

Economic Crisis as Opportunity for Reform:

The Transportation – Land Use – Environment Connection



WELCOME

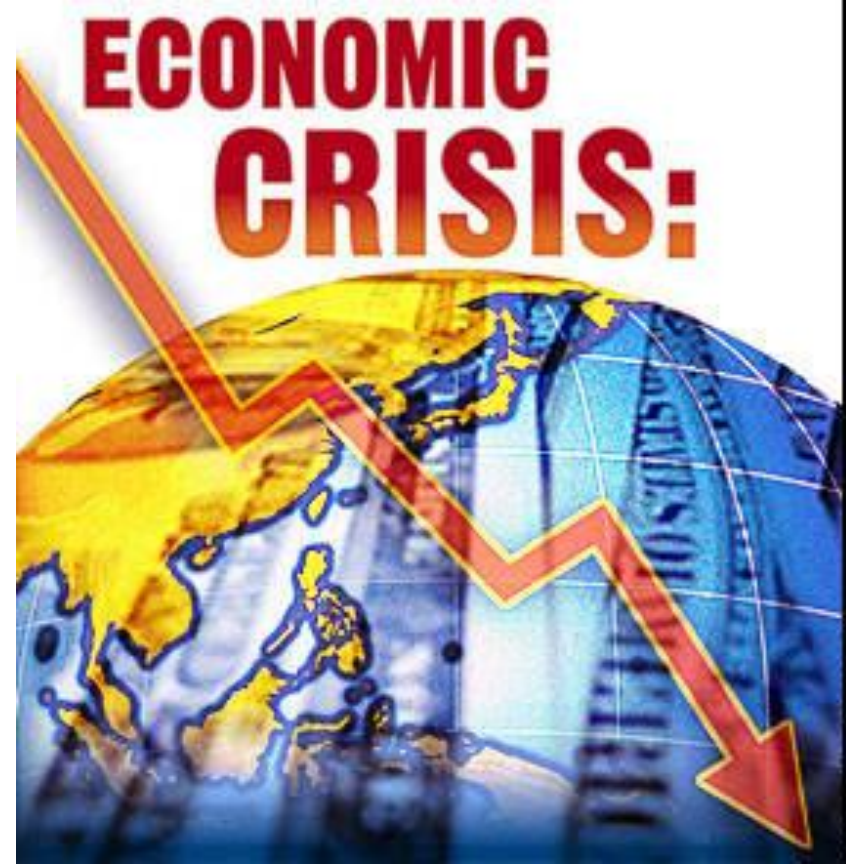
WE BEGIN

AT 1:00 PM

At Lake Arrowhead

UCLA
Institute of Transportation Studies

Crises and Opportunities



Brian D. Taylor

Professor and Chair of Urban Planning
Director, Institute of Transportation Studies

Symposium Co-Chair

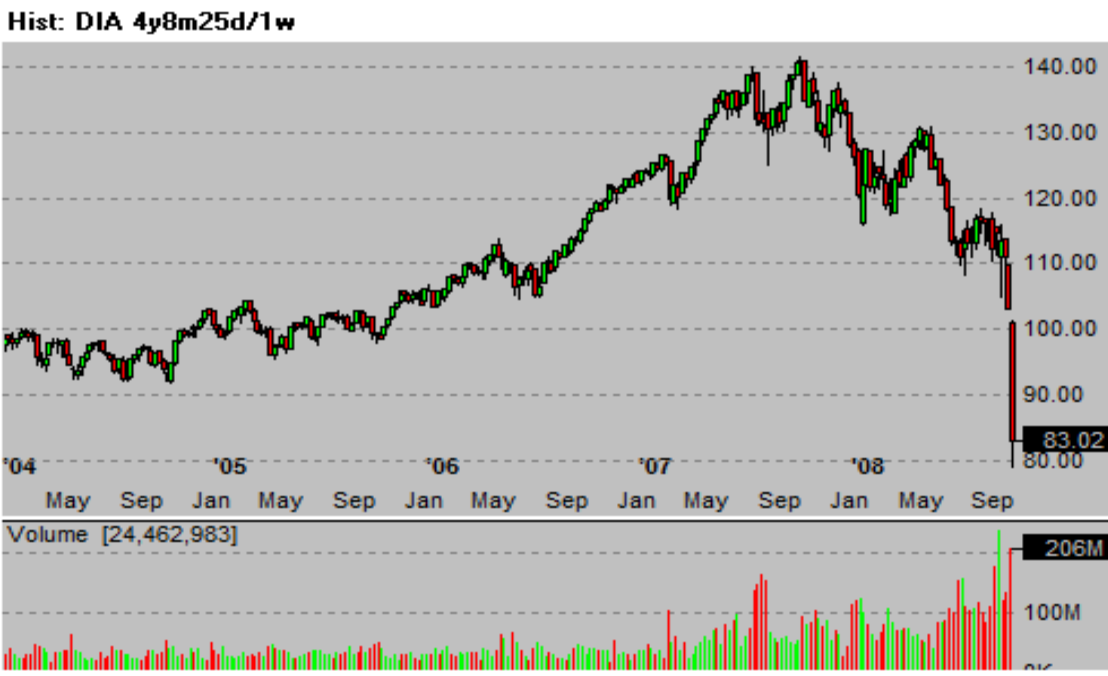
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What a difference a year makes...

