

Regional Economic Models, Inc.

January 27th, 2021

Transportation Policy in the Biden Administration

Presented by: Ryan Saul, *Economic Associate*



Presentation Objectives

- Overview: Biden, Transportation, and the Economy
- Transportation Policy Possibilities
- Infrastructure Investments
- Cities
- [Model Demo] TranSight 4.3: Investment Scenario

About Us

Regional Economic Models, Inc. (REMI) was founded in 1980 on a transformative idea: ***government decision-makers should test the economic effects of their policies before they're implemented.*** We are the nation's leader in dynamic local, state and national policy modeling.

Our clients use REMI models to perform rigorous economic analysis that critically influences local, state and national policies.

Our team of research economists and software developers are dedicated to continued model innovation.

Our success is measured by the success of our clients. We provide unlimited expert and professional technical support to our users.

Understanding Your Needs

TranSight depicts the effects of transportation improvements on employment and economic development.

Our users rely on TranSight to validate their:

- Long-range Planning
- Project Prioritization
- Economic Impact Analysis
- Transportation Financing
- TIP and STIP Planning

“ Model Methodology

REMI's 35-year history of rigorous academic research and software development has led to the development of the industry standard in macroeconomic research methodology:

General Equilibrium
Input-Output
Econometrics
Economic Geography



**Integrated REMI
economic modelling
approach**

Our clients include:

- AECOM
- Michigan Department of Transportation
- Cambridge Systematics, Inc.
- Illinois Department of Transportation
- Atlanta Regional Commission (ARC)
- Southern California Association of Governments (SCAG)
- New York State Department of Transportation
- United States Army Corps of Engineers Great Lakes District
- Houston-Galveston Area Council (H-GAC)

What is TranSight?

TranSight is the premier software solution for comprehensive evaluations of the total economic effects of transportation policy. Decision makers depend on TranSight to demonstrate the economic contributions of transportation investments.

TranSight is also constructed with extensive data on:

→ Income → Employment → Demographics → Output

Applications of TranSight

California: Southern California Association of Governments employment and demographic analysis

