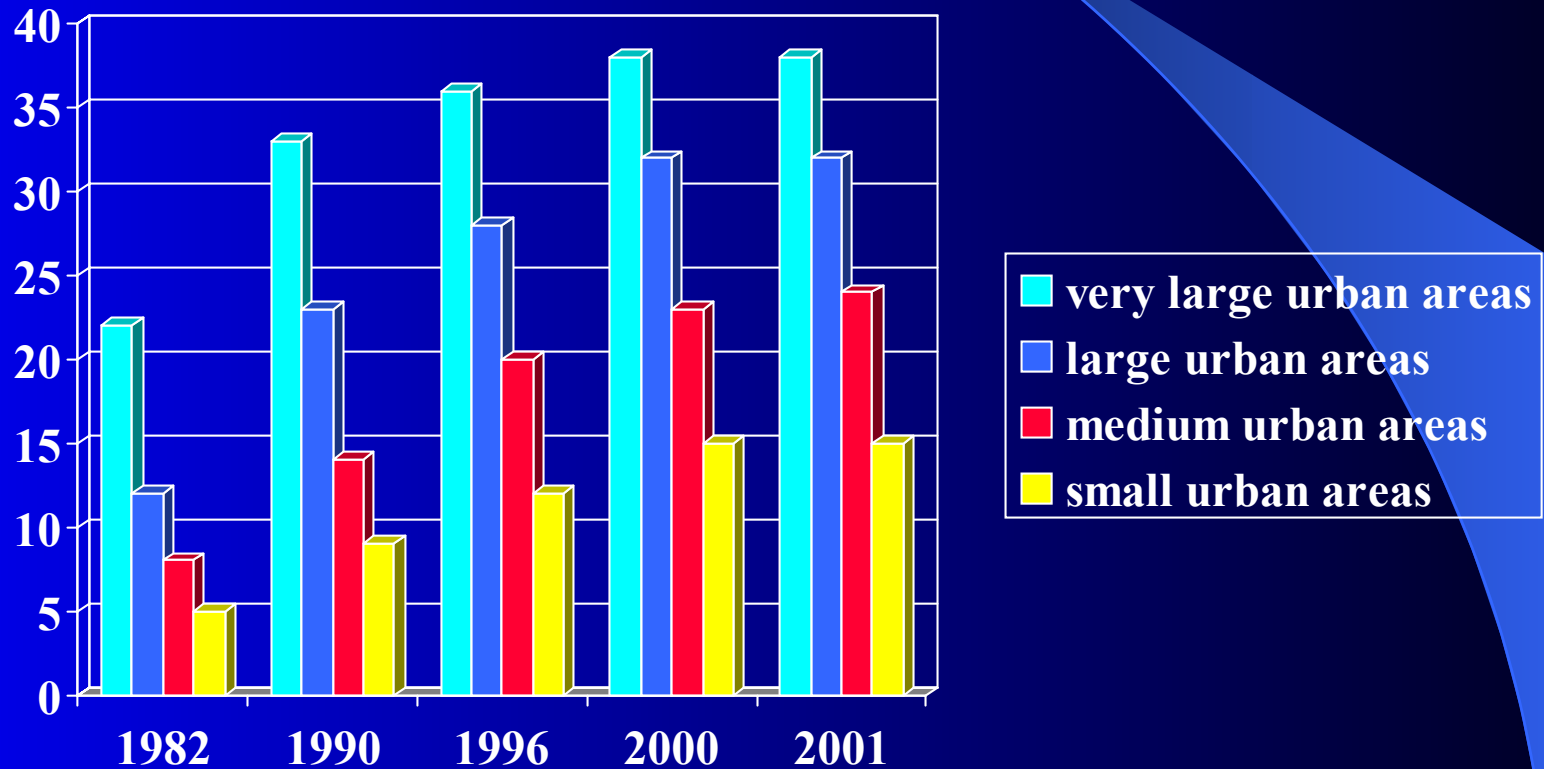
- High-level overview of current system and problems it faces
- How did we get here?
- What is USDOT/FHWA doing to improve the situation