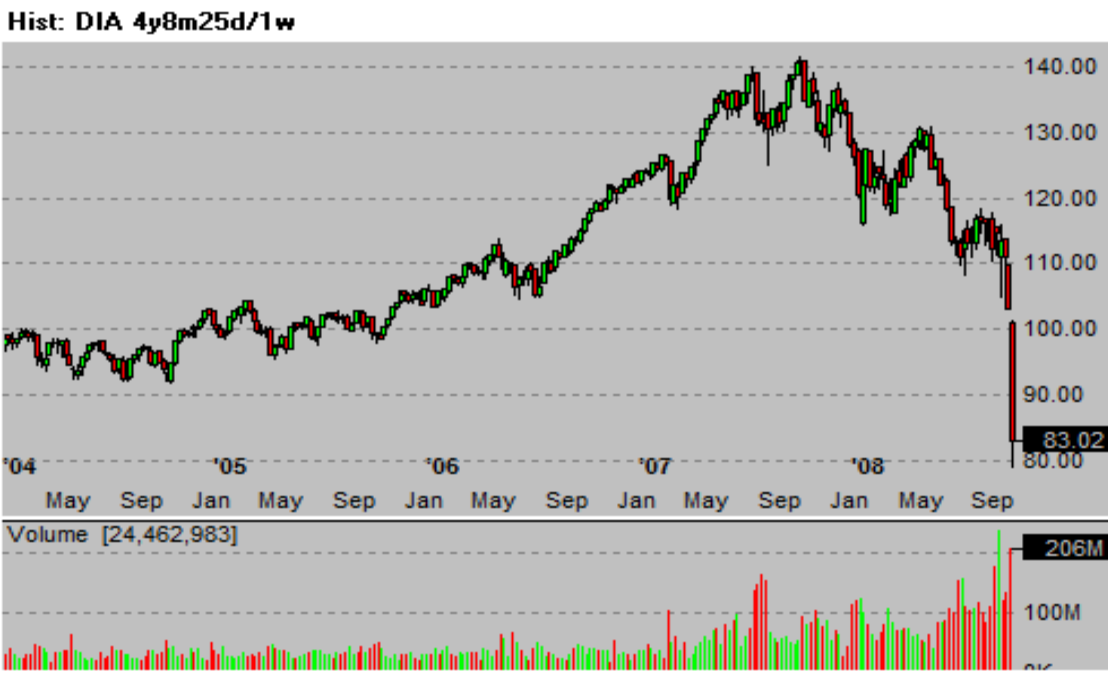
What a difference a year makes...

