

FINANCING THE FUTURE: THE TRANSPORTATION/LAND USE/AIR QUALITY CONNECTION

The first decade of the 21st Century is expected to bring continued growth and accelerated social and economic change. Travel by private vehicle continues to grow faster than the population. Sprawling, low-density development persists as the dominant form of metropolitan growth. The combined effects of population growth, vehicle travel, and suburban expansion could erode gains from dramatic improvements in vehicle emissions.

To cope with these trends, policymakers, planners and other practitioners must consider how our system of transportation finance affects travel behavior, patterns of development and environmental quality, especially in an era of diminishing public resources. How we pay for the future development, operation, and maintenance of the transportation system, and how this system of finance, in turn, affects travel choices, land use development, and air quality are the principal questions to be addressed at the 1998 Lake Arrowhead Transportation/Land Use/Air Quality Symposium. In addition, the symposium explores both the equity and political feasibility of various funding options to address transportation needs in the future.

Sunday Afternoon, October 25

DAY ONE THEME: PLANNING FOR SOCIAL AND ECONOMIC CHANGE

The opening day presentations and discussion center on coping with the accelerating pace of social and economic change in the new millennium. Initial sessions will explore growth and change in population, patterns of urban development, and travel behavior. Later sessions will explore how different regions in California and the Southwest are planning to finance transportation in the 21st Century, and the broader implications of these plans for travel, development, and environmental quality.

1:30 pm OPENING REMARKS

Symposium Coordinators:

LeRoy Graymer, Founding Director, UCLA Extension Public Policy Program
Joanne Freilich, Acting Head, UCLA Extension Public Policy Program
Brian Taylor, Assistant Professor, UCLA School of Public Policy & Social Research

FINANCING THE FUTURE: SYMPOSIUM OVERVIEW

Introduction to the symposium and outline of themes connecting the future of transportation finance with land use and air quality policies.

Brian Taylor

2:00 pm FORCASTING THE FUTURE: GROWTH, CHANGE, AND THE TRANSPORTATION/LAND USE CONNECTION

The next decade is projected to bring continued and renewed population growth and demographic change, and continued expansion of our metropolitan areas --

all of which point to growing and changing patterns of travel. This session addresses the forecasted changes in population and development, and the implications of these changes for the future of the transportation system.

▶ **Metropolitan Population Growth and Demographic Change: 1990 to 2020**

Dowell Myers, *Title to Come*, University of Southern California

▶ ***The Roles of Land Use and Transportation Policy in Shaping Urban Growth and Development***

Reid Ewing, Consulting Principal, LDR International, Columbia Maryland

▶ ***Societal Trends and the Future of Travel Demand***

Sandra Rosenbloom, *Title to Come*, University of Arizona

Dialogue Among All Participants

3:30 pm Break

3:45 pm **PLANNING THE 21ST CENTURY: CHALLENGES TO TRANSPORTATION FINANCE AT THE REGIONAL LEVEL**

The session is a moderated roundtable discussion of some current regional planning efforts in California, Arizona and Nevada. Projected changes in population, employment, traffic, and emissions all pose enormous challenges to regions. Regions must balance various federal and state mandates on the one hand, with the diverse interests of local governments, employers, and voters on the other in effectively addressing, rather than merely accommodating changes. This session examines how various regions are responding to these challenges. Given anticipated shortages in funding, how are regions designing their system of transportation finance to meet changing uses and needs, including innovative new financing tools and other mechanisms that raise revenues and/or mitigate needs?

Panelists:

Joanne Koegel, Acting Executive Director, Sacramento Area Council of Governments

Honorable Ron Bates, Chair of Planning Committee, Southern California Association of Governments and Mayor, City of Los Alamitos

Suzanne Sale, Chief Financial Officer, Arizona Dept. of Transportation

Ken Sulzer, Executive Director, San Diego Association of Governments

Kurt Weinrich, Director, Clark County Regional Transportation Commission

Dialogue Among All Participants

5:15 pm Reception

6:00 pm Dinner

Sunday Evening, October 25

7:30 pm **RESTRUCTURING TRANSPORTATION FINANCE TO PAY FOR CURRENT NEEDS, FUTURE DEMANDS, AND CLEANER AIR**
This session examines how the revenue-generating capacity of transportation finance has changed in recent years, why the traditional methods of transportation finance have failed to keep pace with the growth in travel, and potential changes on the horizon. The presentation begins with an overview of the strengths and weaknesses of our current system of transportation taxation and concludes with a discussion of the opportunities and constraints to restructuring our system of transportation finance. In particular, the presentation focuses on principles of finance needed to develop more efficient, effective, equitable, and sustainable transportation systems in the coming decades.

