




Finance and the Visible Hand of Technology



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The Current State of Transportation (U.S.)


- Insufficient Capacity
- Lack of revenues
- Need for capital investment
- Current state of disrepair

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Bureaucratization of the Highway program


- Government Monopoly;
 - No incentives for innovation or risk;
 - Lack of user pricing to differentiate service;
 - Uniformly mediocre products;
 - Perpetual shortages;
 - User satisfaction not a consideration;
 - The construction industry → Primary customer;
 - Unachievable long range plans; and
 - Local hoarding of resources



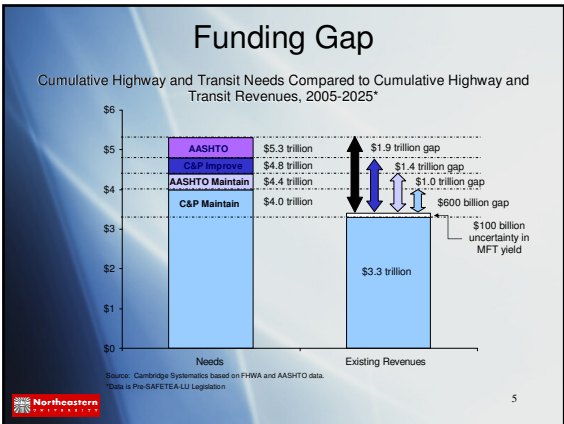
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Innovative Finance: Net New Resources

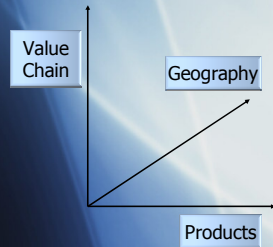
- Not simply shifting monies from one time period to another;
- Net new resources: funds otherwise not available;
- Resources do not only include money;
- Resources also include cost savings; and
- The basic criteria → The addition of new funds to transportation.




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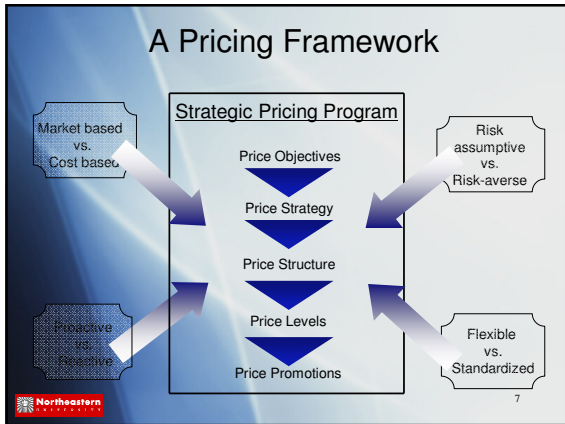
Business Growth Choices



- Grow and move up the value chain
 - Grow geographically
 - Increase services through technology
 - Become a systems integrator – proactively lead development of transportation systems



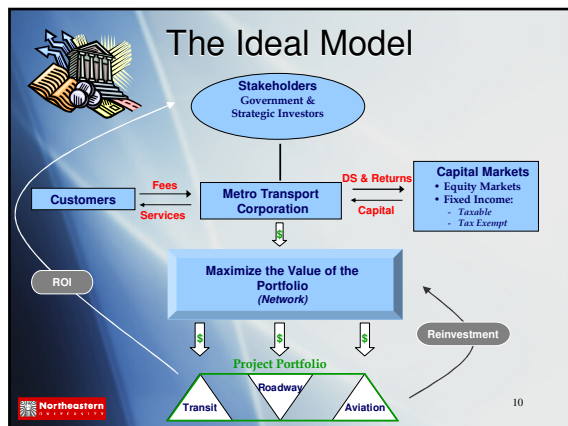
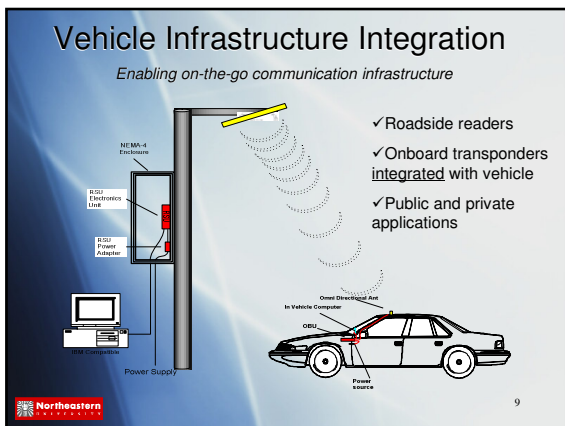
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The Arrival of Technology

- Finance, manage and integrate all modes of surface transportation
- Enhance safety, mobility, efficiency, the environment and other social benefits; and
- Market pricing for highways

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Conclusion

- Transportation Finance
 - Transportation investments must be financed from a comprehensive set of revenue sources that are sustainable and reflective of customer choice and usage;
- Mobility Management
 - The U.S. must establish a transportation system where all modes operate as one in a Mobility Management environment; and

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Conclusion

- Technology
 - The U.S. must advance the rapid deployment of technology in all aspects of its transportation system to achieve optimal safety, security, and operational benefits into the future and promote market based pricing.

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