- October 2008



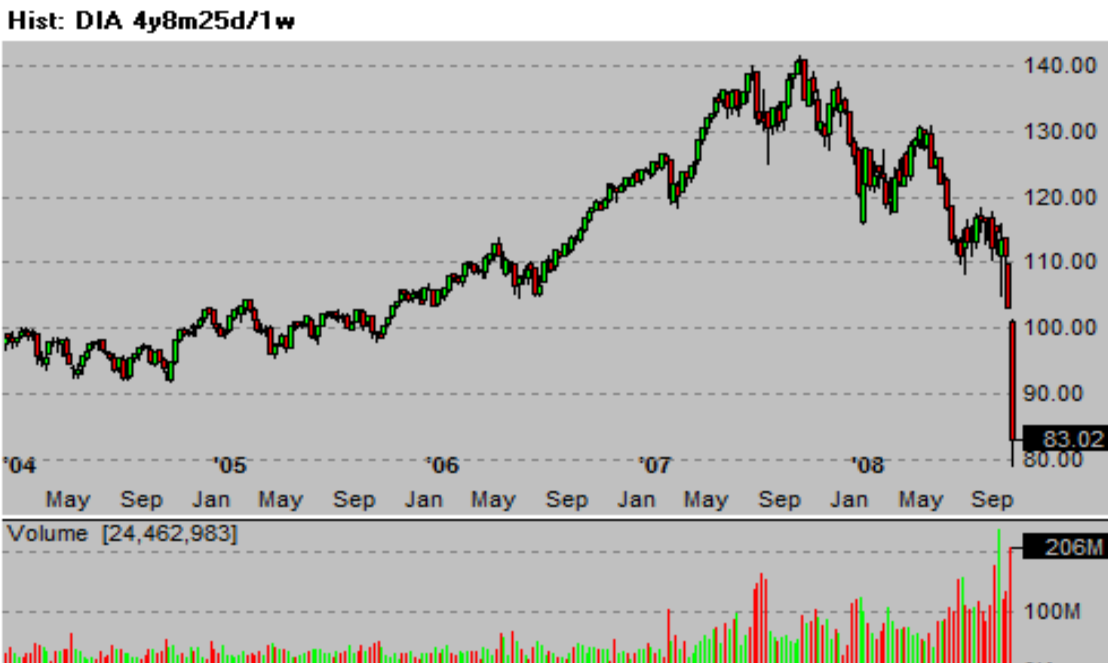
What a difference a year makes...

- October 2008
– Recession



What a difference a year makes...

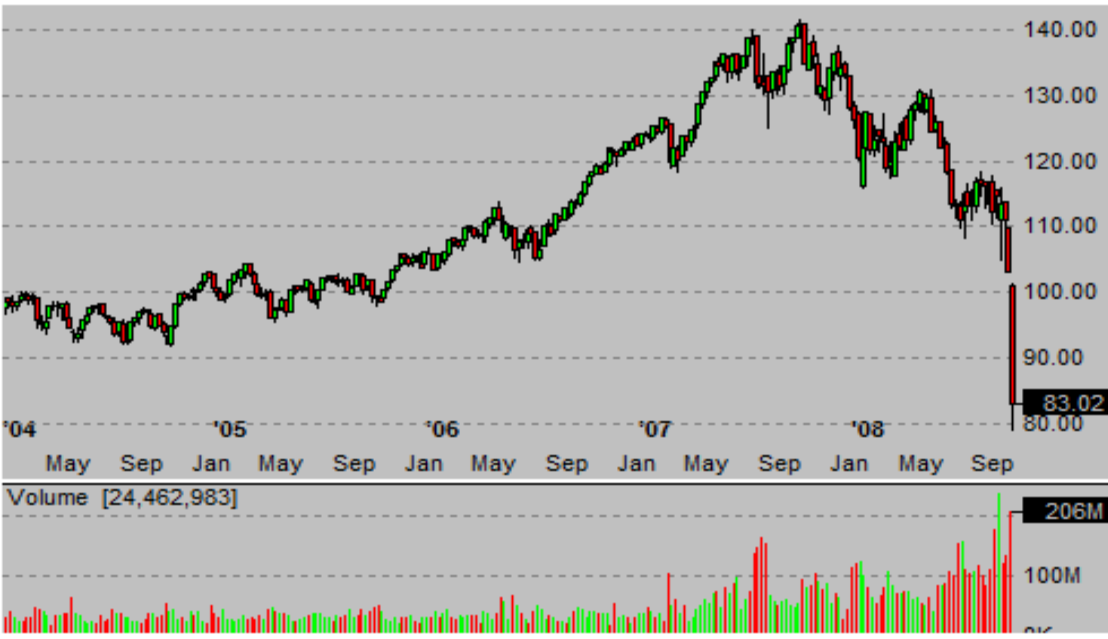
- October 2008
 - Recession
 - Depression?



