A large crowd of people is seen from behind, holding up numerous blue signs with the name 'ARNOLD' printed in large, white, bold, sans-serif capital letters. The signs are held at various heights, creating a dense field of the name. The background is slightly blurred, showing more of the crowd and the repetitive text on the signs.

Robert Arnold
Federal Highway Administration
Director, Office of Transportation
Management

Various random thoughts with something about Authorization

Past Futures vs. Reality

Why Pricing Now?

Livability

Cost of Travel

Reauthorization or
Authorization



The future sometimes arrives in unexpected ways



or
Transportation
in a
briefcase



Briefcase Car

Teleworking – Shopping – Education - Sightseeing

1958 GM Firebird III



2009 Smart Car

1950 Average New Home



980 square feet for 3.4 people



**NOW: 5,000-8,000 Sq. Ft. Homes
for 2.6 people**

Is congestion a modern problem caused by the availability of cars?



2006

Or an historical condition of transportation desires outstripping infrastructure capabilities?



1910

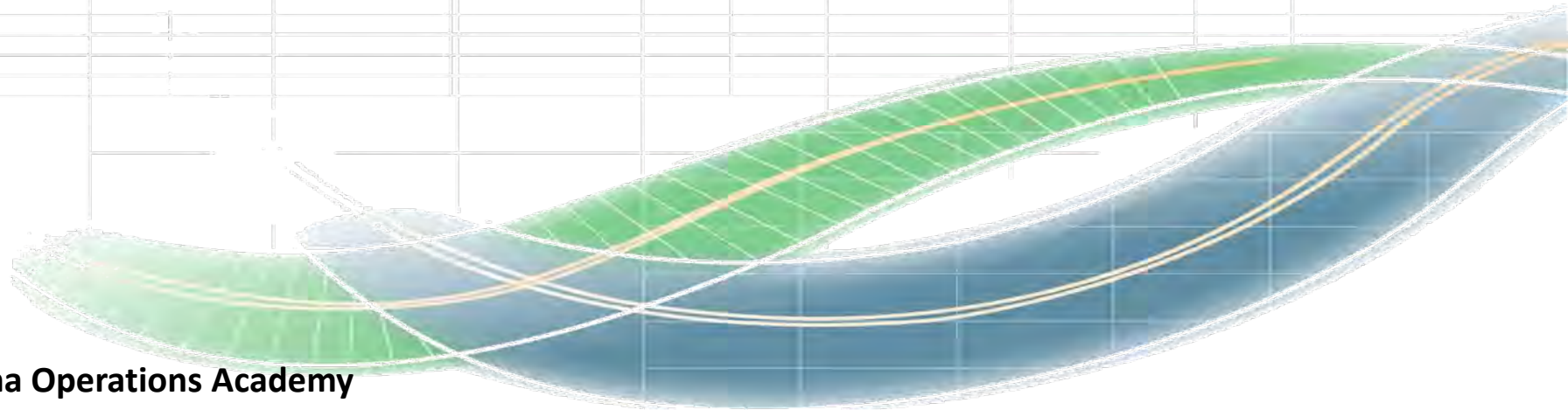
Problem – Solution Statement on Congestion and Highway Capacity

In the absence of any pricing of highway usage we seem to be faced with the following dilemma. *Either we construct a highway system of extravagant proportions*, which, while no greater than needed to carry its volume of traffic without congestion, is nevertheless much larger than the users would be willing to pay for if they had their choice between paying their share or doing without the facility or with one less ample, and being relieved of the corresponding share of the cost. *Alternatively, we construct a highway system that is severely congested during the rush hours*, sufficiently so that resort to rail transit is the better alternative, if that is available, or possibly to bus transit if the busses can be sufficiently insulated for the impact of congestion, itself an expensive arrangement to provide. Nor is there any particularly attractive middle ground. *Specific pricing of highway usage is needed and needed badly.*

Congressional Committee meeting November 1959

It's a historic problem!

**So what has changed that makes us
believe we can tackle it now?**



Technology



Infrastructure



Economics

- Better understanding of market factors
- Infrastructure maturity
- User acceptance
- Better benefit-cost and asset management methodology



International Road Pricing Scan

ROAD PRICING TO MANAGE DEMAND

Top 3 Lessons Learned

- Host countries and regions used clearly defined and well communicated policy goals to advance road pricing as part of an overall strategy to address broader needs
- Public involvement was integrated throughout the project development and implementation process to engage key stakeholders
- In Stockholm and the Netherlands, major demonstration projects were used to garner public acceptance, test technology and refine business approach

Cost of _{my} Vehicle Operation

Based on:

- Vehicle purchase price + interest (\$17,000),
- Value of vehicle after 48 months (\$4,500)
- Number of miles after 48 months (100,000)

Car Cost: \$.125 per mile

- Fuel only \$1,625 (\$.0813 per mile)
- User Fee – Fed & State \$250 (\$.0125 per mile)
- Insurance: \$763 (\$.0381 per mile)
- Maintenance/service/tires: \$610 (\$.0305 per mile)

Total: \$.287 per mile

User Fees about 4% of total ownership cost

Livability and Sustainability

- **improving mobility and accessibility, and better connecting transportation policies with energy and environmental goals**
- **addressing the critical national issue of climate change. How do we continue to provide a transportation system and transportation services while also reducing harmful greenhouse gas emissions**



Authorization



What's on the table . . .

- Increased Grantee flexibility
- Dramatic simplification of Federal programs
- Decisions based on merit
- Encouragement of innovation
- Direct pricing of road use for congestion reduction
- Empowering the customer

What's on the table (cont). . .

- Mode neutrality – funding for transportation not a specific mode type
- Federal oversight focused only on what is the Federal interest
- Gas tax increase vs. PPPs, tolling, congestion pricing
- Federal role vs. State role

The new Transportation Act





Will most likely contain

- Performance management / measures
- Livability and Sustainability
- Public Private Partnerships
- Congestion pricing
- Tolling interoperability
- Multi-State corridor perspective
- Experiments, Pilots, and Trials
 - Funding mechanisms
 - Stewardship & Oversight