Prioritizing Transportation Infrastructure Investments

Soybean Export Supply-Chain Workshop

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Welcome & Introductions

- Introductions

- FPTI Description
  - Current Studies:
    - Idaho Transportation Department: Freight Supply Chains
    - PNW Container Availability Study (USDA)
    - WSDOT: HERS-ST
    - Truck Parking Availability and Accident Severity (Pac-Trans)
    - USACE: Columbia River Treaty
  - FPTI Data Warehouse
    - http://ses.wsu.edu/freight-data-warehouse/

- Current Situation / Project Background / USDA (Modeling Export Supply Chains)

- Objective / Purpose of Workshop
Workshop Agenda

• Project Background / Workshop Objectives
• Soybean Export Supply Chain Description (Galinato)
• Process for Project Selection (Jessup)
• Modeling Approach (Miller)
• Individual Project Results (CGE & Shipper Impacts) (Miller / Jessup)
• Audience Feedback: Discussion
Current National Transportation Infrastructure Situation / Background
Roads / Highways:

- 32% of major roads are in poor or mediocre condition
- 42% of major urban highways are congested

Bridges:

- 11% (one in nine) are structurally deficit
- 25% are functionally obsolete
- Average age is 42 years old
- 30% of bridges have exceeded their 50 year design life

World Economic Forum Ranks the U.S. 12th amongst developed countries for overall infrastructure.

Source: American Society of Civil Engineers, 2017 Report Card for America's Infrastructure
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Source: American Society of Civil Engineers
Various Measures of Public Spending on Transportation and Water Infrastructure, 1985 to 2014

Index, 2003 = 100

Percentage Change, 2003–2014

44  Nominal Spending
15  Real Spending Using the GDP Price Index
-5  Spending as a Share of GDP
-9  Real Spending Using Infrastructure-Specific Price Indexes

Source: Congressional Budget Office.

Note: GDP = gross domestic product.
Public Spending on Transportation and Water Infrastructure, by Category of Spending, 1956 to 2014

Billions of 2014 Dollars

Source: Congressional Budget Office based on data from the Office of Management and Budget, the Census Bureau, and the Bureau of Economic Analysis.

a. Dollar amounts are adjusted to remove the effects of inflation using price indexes for government spending that measure the prices of materials and other inputs used to build transportation and water infrastructure.

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Public Spending on Transportation and Water Infrastructure, by Level of Government, 1956 to 2014

Billions of 2014 Dollars

Source: Congressional Budget Office based on data from the Office of Management and Budget, the Census Bureau, and the Bureau of Economic Analysis.

Note: Dollar amounts are adjusted to remove the effects of inflation using price indexes for government spending that measure the prices of materials and other inputs used to build, operate, and maintain transportation and water infrastructure.
Current Administration Infrastructure Plan:

- $1 trillion.......$200 billion funded.....no source for the $200 billion.
- “The President’s budget will be funded through a combination of new Federal funding, incentivized non-federal funding and newly prioritized and expedited projects.”

Key Principles:

- Make Targeted Federal Investments
- Encourage Self-Help
- Align Infrastructure Investment with Entities Best Suited to Provide Sustained and Efficient Investment
- Leverage the Private Sector


Source: OMB Fact Sheet on U.S. Whitehouse Infrastructure Plan
TIGER Funding to Rural Areas:

2016 TIGER Grants

2017 TIGER Grants

Percentage of Tiger grant money allocated

- Rural projects
- Urban projects

Source: Transportation Department
Primary Objectives of Research Study

• Improve procedure for how we prioritize transportation infrastructure investments that span an entire supply chain.
  • Improve synergies across agencies
  • Bring more resources to bear on promoting projects outside jurisdictional boundaries
  • May lead to more efficient infrastructure investing

• Convene workshops of stakeholders to share this prioritization process / results.

• Solicit input / reactions from stakeholders.

• Publish Final Report

• Present outcomes at Ag. Summit in D.C., July 26th
Challenges

• Each agency or private entity has different objectives in how they prioritize their investments, may not be compatible across larger geographies. Leads to inefficiencies in seamless/compatible investments to any one supply chain.

• Infrastructure investments impact many other supply chains, businesses, public agencies and stakeholders. Investments are not unique to only one type of freight movement (benefits & costs).

• Time/cost at compiling information very large.

• Maintaining current information difficult, given that data is constantly changing.
Summary

322 Projects, 138 Counties
$22.2 Billion
Many agencies (public, private)
Washington State University
School of Economic Sciences

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