What a difference a year makes...

- October 2008
 - Recession
 - Depression?
 - Great Depression?

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What a difference a year makes...

- October 2009

What a difference a year makes...

- October 2009
 - Easing panic...
 - Amid a sobering and protracted economic reality

What a difference a year makes...

- October 2009
 - Easing panic...
 - Amid a sobering and protracted economic reality
- Dow Jones Index exceeds 10,000 for first time in more than a year



What a difference a year makes...

- October 2009
 - Easing panic...
 - Amid sobering reality
- Dow Jones exceeds 10,000, 1st time in a year
- Unemployment continues to rise
 - U.S. = 9.5%
 - California = 12.2%

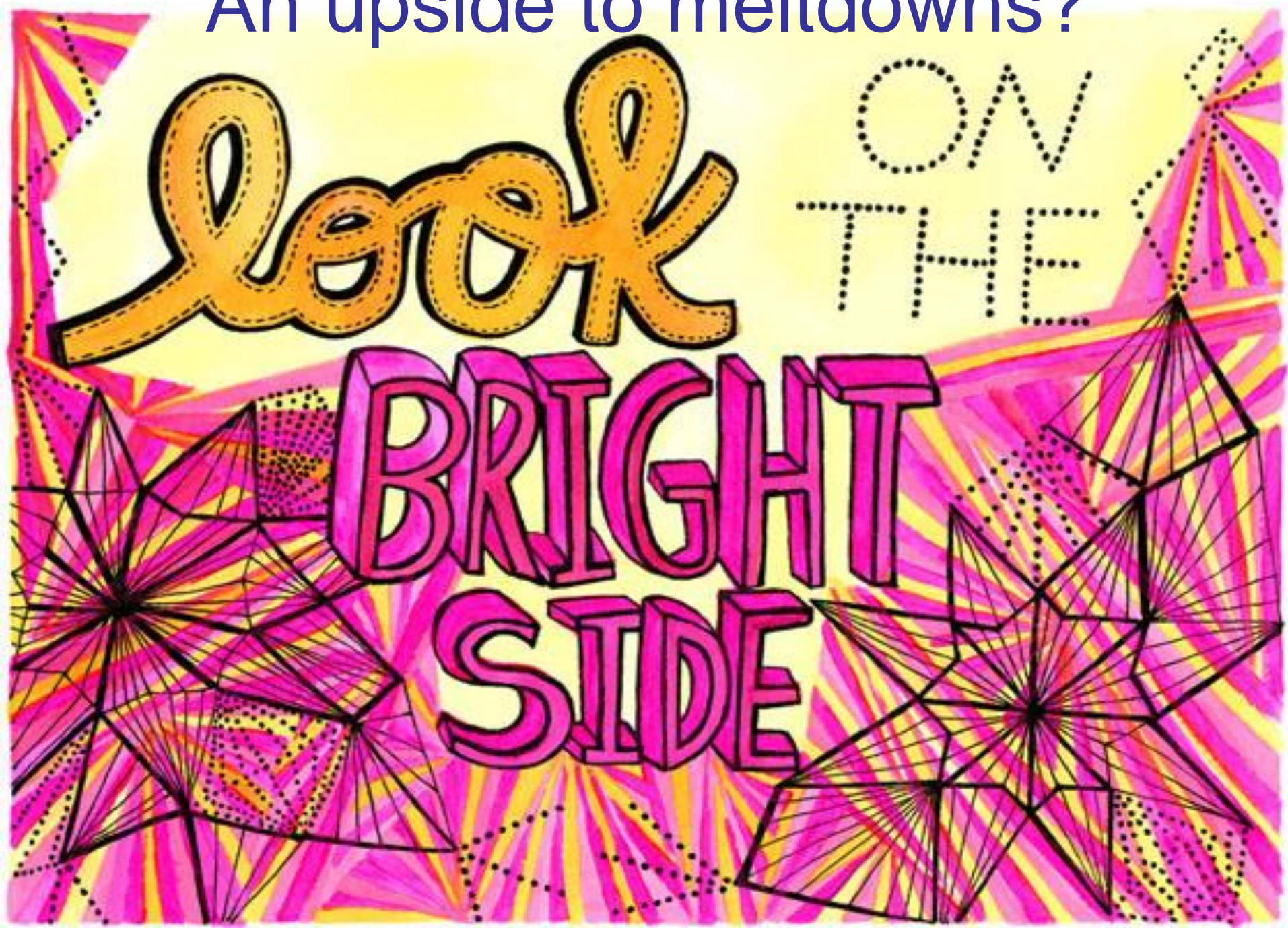


An upside to meltdowns?

