TRANSIGHT 4.0 LAUNCH SERIES

REMI TranSight

SESSION 1:
REBUILDING AMERICA -TRUMP'S INFRASTRUCTURE GOALS

what does REMI say? sm

Presented by Marley Buchman, Senior Economic Associate

Launch Series Schedule

- **Session 2: Eyes Wide Open – The Economic and Demographic Effects of Federal Policy**
  - March 28th and March 30th, 2:00 PM EST

- **Session 3: Transportation Revolution – Analyzing the Effects of Innovation in Transportation**
 - April 11th and April 13th, 2:00 PM EST

  Register for these presentations and more @ www.remi.com

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Trump & Infrastructure

"Another Republican president, Dwight D. Eisenhower, initiated the last truly great national infrastructure program: the building of the interstate highway system.

The time has come for a new program of national rebuilding*....To launch our national rebuilding, I will be asking Congress to approve legislation that produces **a $1 trillion investment** in infrastructure of the United States, financed through both public and private capital, creating millions of new jobs."*

- President Donald J. Trump, speech before joint session of Congress, 2/28/17
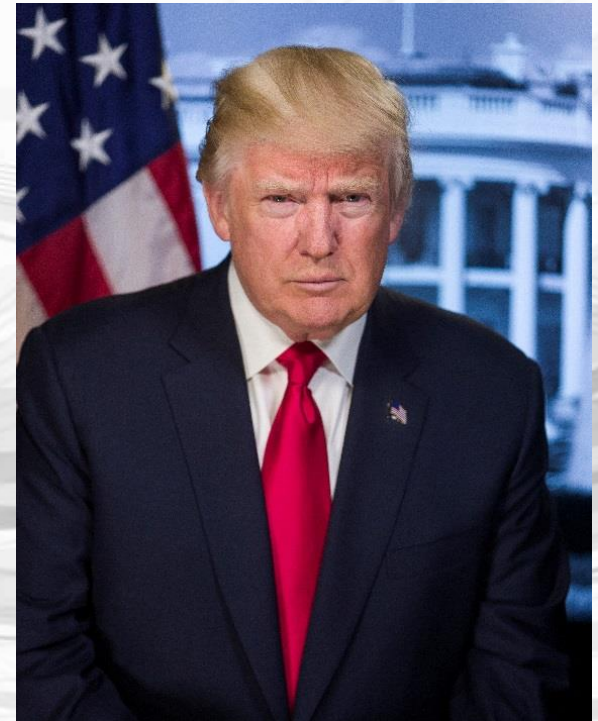
Infrastructure & Transportation Finance: Structural Issues

- **Highway trust fund** created in 1956 to finance "last truly great national infrastructure program," construction of the interstate highway system

- Financed by gasoline (18.4 cents/gallon) and diesel (24.4 cents/gallon) taxes

- Consistent solvency issues since 2010

- Gas tax increases appear politically impossible

- Time to identify a new funding mechanism?

Understanding the Trump Plan

- □ As a candidate, Trump promised to rebuild nation's infrastructure
  - ▫ Produce $1 trillion in investments through combination of public and private capital
- □ Leveraging private investments is key to the concept
  - ▫ Possibly offer $137 billion in federal tax credits to generate $1 trillion in total spending over 10 years
- □ To date, new administration has not released a specific proposal:
  - ▫ White House may delay plan until next year, to focus on other policy priorities first
  - ▫ U.S. governors have sent the White House a list of 428 projects in anticipation of additional federal funding

Source: Axios, The Hill, Reuters

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Ross-Navarro White Paper

- **Wilbur Ross – Secretary of Commerce**
- **Peter Navarro – Trump trade advisor**
- Proposal: $137B in tax credits to leverage $1T of total infrastructure funding
- Benefits
  - Reduce project costs via privatization
  - Private capital will identify high-use, congested infrastructure that likely needs expanded investment
- Questions/concerns
  - Would these projects have happened anyway?
  - How would capital have otherwise been used? Is this a net wash?
  - How do private and public interests compare?
  - Might maintenance be neglected?

A Role for the Private Sector?

- Investors are interested in infrastructure opportunities, but there are obstacles:
  - The pace of planning and permitting leaves investors with a limited number of "shovel-ready" projects
  - The projects may not yield revenue, such as tolls, fast enough to make the investments successful
- Asset recycling: another alternative is privatizing infrastructure to pay for other projects

Source: Bloomberg

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Infrastructure Impacts

- Land use
- Environmental
  - Air quality
  - Trump issues executive order for expediting environmental reviews/approvals for high priority infrastructure projects
- Population changes
- Financing options
- Trade policy connection
  - NAFTA and the trucking industry – border trade is worth $89 billion to the trucking industry

What is TranSight 4.0?

- □ TranSight – the next generation platform for estimating the total economic effects of changes to transportation systems.

- □ Integrating economics with travel demand modeling, TranSight dynamically demonstrates how transportation makes economies competitive.

  - ❑ The user test alternative transportation changes and are able to observe the short and long-term impact on jobs, income, population, and other economic variables.

- □ TranSight is also constructed with extensive data on emissions, safety valuation factors, and fuel efficiency data.

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Applications of TranSight

Long-Range Planning

Project Prioritization

Transportation Finance

Economic Impact Analysis

Grant Applications

TIP and STIP Planning

Regional Transportation Plans

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Policy Results

Economic Results

- Employment, Personal Income, Output and Demand, GDP, Consumption, Relative Costs, Compensation, Occupation, and others

Demographic Results

- Population (Age, Race, and Sex)
- Components (Births, Deaths, Migrants)

Transportation Results

- **Benefit Cost Analysis**
  - *Customizable Benefit/Cost ratio*
- **Transportation Summary**
  - *Labor and Commodity Access*
  - *Production Cost and Delivered Price Impacts*
- **Domestic Trade Flows**
  - *Evaluate impact of transportation efficiency on the community and economy*

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Our Users

State Departments of Transportation

- Georgia Department of Transportation
- Louisiana Department of Transportation
- Michigan Department of Transportation
- Mississippi Department of Transportation

Metropolitan Planning Organizations and Regional Councils

- Atlanta Regional Council (ARC)
- Mid-Region Council of Governments (MRCOG)
- Southern California Area Governments (SCAG)

Academic Institutions

- Florida State University
- West Virginia State University

Consulting Firms

- CDM Smith
- Cambridge Systematics

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Regional Planning Agency Applications

Atlanta Regional Commission

- Transportation Investment Act: Referendum on a 1% sales tax for regional transportation projects. Over $8.5b will be collected and distributed over a 10 year period for 157 projects.
- 24% improvement on average for project designated corridors

Mid-Region Council of Governments

- Economic Impacts of Long-Term Plan
- Project Prioritization
- High-speed Rail Impact Evaluation
- Corridor Expansion and Transit Oriented Development Forecasting

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Model Features

Integrated

- **Four Distinct Quantitative Methods**

Dynamic

- **Impacts Measured Over Time**

Customized

- **Specifically Built for User Needs**

Structured

- **Transparent Methodologies and Linkages**

what does REMI say? ℠

Integration with TranSight

VMT

VHT

Trips

TranSight

Commuting Costs

Accessibility Costs

Transportation Costs

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