

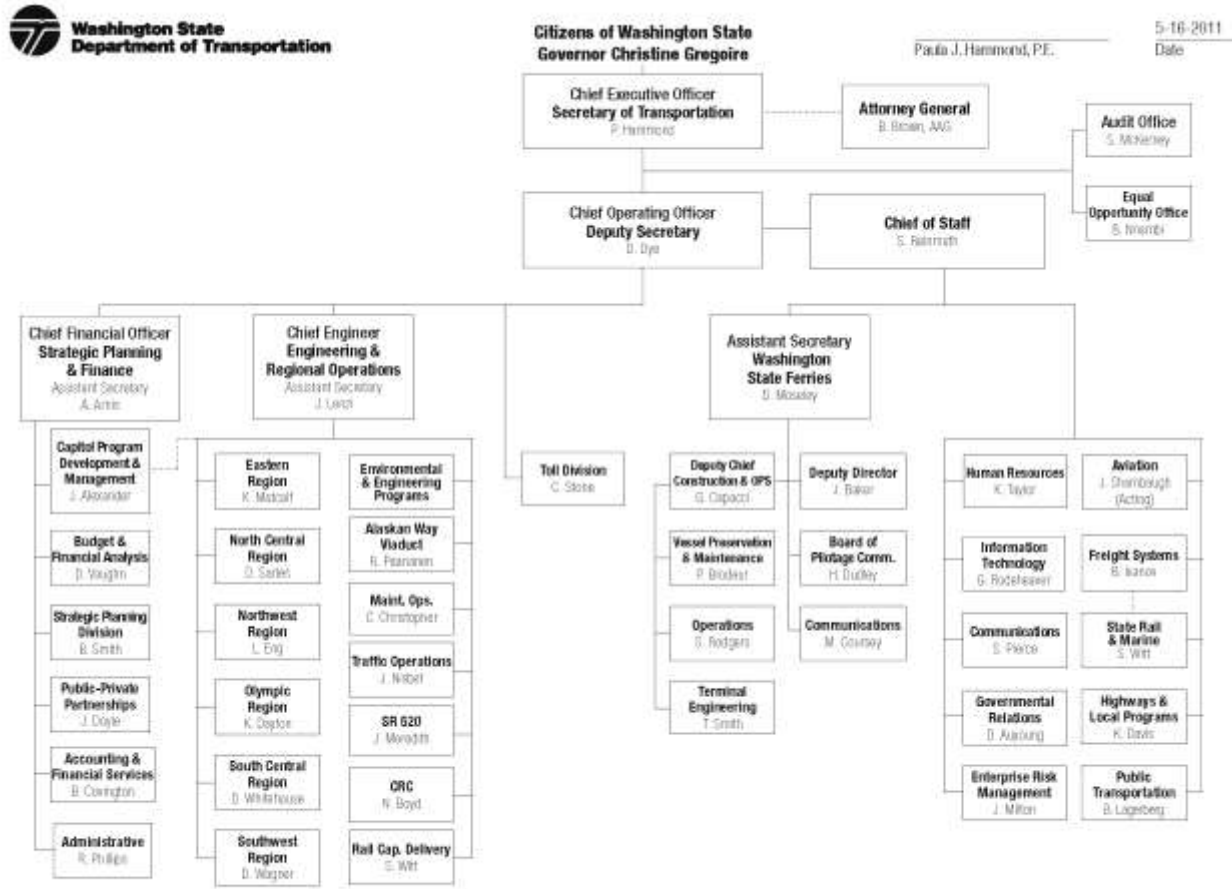
Supply Chain Partnerships: A Public Sector Perspective