look

ON
THE

BRIGHT
SIDE



Crisis as opportunity for reform

CHANGE



Crisis as opportunity for reform

- Change tends to be incremental and evolutionary in our distributed, risk-averse democracy

CHANGE

Crisis as opportunity for reform

- Change tends to be incremental and evolutionary in our distributed, risk-averse democracy
- Significant policy shifts tend not to occur out of careful deliberation in good times...

Crisis as opportunity for reform

- Change tends to be incremental and evolutionary in our distributed, risk-averse democracy
- Significant policy shifts tend not to occur out of careful deliberation in good times...
- But out of a sense of urgency during crises

Crisis as opportunity for reform

- Thus crises present significant opportunity to effect fundamental change...

CHANGE

Crisis as opportunity for reform

- Thus crises present significant opportunity to effect fundamental change...
- But significant risk as well

CHANGE

Crisis as opportunity for reform

- Thus crises present significant opportunity to effect fundamental change...
- But significant risk as well
- Because once in place, major policy changes are hard to later amend or repeal

Crisis as opportunity for reform

- So while these times present policymakers with significant opportunities for positive change

CHANGE

Crisis as opportunity for reform

- So while these times present policymakers with significant opportunities for positive change
- It's in our interest to get things right

CHANGE

Crisis as opportunity for reform

- It's in our interest to get things right
- In the words UCLA's John Wooden – the greatest basketball philosopher and coach of all time:

Crisis as opportunity for reform

- It's in our interest to get things right
- In the words UCLA's John Wooden – the greatest basketball philosopher and coach of all time:

Be quick, but don't hurry

Challenges are both cyclical and systemic



Challenges are both cyclical and systemic

- Economic problems
 - Panic in financial markets
 - Structure and regulation of those markets

Challenges are both cyclical and systemic

- Economic problems
 - Panic in financial markets
 - Structure and regulation of those markets
- Environmental problems
 - Nature of human activities
 - Ever increasing scale of human activities

Challenges are both cyclical and systemic

- Public finance problems
 - Revenues down due to economic downturn
 - Budgetary processes encourage both delays and shortfalls

Challenges are both cyclical and systemic

- Budgetary processes encourage both delays and shortfalls

Nowhere more so than in California



The Lake Arrowhead angle...

- Our interests here are somewhat parochial



At Lake Arrowhead

UCLA
Institute of Transportation Studies

The Lake Arrowhead angle...

- Our interests here are somewhat parochial

UCLA *The Transportation – Land Use –
Environment Connection*
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At Lake Arrowhead

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Transportation – Land Use – Environment

- Transportation
 - Key to the economy
 - Out of money
 - Central element of the stimulus

Transportation – Land Use – Environment

- Transportation
- Land Use
 - Also a key to the economy
 - Foreclosure crisis
 - Ongoing public finance challenges

Transportation – Land Use – Environment

- Transportation
- Land Use
- Environment
 - Local challenges remain, global challenges daunting
 - New regulatory regimes emerging
 - Increasing focus on “green” economy, jobs

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***An ambitious, important,
and sweeping agenda...***

At Lake Arrowhead

What's ahead?



Agenda: *This Afternoon*

- **Waxing needs, waning revenues:
Ongoing efforts to develop a
sustainable system of
transportation finance**

Agenda: *This Afternoon*

- **Waxing needs, waning revenues: Ongoing efforts to develop a sustainable system of transportation finance**
 - ***Crisis and response: Lessons for today from a century-long struggle to develop a stable system of transportation finance***
 - **Martin Wachs, RAND Corporation**

Agenda: *This Afternoon*

- **Waxing needs, waning revenues: Ongoing efforts to develop a sustainable system of transportation finance**
 - *Crisis and response: Lessons for today from a century-long struggle to develop a stable system of transportation finance*
 - Martin Wachs, RAND Corporation
 - ***Waxing needs, waning revenues: Trends and prospects in federal, state, regional, and local surface transportation finance***
 - **Therese Watkins McMillan**, Federal Transit Administration