Arizona: Interstate 11 environmental and economic impact analysis

North Dakota: Upper Great Plains Transportation Institute impact analysis

New York: Amtrak's Gateway Program

Michigan: Five year transportation plan

Illinois: O'Hare Intl. Airport expansion analysis

Louisiana: Louisiana Highway 1 (LA1) economic vitality analysis



Static vs. Dynamic Analysis

Static Analysis

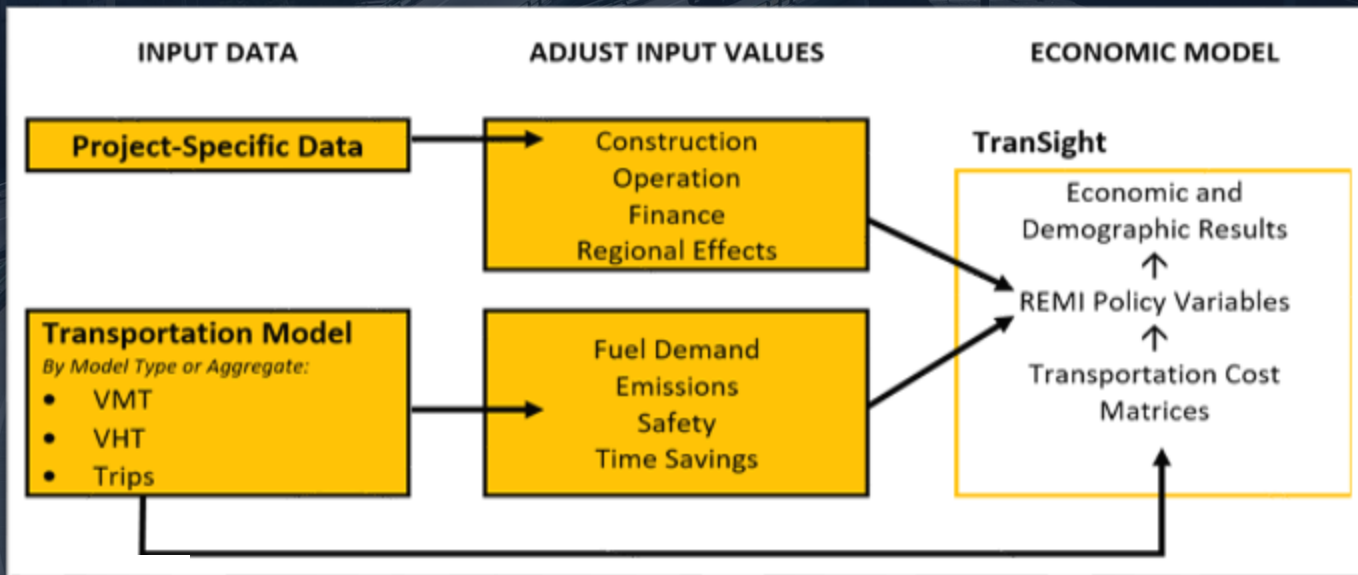
- Construction spending
- O&M spending

Dynamic Analysis

- Construction spending
- O&M spending
- Travel time savings
- Emissions savings
- Safety improvements
- Population changes
- Fuel expenditures
- Non-fuel VOCs
- Network speed improvements
- Access to labor
- Access to intermediate inputs

FHWA: TranSight is among the “best equipped to estimate *productivity* impacts”*

Model Structure



"America's infrastructure underpins the entire economy and we clearly see that in North Missouri as we work to repair our aging roads and bridges, upgrade our locks and dams and ensure that those along our rivers are better protected from future flooding."

**-Rep. Sam Graves, R-MO,
12/3/2020**

"One thing I consistently hear about is our transportation system. In a growing state, we must move people and products as safely and efficiently as possible. ... I am also pursuing another strategic investment – improvements in Idaho's broadband infrastructure."

- Gov. Brad Little, R-ID, 1/6/2020

"We can also modernize infrastructure, roads, bridges, ports ... These are the kinds of investments that are going to strengthen our economy and our competitiveness, create millions of jobs, union jobs..."

**- President-Elect Joseph R. Biden,
D, 11/16/2020**

Infrastructure: A Bipartisan Priority

Leading policymakers in both parties agree: a robust national infrastructure network is an indispensable component of economic prosperity.

Biden, Transportation, and the Economy

President Biden's "Build Back Better Plan": \$2 Trillion

- Provide every American city with 100,000 or more residents with public transportation options by 2030
- High-quality, zero-emissions systems
- Light rail networks, improving existing bus & transit lines
- Providing access to public transportation in areas that have never had access before – 45% of Americans

Transportation Policy in the Biden Administration

"Good transportation policy can play no less a role than making possible the American Dream, getting people and goods to where they need to be,"

-Pete Buttigieg 1/21/2021

"a generational opportunity"

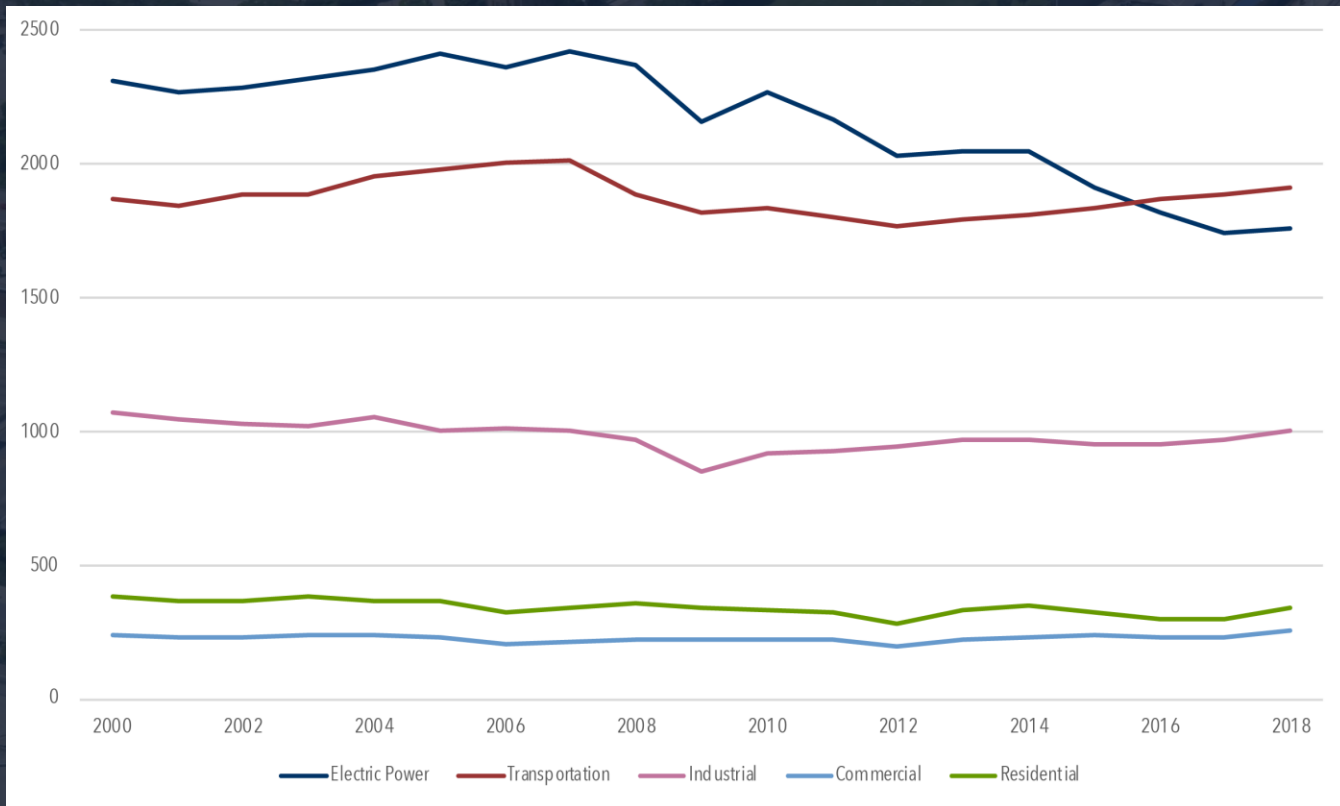
- 1. Creating new jobs directly and indirectly**
- 2. Addressing economic inequality**
- 3. Addressing climate change**