Pierce R. Homer
Moffatt & Nichol
July 2011

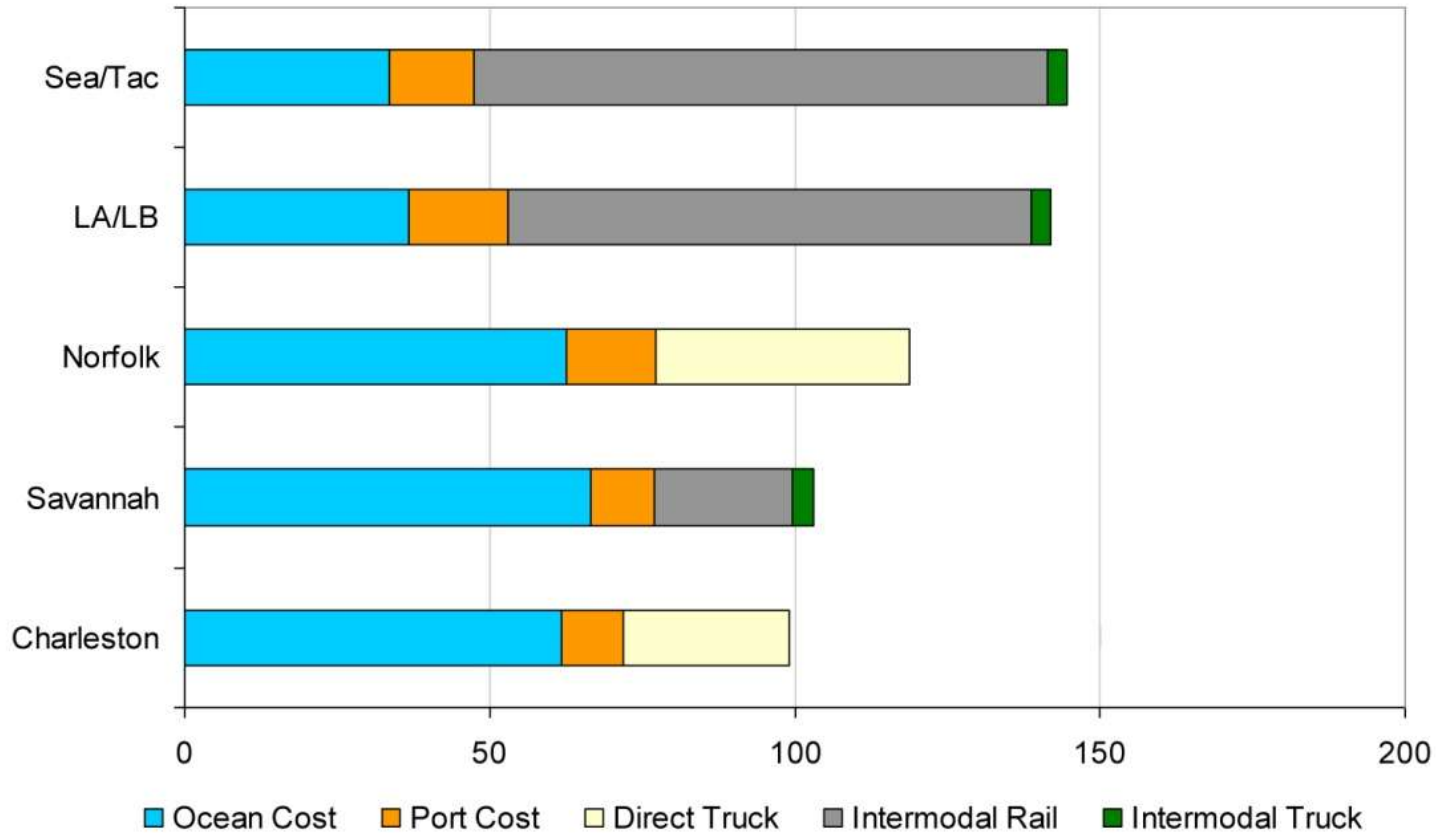
It's the Chain, Not the Link

(DOT's and large public agencies look at the entire chain)



It's the Chain, Not the Link

(Illustrative 2008 cost comparison to Charlotte, N.C.—
inventory costs not included)





It's the Chain, Not the Link

(Public Sector Partnership Commitments)