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 - *Waxing needs, waning revenues: Trends and prospects in federal, state, regional, and local surface transportation finance*
 - Therese Watkins McMillan, Federal Transit Administration
 - ***Two major commissions, no major policy changes (yet): The prospects for fundamental changes to transportation finance in the Obama Administration***
 - **Steve Heminger**, Metropolitan Transportation Commission

Agenda: *This Evening*

- ***Panel Discussion on Jobs versus the environment, or jobs and the environment?***

A roundtable on planning for green jobs in the new millennium

Agenda: *This Evening*

- ***Panel Discussion on Jobs versus the environment, or jobs and the environment? A roundtable on planning for green jobs in the new millennium***
 - **David Raney**, American Honda Motor Company, Inc.
 - **Dr. Mike Walter**, Port of Long Beach
 - **Daniel M. Cashdan**, HFF Securities, L.P.

Agenda: *Tomorrow Morning*

- **Collision or cohesion?**

The challenge of integrating economic and environmental mandates

Agenda: *Tomorrow Morning*

- **Collision or cohesion? The challenge of integrating economic and environmental mandates**
 - ***California's climate action mandates: Opportunities and challenges to fundamentally integrate land use and transportation planning***
 - **Gail Goldberg**, City of Los Angeles
 - **James Goldstene**, California Air Resources Board
 - **Barry Wallerstein**, South Coast Air Quality Management District
 - **Jim Wunderman**, Bay Area Council

Agenda: *Tomorrow, Late Morning*

- **Defining, Measuring, and Evaluating Performance**

Agenda: *Tomorrow, Late Morning*

- **Defining, Measuring, and Evaluating Performance**
 - *You can't achieve what you can't measure: Developing clear measures of transportation objectives*
 - JayEtta Z. Hecker, Bipartisan Policy Center

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- **Defining, Measuring, and Evaluating Performance**
 - *You can't achieve what you can't measure: Developing clear measures of transportation objectives*
 - JayEtta Z. Hecker, Bipartisan Policy Center
 - ***Incorporating environment and equity into evaluations of land use/transportation systems***
 - Kara M. Kockelman, University of Texas at Austin

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 - JayEtta Z. Hecker, Bipartisan Policy Center
 - *Incorporating environment and equity into evaluations of land use/transportation systems*
 - Kara M. Kockelman, University of Texas at Austin
 - ***Efforts to develop a comprehensive transportation performance measurement system: Regional blueprint and cross-sector performance metrics***
 - **Trish Kelly**, California Center for Regional Leadership (CCRL)

Agenda: *Tomorrow Afternoon*

- **The rocky road to infrastructure finance reform:
Pitfalls and prospects**

Agenda: *Tomorrow Afternoon*

- **The rocky road to infrastructure finance reform: Pitfalls and prospects**
 - ***The starting point for reform: Bribes, subsidies, or personal accountability for the costs we inflict?***
 - Norm King

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 - ***Taxes, Pricing, Borrowing, or PPPs: Evaluating the options for financing future needs in transportation***
 - Emil H. Frankel, BiPartisan Policy Center

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 - ***Attitudes toward alternative (including “green”) methods of transportation finance: What do voters think?***
 - Jennifer Dill, Portland State University

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 - Jennifer Dill, Portland State University
 - ***Politically effective approaches to pricing transportation: Seizing opportunities to both raise revenues and increase efficiency***
 - Donald Shoup, UCLA

Agenda: *Tomorrow Evening*

- **The elephant in the room:
Reforming governance in California**

Agenda: *Tomorrow Evening*

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 - *Do voters really mean what they say? Attitudes toward institutional reform in California*
 - **David Metz, Maslin, Maullin & Associates**

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 - ***Reforming California government***
 - **James P. Mayer**, California Forward

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 - *Reforming public finance in California*
 - Richard G. Little, University of Southern California
 - *Discussion*
 - Mike Feuer, California Assembly

Agenda: *Tuesday Morning*

- **Turning crisis and mandates into opportunities for action**

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 - ***Environmental streamlining – Balancing procedural efficiency with environmental protection***
 - Lynn Terry, California Air Resources Board