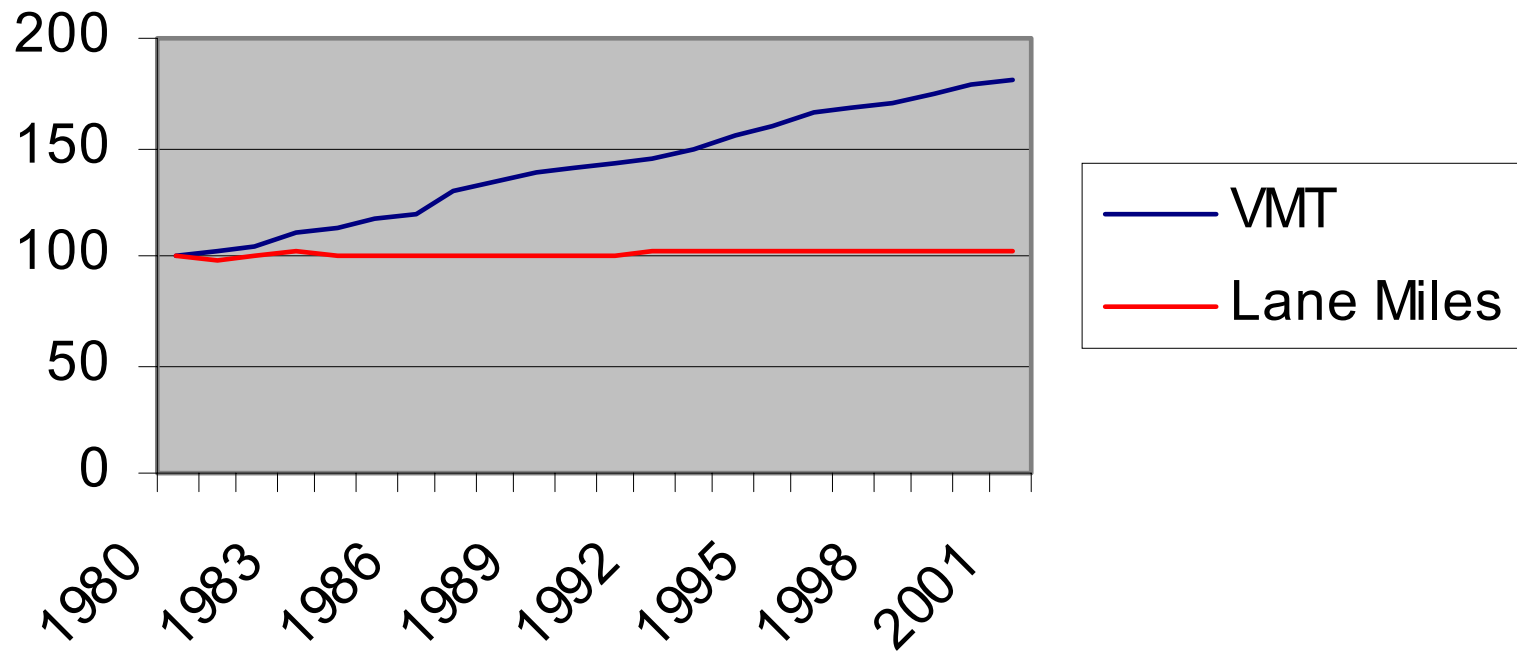
U.S. Department
of Transportation

**Federal Highway
Administration**

How has Driver Delay Grown?



U.S. VMT and Lane Miles Growth, 1980-2001



Current State of Affairs

- Commuter Congestion
- Poor Road Conditions
- Transportation and Logistics Costs
 - 18% of GDP in '80
 - 10% in 1990, saving \$700 B
 - 10% in 2000
- Conditions and Performance Report
 - \$65 B spent currently, \$107 needed to improve

Why are we Here?

- \$42 B behind
- Need for Innovation
 - Compare highways with telecommunications
- Need for better financing (not taxes)
 - Utility based approach
 - Connect consumer with product
 - Restore faith in system