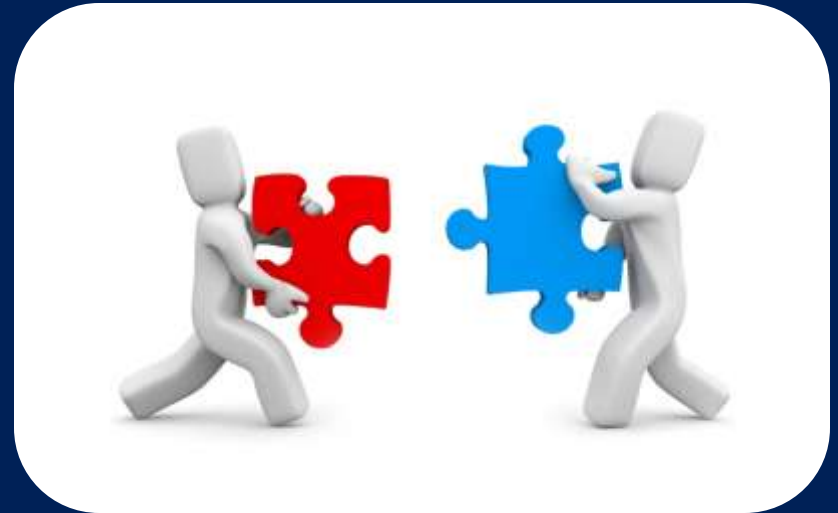
- Oakland Outer Harbor & Baltimore Seagirt Terminal
- Gerald Desmond & Bayonne Bridges
- Alameda & Heartland Corridors
- Southern California International Gateway & Chatham Yard ICTF
- I-710 Truckway & Jimmy DeLoach Parkway





Why the Public Sector Pursues Private Sector Partnerships

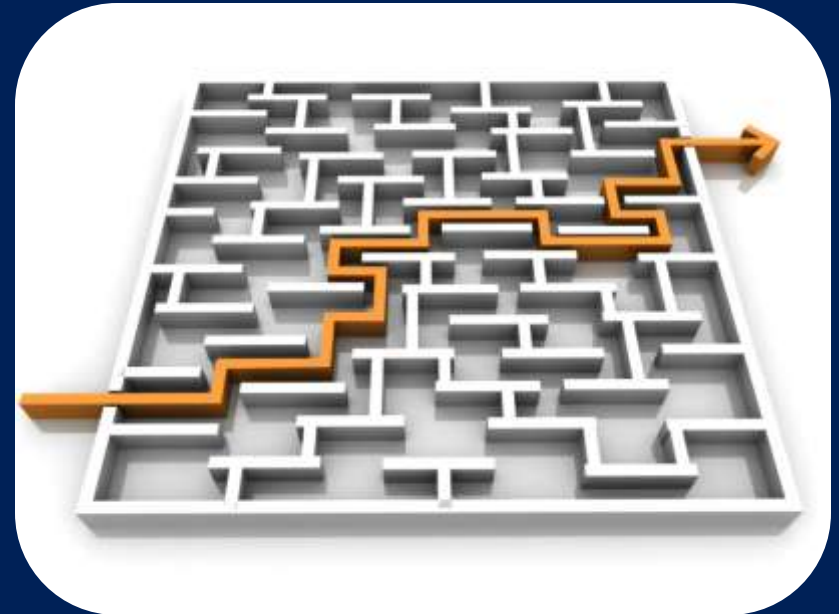
- Jobs and tax base
- New funding sources
- Financial benefits
- Risk allocation
- Alignment of interests and incentives





Public Sector Barriers to Private Sector Partnerships

- Statutory
- Political/Advocacy
- Competition
- Liability/Indemnification
- Public Sector Funding
- Regulatory Federalism





Public Sector Barriers to Private Sector Partnerships

MAJOR STAKEHOLDERS IN U.S. TRANSPORTATION GOVERNANCE AND FINANCE

Federal

- Congress
- U.S. DOT
- Six major land management agencies
- Three primary environmental protection agencies

State

- Governors
- Legislatures
- DOTs in states and other jurisdictions
- Transport commissions or boards
- Other state agencies with related responsibilities, including non-highway modal agencies

MPOs

- Urban: 383 metropolitan planning organizations (MPOs), ranging from one to 26 per state
- Rural: 180 regional transportation planning organizations

Local

- 3,043 counties
- 19,431 municipalities
- 16,504 townships
- 767 highway special districts

Transit Agencies

- 640 urban operating systems, including 600 public agencies
- 2,000 rural operating systems

Other

- 85 bridge, tunnel and turnpike authorities
- 561 federally recognized tribal governments
- Private operators and owners of transportation assets
- Regional and county toll authorities
- Others

Source: Intergovernmental Forum on Transportation Finance, 2008.