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 - Lynn Terry, California Air Resources Board
 - ***Efforts to mainstream regional planning among local governments: Moving from scenario planning into action and implementation***
 - Harrison Rue, ICF International

Agenda: *Closing Discussion*

- **Walking the talk:**
The most important next steps

Agenda: *Closing Discussion*

- **Walking the talk: The most important next steps**
 - **José Luis Moscovich**, San Francisco County Transportation Authority
 - **Martin Wachs**, RAND Corporation

Some parting, opening thoughts

Richard H. Thaler
Cass R. Sunstein

Nudge



Improving Decisions
About Health, Wealth,
and Happiness

- “Econs” versus
“Humans”

Jobs, Jobs, Jobs

- Public officials
 - New transportation projects stimulate local economies



**ECONOMIC
STIMULUS**

Jobs, Jobs, Jobs

Especially popular...

- Small cities and rural areas
 - New highways
- Larger cities
 - Rail transit

Jobs, Jobs, Jobs

- Each of the 3 post-Interstate surface transportation bills were prominently presented as jobs bills



So how does transportation
affect the economy?

So how does transportation affect the economy?

- This is an absolutely critical question that we tackle in this session

So how does transportation affect the economy?

- A central focus of this session
- Depends on who you ask
 - *Econs*
 - *Humans*

So how does transportation affect the economy?

- A central focus of this session
- Depends on who you ask
 - *Econs*
 - *Humans*
- Our three speakers will consider both species

So how does transportation affect the economy?

- Two ways...
 - **Transportation** effects
 - **Expenditure** effects

So how does transportation affect the economy?

- **Transportation effects**
 - Make it easier and cheaper for people and firms to interact and transact with one another
 - Faster travel is good for the economy
 - As is travel that is more reliable, safer, cleaner, and cheaper
 - Secondary focus of the stimulus

So how does transportation affect the economy?

- **Transportation** effects
- **Expenditure** effects
 - The direct result of spending money (taxes, fares, etc.) on transportation
 - Multiplier – construction workers, bus drivers, lunch counter wait staff, real estate agents...
 - Primary focus of the stimulus

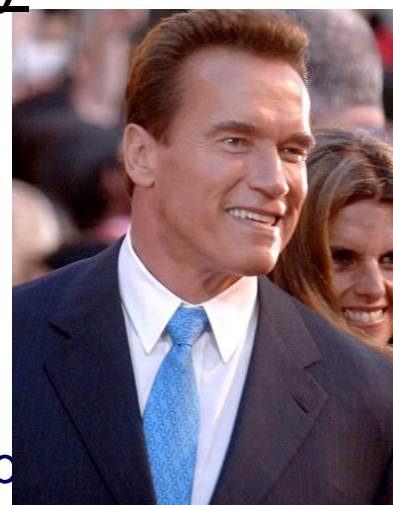
So how does transportation affect the economy?

- **Economists** say...
 - Public officials get it all wrong
 - Transportation effects are what really count
 - Expenditure effects are mostly wealth transfers (from other people, places, and times)



So how does transportation affect the economy?

- **Public Officials** say...
 - Economists have their heads in the clouds
 - Transportation effects are abstract and arcane
 - Money spent in my district to pay people to drive buses and fix roads is what really counts



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I suspect that we have our share of
Econs, *Humans*, and perhaps *Hybrids*
here today

At Lake Arrowhead

Agenda: *This session*

- **The economic crisis:
Public finance and links to
transportation**

Agenda: *This session*

- **The economic crisis: Public finance and links to transportation**
 - ***Global economy, local effects: The economic downturn and its effects on investment, employment, and revenues in California***
 - **Jon Haveman, Beacon Economics**

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 - *Just how do transportation systems affect the economy: Stimulus, or something more?*
 - Marlon Boarnet, UC Irvine

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 - *Just how do transportation systems affect the economy: Stimulus, or something more?*
 - Marlon Boarnet, UC Irvine
 - ***The Federal Stimulus: What have been the effects on transportation, the economy?***
 - Earl Seaberg, Caltrans

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At Lake Arrowhead

Thank you

Brian D. Taylor

Professor and Chair
of Urban Planning

Director, UCLA Institute of
Transportation Studies

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