Martin Wachs, Director, University of California Transportation Center and Professor, UC Berkeley, Department of City & Regional Planning and School of Civil & Environmental Engineering

Dialogue with Participants

9:00 pm Informal Reception and Continued Dialogue

Monday Morning, October 26

DAY TWO THEME: RECONSIDERING COSTS AND BENEFITS IN TRANSPORTATION FINANCE

Day Two examines how the pricing of the transportation system links (or fails to link) the users of the transportation system to the costs these users impose on society. In other words, the array of transportation taxes, tolls, and fees does not simply raise revenues, but affects both the use of the transportation system, the cost of operating and maintaining this system, and future needs. The morning and afternoon sessions explore current programs in congestion pricing; efforts to price emissions from mobile sources; and the pricing of trucks and other heavy vehicles to reduce road maintenance costs. The evening session considers the sometimes difficult equity issues involved in pricing transportation.

7:30 am Breakfast

8:45 am **PUTTING INNOVATIVE TRANSPORTATION PRICING INTO PRACTICE: NEW TECHNIQUES, NEW APPROACHES**
Charging users of the transportation system for all of the costs they impose on that system has been the economist's panacea for all that ails the transportation system for decades. Gradually transportation pricing has moved from abstract theory to concrete practice, but the progress has been slow and halting. As the technical and institutional barriers to pricing continue to fall, this session explores

the prospects for using pricing to both produce steady revenue and increase transportation system efficiency.

▶ ***Recent Developments in Pricing Transportation***

Robert Poole, President, The Reason Foundation

▶ ***Update on the Implementation of Congestion Pricing***

Tom Keane, *Title to Come*, Federal Highway Administration, Washington D.C.

▶ ***California VMT Policy Options***

Reza Navai, Research Manager, Transportation Planning Program, California Department of Transportation

▶ ***“Quick Hits”: Congestion Pricing in Practice***

Kim Kawada, *Title to Come*, San Diego Association of Governments
Maureen Gallagher, Director of Toll Industry Relations, Lockheed Martin IMS (Invited)
Edward Sullivan, *Title to Come*, California Polytechnic University, San Luis Obispo (Invited)

Dialogue Among All Participants

10:15 am Break

10:30 am **DEVELOPING MORE EFFECTIVE LINKS BETWEEN TRANSPORTATION FINANCE AND AIR QUALITY IMPROVEMENTS**

As air quality planning broadens to include more market-based and price incentive strategies, it is timely to examine cases where these finance incentives/disincentives have been developed and in some cases actually been employed. The session explores ways that fuel taxes, vehicle fees, tolls and other pricing strategies could be constructed or have been tested in an effort to more closely link the costs paid by users to the mobile emissions they generate.

▶ ***Pricing Mobile Emissions: Problems and Prospects***

Elizabeth Deakin, Associate Professor, UC Berkeley Department of City & Regional Planning

▶ ***Policy Strategies and Practical Experience with Designing Finance Strategies that Help Link Transportation Choices and Improved Air Quality***

John D. Dunlap III, Chair, California Air Resources Board
Roland Hwang, Transportation Program Director, Union of Concerned Scientists
The Honorable Greg Harper, Chair, Bay Area Air Quality Management District (Invited)

Dialogue Among All Participants

12:00 pm Lunch
(Some tables in the dining room will be designated for people wishing to continue discussions from the morning sessions)

Monday Afternoon, October 26

1:30 pm **HEAVY VEHICLES, ROAD WEAR, AND USER FEES**
Dramatic increases in goods movement by truck are projected for the coming decades. Efficiently and equitably financing the transportation infrastructure improvements needed to accommodate projected growth in trucked goods requires a clear link between use and pricing. How much wear and tear heavy vehicles impose on the road system, and how much trucks and other heavy vehicles should pay for this wear and tear has been hotly debated in both Sacramento and Washington for decades. But recent studies of road wear by heavy vehicles and new technologies offer new possibilities to fairly and comprehensively level charges to heavy vehicles in proportion to the wear and tear they cause. This session explores the relationship between heavy vehicle pricing and road wear.