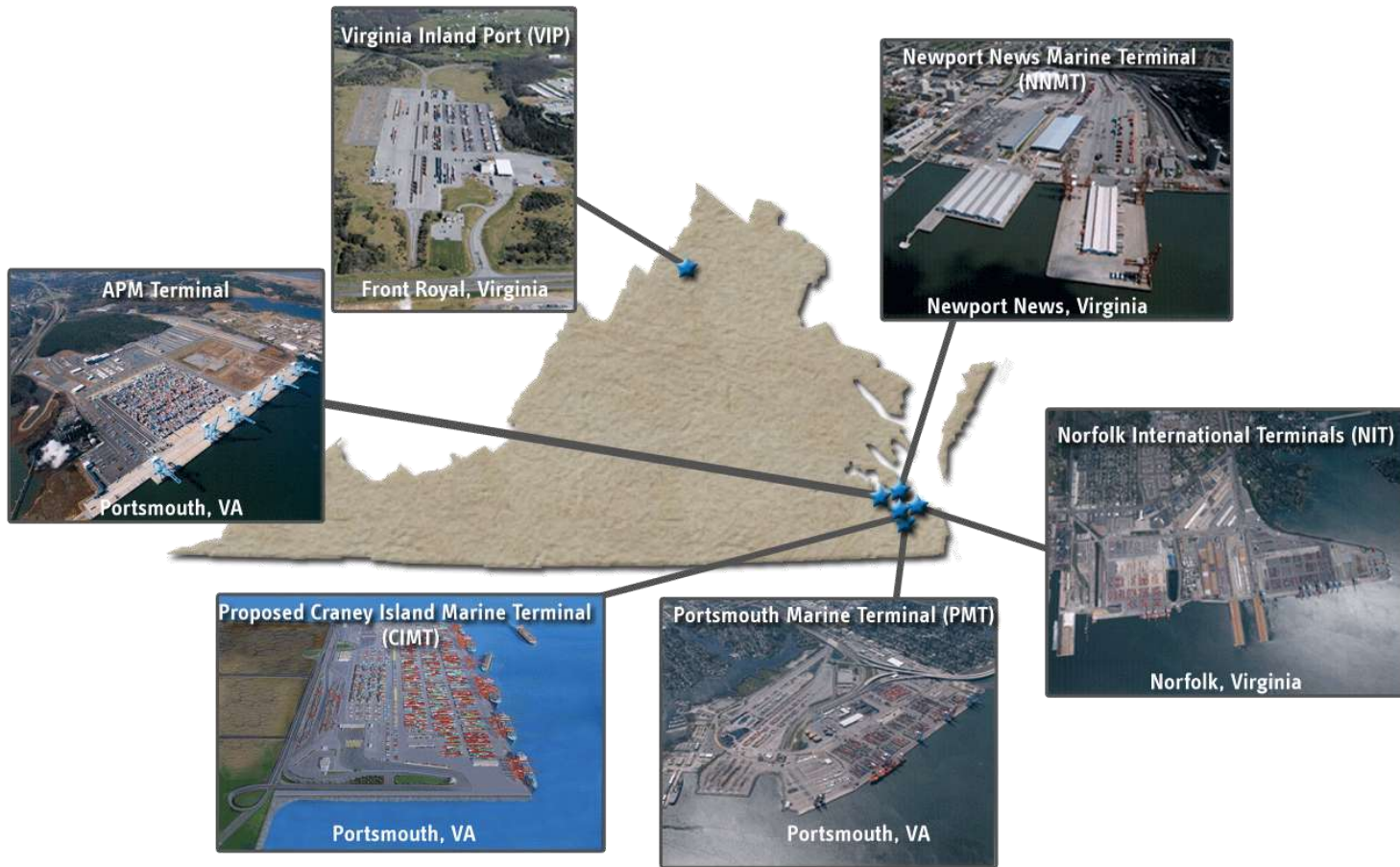


Virginia Example—APM Terminal

- Virginia incentives and permitting assistance
- Privately fund \$450-million terminal
- Publicly fund and design-build Route 164 interchange
- Publicly fund $\frac{2}{3}$ of on-dock, dual access rail
- Publicly fund $\frac{2}{3}$ of dual access shortline rail relocation
- Publicly fund (state and federal) $\frac{2}{3}$ of Heartland Rail Corridor
- Public lease of APM facility (APM2)



