

ATTACHMENT 2

Transportation Research Board - 86th Annual Meeting **Washington, D.C., January 21 – 25, 2007** *Highlights of Select Sessions*

Innovations in Transportation Finance

This all-day pre-conference session was designed to stimulate dialog on the challenges of financing and delivering transportation improvements. Public-private partnerships (P3) were mentioned most often as an option to meet the challenge. Oregon created a P3 program in 2003 called the Oregon Innovative Partnerships Program. A state law was passed to allow Oregon Department of Transportation to receive both solicited and unsolicited proposals, thus allowing private firms to initiate a partnership. Currently under consideration is a tolled expressway southeast of Portland. The program has been endorsed by the FHWA, although buy-in from ODOT must be addressed through an educational process.

One presenter firmly stated that the federal agencies and policy makers do not understand the situation. He described current federal thinking as one-dimensional and traditionalist in nature – a situation he said must change to encourage innovation and to think past the fuel tax as the solution. Another presenter emphasized that focusing only upon the money is incomplete, and that each scheme has non-monetary impacts. Each has winners and losers. Three tests should be applied to any finance mechanism: 1) Revenues generated must be reinvested in infrastructure, 2) Any scheme must be accountable for externalities, and 3) does it meet the need for *regional* solutions? Several presenters could easily identify weaknesses in the current funding scheme, although nobody presented a “silver bullet” solution to meet the transportation funding challenge. Much work remains to be done.

Design Build Project Delivery – Lessons Learned

Early in the Design Build (DB) process, the project sponsor should hire legal and financial expertise to develop the Request for Proposals (RFP) and assist in project oversight. The learning curve in DB project delivery is expensive. DB involves “cultural change” from prescribed project specifications inherent in the Design-Bid-Build (DBB) approach to a performance oriented approach where standards are defined and contractor’s held responsible to meet or exceed standards. Third party Quality Assurance-Quality Control agent is useful to audit the contractor’s performance.

Most frequently cited benefit of DB is time savings and use of innovative design/construction methods. The short history of DB projects may be skewed by contractors “buying” contracts to gain experience. There is an expectation that contractors will hold sponsoring agencies more responsible in bidding process which will reduce opportunities for innovation – project cost and schedule benefits. To optimize DB

benefits, long lead time elements such as environmental clearance, right-of-way acquisition, and permits should be nearly complete before issuing the DB RFP.

The DB procurement process suffers from muddled state statutes responsive to interests of different stakeholders. While the prime design/construction partners on a DB team favor larger more experienced firms, there is no apparent difference in use of small firms in the project delivery process. The lump sum contracting method used in DB projects produces better price certainty than material/quantity approach used in DBB process.

Performance Based Contracting

A new federal pilot program entitled Highways for Life (HfL) which has as a goal to build highways and bridges safer, faster, better, and less costly; a nationwide search for 4-to-8 demonstration projects to apply HfL project development principles. Recognizing big gap between public and private sector expertise in the construction process, the goal is to develop expertise in “proactive low bidding” of projects. Similar to the DB approach the focus is on identifying performance measures, incentives and disincentives to offer the contractor. Common performance goals can be identified for all projects, but the values within each of the goals are unique to each project and setting.

Integrated Corridor Management

Integrated corridor management is a new federal initiative to address congestion on a corridor level (i.e. on highways and arterials, including bus and rail transit services) with an emphasis on responding to reoccurring and nonrecurring traffic incidents. Field is in it's infancy with the goal to fill the void between regional travel demand models and micro-operational traffic simulation models. Two are corridors under investigation in California: in Oakland and San Diego. A principle obstacle in this field is the absence of data to develop algorithms models use to predict and/or influence traveler behavior and desired outcomes. Collecting data by conventional means is cost prohibitive, however, intelligent transportation system (ITS) applications hold promise of cost effective data collection. Gathering and analyzing data has a value added benefit of generating a deeper understanding of the travel demands a corridor serves.

Force-Field Analysis

Force-field analysis was the subject a session entitled *How to Decide Between Good Ideas without Bloodshed: Problem Solving Techniques that Work*. The goal of this process is to take the personality out of the problem solving process. This process reportedly works best on narrow focused issues and is less useful applied to broad planning issues, but many of the described steps are similar to the process used in the Transportation Funding Task Force effort. This process is most effective if an agency is able to allocate resources and develop expertise in public outreach and participation methods, and efforts to establish the agency's identity and responsibility in the community.

Transportation Agencies – Meeting New Challenges and Missions

This session featured programs in other regions throughout the nation, including: New Jersey, Central Texas, Southern Nevada, and San Diego. Discussion focused on meeting customer needs, challenges related to funding and financing, expectations of policy makers and stakeholders, changing technical expertise and workforce needs, and evolving partnerships with other public agencies and the private sector. Of particular interest were some of the innovative programs addressing the relationship between land use and transportation, and orientation of viewing transportation as a “system of services”. San Diego has a program that dedicates 2% of their transportation sales tax measure as incentive for collaborative efforts to provide more housing and travel choices in activity centers identified by local agencies. The orientation is not to threaten change to development trends but to address the natural evolution of the built environment and infill development opportunities.

Highlights from 2006 Visualization in Transportation Symposium

This session featured the results of a recent day long symposium with public and private participants on the use of visual tools for decision making and public information sharing. One of the recognized benefits of visualization is effective communication, particularly of non-routine projects or procedures, in a manner that avoids information overload. Challenges in development and application of visualization techniques include technical training of personnel in the field and ethics in presentation, to avoid misrepresentation. Additional information on this subject can be found at www.teachamerica.com.

Bike Plan Liability Concerns

Public agency liability in the planning and operation of bike lanes is not uniform throughout the nation and determined by individual state statutes. Liability exposure is frequently encountered with inadequate maintenance or clearance of debris or obstacles along the bike paths. Burden of proof is on the sponsoring agency to use current design standards when developing new facilities. If local guidelines are not consistent with national standards, then justifications should be noted for design exceptions.

Other sessions:

- **Reaching the Public;** How some transportation agencies use humor and ingenuity to deliver critical messages to the public.
- **Recent Investigations into Shared Railroad Corridors and Facilities;** An interesting panel discussing new approaches to shared freight and passenger operations on lines where rail service is light, and new passenger service is implemented.
- **Fuel Prices: Tipping Point or Too Small to Matter?** For surface transportation, the conclusion was “too small to matter”. For air passenger service, fuel cost has surpassed labor as a cost component for the industry, and becomes a driving force in service and pricing structures.