Reducing Emissions

- Reducing emissions from transportation that contribute to climate change
- Active Transportation Planning
- Zero emissions public transportation
- Goal of 500,000 electric vehicle charging stations



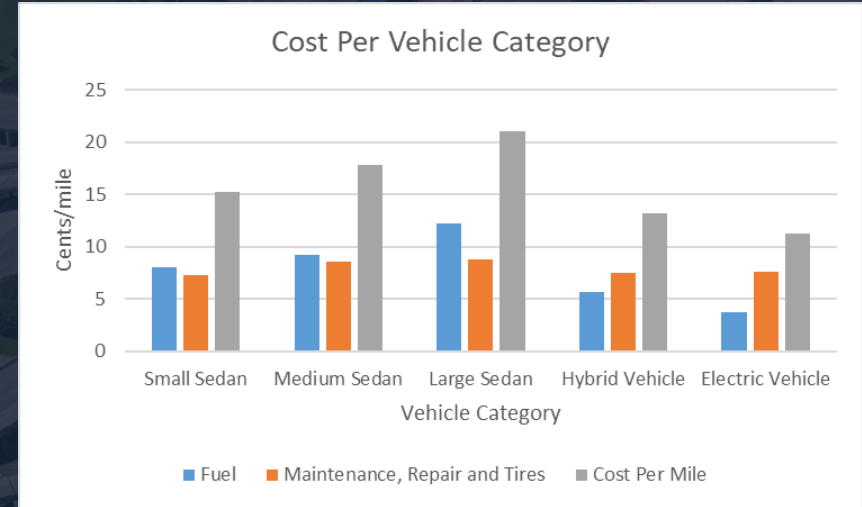
Reducing Emissions



Source: Center for Climate and Energy Solutions

Vehicle Electrification as a Tool for Decarbonization

- Auto emissions account for a 29% of all greenhouse gas emissions.
- Operating costs are lower than combustion engine vehicles
- Electric Vehicle production is growing.
 - Paired with battering, charging developments increasing viability of EVs



Financing

- Highway Trust Fund: Revisiting the gas tax
- 18.4 cents-per-gallon federal gas tax; not increased since 1993
- Vehicle miles traveled tax (technology and privacy)

Transit and Rail

- **\$1.9 Trillion in COVID-19 Relief; \$20 Billion for Transit**
- **“Amtrak Joe”**
- **Bringing the rail system into the 21st century**
- **Restoration of service or expanding service**



Model Demo

- Decreasing commuting costs by 1%
- Origins: Chicago and Midwest
- Destination: Chicago
- Investment into infrastructure improvement

Model Demonstration

REMI Study – The Economic Impact of RhodeWorks: An Accelerated Transportation Restoration Plan

Tomorrow: Thursday, January 28th 11:30_{am} EST

This case study will examine REMI's economic and demographic impact analysis of the RhodeWorks transportation infrastructure improvement and restoration plan, while also showcasing TranSight's ability to evaluate network improvements in a hypothetical scenario.



**Thank you for your interest
in REMI TranSight**

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