Faith in the System

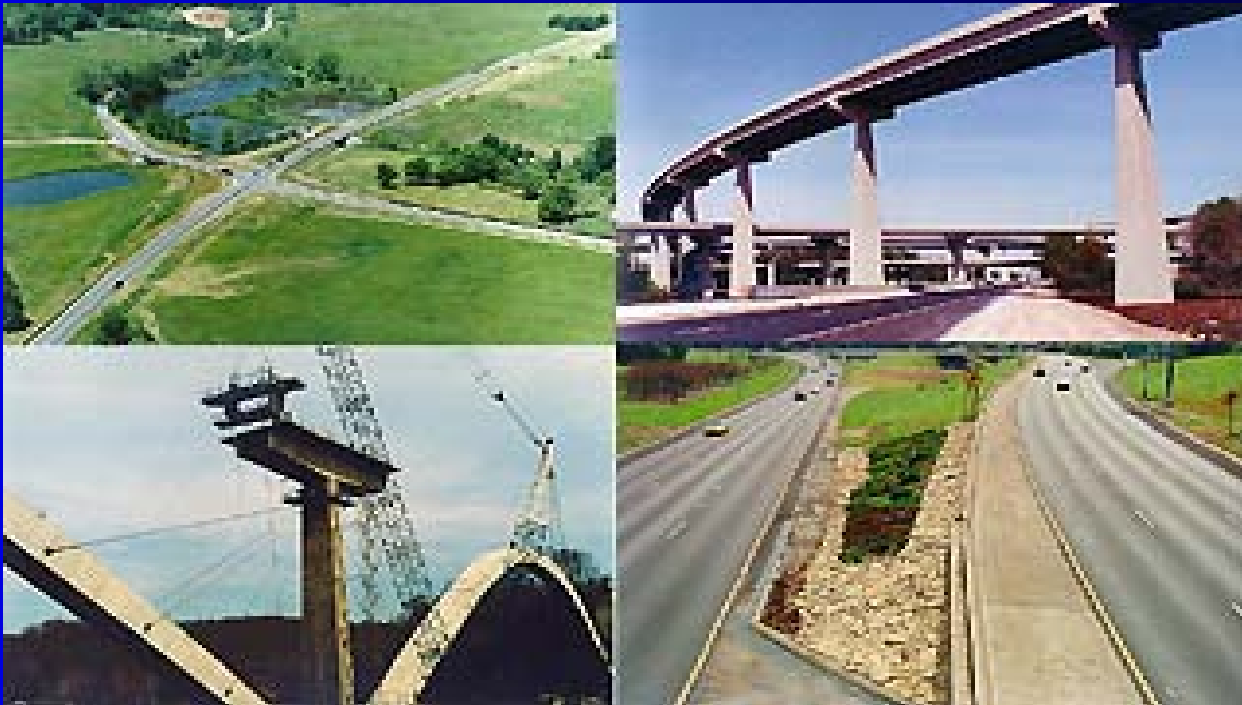
- Value roads as “free” and push for best facility possible
- Revenues strained and SHA cannot meet demand
- Public loses faith in SHA
- Vote against increased resources
- SHA tries to do more with less

Recap

- Encourage Innovation
- New Revenue
- Connect Consumer with Product
- Restore Faith in System

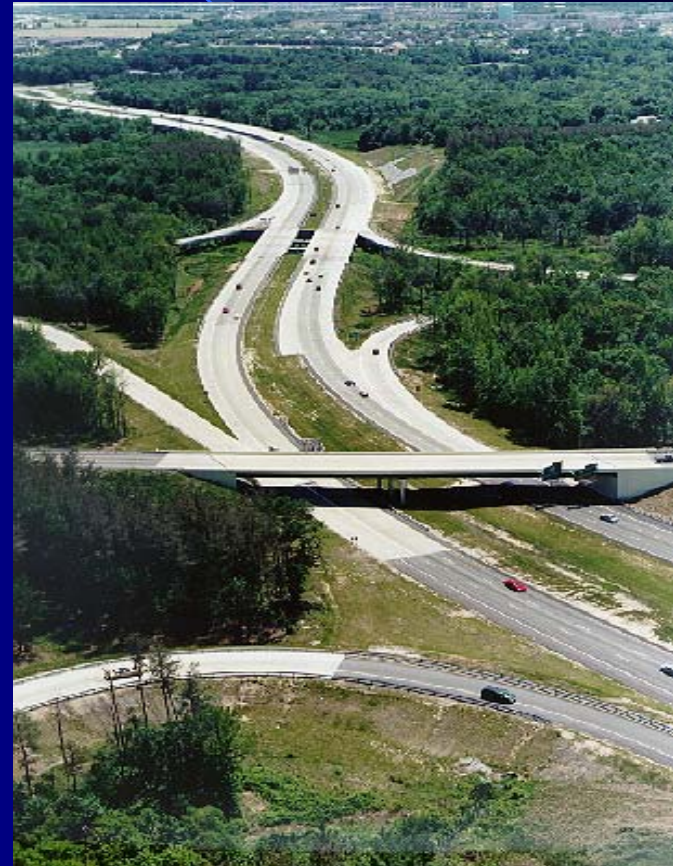
Public Private Partnerships

- Incentives to spur formation
- Remove obstacles hindering operation



Spurring PPP Formation

- Financial
 - Private Activity Bonds
 - SIBs
 - TIFIA
 - Tolling
- Environmental Streamlining
 - Legal and Practice



Spurring PPP Formation

- Changes in Environmental Law
 - 6-month statute of limitations
 - Clarifying “prudent alternative” for 4(f)
 - Use highway funds to pay for historic resources
 - Improving the planning process



**"New ideas come into this world
somewhat like falling meteors,
with a flash and an explosion, and
perhaps somebody's castle roof
perforated."**

--Henry David Thoreau

Highways for LIFE

- LIFE
 - Longer-lasting Highways Using Innovative Technologies and Practices to Accomplish Fast Construction of Efficient and Safe Pavements and Bridges
- Change the way state DOT's do business
- \$1 billion
- Incentive to take risks and experiment

PPP Working Group

- Focus on project development
- Unified approach
 - Environment
 - Infrastructure
 - TIFIA
 - Operations
 - Legal



“Everything good is on a
highway.”



-- Ralph Waldo Emerson

Public Private Partnerships