▶ ***Road Damage and Pricing: The Critical Link***

Kenneth Small, Professor, Department of Economics, UC Irvine

▶ ***Opportunities to Use New Technologies to Price Trucking***

David Forkenbrock, Director, Public Policy Center and Professor, Urban & Regional Planning and Civil Engineering, University of Iowa (Invited)

Commenters:

Anne O’Ryan, Manager of Government & Public Affairs, American Automobile Association - Oregon/Idaho

Kenneth Simonson, Former Chief Economist, American Trucking Association

Dialogue Among All Participants

3:00 pm Free time

5:00 pm Reception

6:00 pm Dinner

Monday Evening, October 26

7:30 pm **MY FAIR SHARE: EQUITY AND THE TRANSPORTATION/LAND USE/AIR QUALITY CONNECTION**
Proposed changes to the existing system of transportation finance inevitably raise questions of fairness and equity. But equity is very much in the eye of the beholder, and depends greatly on whether one measures equity with respect to individuals, groups, or places. This session examines the question of transportation equity through three presentations:

▶ ***Unjust Equity: Confounding Notions of Equity in Transportation Finance***

Brian Taylor, UCLA

▶ ***The Equity Implications of Transportation Pricing***

Donald Shoup, Professor, UCLA School of Public Policy and Social Research

▶ ***Transportation Finance and Social Justice***

Robert Garcia, Senior Attorney, Environmental Defense Fund

Dialogue Among All Participants

9:00 pm Informal Reception/Continued Dialogue

Tuesday Morning, October 27

DAY THREE THEME: LINKING POLITICS, PRICING, AND REVENUES IN TRANSPORTATION FINANCE

These final sessions address the realities of voter attitudes and the political process against the issues of growth and change explored on Day One, and the principles of transportation system finance examined on Day Two. What are the opportunities and constraints to restructuring our system of transportation finance, especially when matters of public finance are being increasingly put to the electorate?

7:30 am Breakfast

8:45 am **HOW WILL IT PLAY IN PEORIA? (OR Monrovia? Or Milpitas?) WHAT DO VOTERS WANT AND WHAT ARE THEY WILLING TO PAY FOR?**

Legislatures are increasingly loathe to raise taxes or fees of any sort, regardless of the need or circumstances. And funding for the transportation system is increasingly decided on a project-by-project basis by state and local voters. How do voters view the transportation system and its finance? What projects are voters likely to support and which are they likely to be opposed? Is congestion the principal concern, or is the electorate willing to pay more for things like seismic safety or emissions reductions as well? In this session, we explore patterns of voter behavior, projected changes in voter demographics, and ideas on structuring transportation finance based on voter preferences regarding transportation, land use, and air quality.

▶ ***Demographic Change and Voting Behavior: The Evolving California Electorate***

Jack Citrin, Professor, Department of Political Science, UC Berkeley

▶ ***Voting with Their Cars: Voter Attitudes Toward the Transportation System***

David Jones, Consultant

▶ ***Taxing for Transportation: The View from Sacramento***

The Honorable Quentin Kopp, California State Senator and Chair, Senate Transportation Committee

Dialogue Among All Participants

10:15 am Break

10:30 am **FINANCING THE FUTURE: SETTING AN AGENDA FOR THE NEXT DECADE**
What principles should guide a good system of transportation finance, and what opportunities exist for meaningful reform? This session addresses the causes of the decline of the two mainstays of transportation finance — the property tax for local streets and roads, and the motor fuels tax for highways — and the prospects for developing a more efficient and equitable means of transportation finance for the future.

Running on Empty: The Challenges to Reforming our System of Transportation Finance

Jose Gómez-Ibáñez, Professor, Kennedy School of Government and Graduate School of Design, Harvard University (Invited)

Comments:

Hank Dittmar, Director, Quality of Life Campaign, Surface Transportation Policy Project

Steve Heminger, Manager of Legislation and Public Affairs, Metropolitan
Transportation Commission (Invited)

Dialogue Among All Participants

12:00 pm Concluding Lunch and Steering Committee Meeting