Virginia Facilities





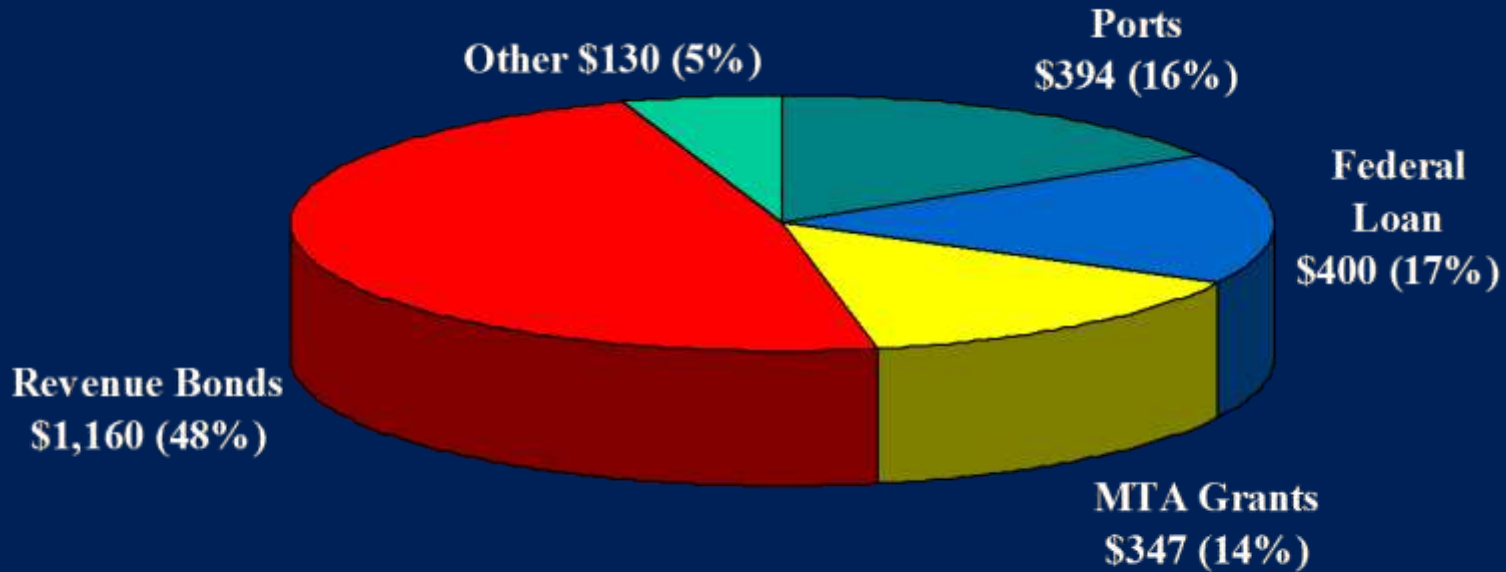
California Example—Alameda Corridor

- Urban congestion and emissions
- Future jobs and tax base
- Container surcharge supports \$2.5 Billion in rail improvements and grade separations
 - Port Authority “backstop”
 - \$400 Million federal loan precursor to TIFIA
- UP and BN more than \$20 Billion in national rail improvements since 2000
- Port authorities more than \$2 Billion in port improvements since 2000

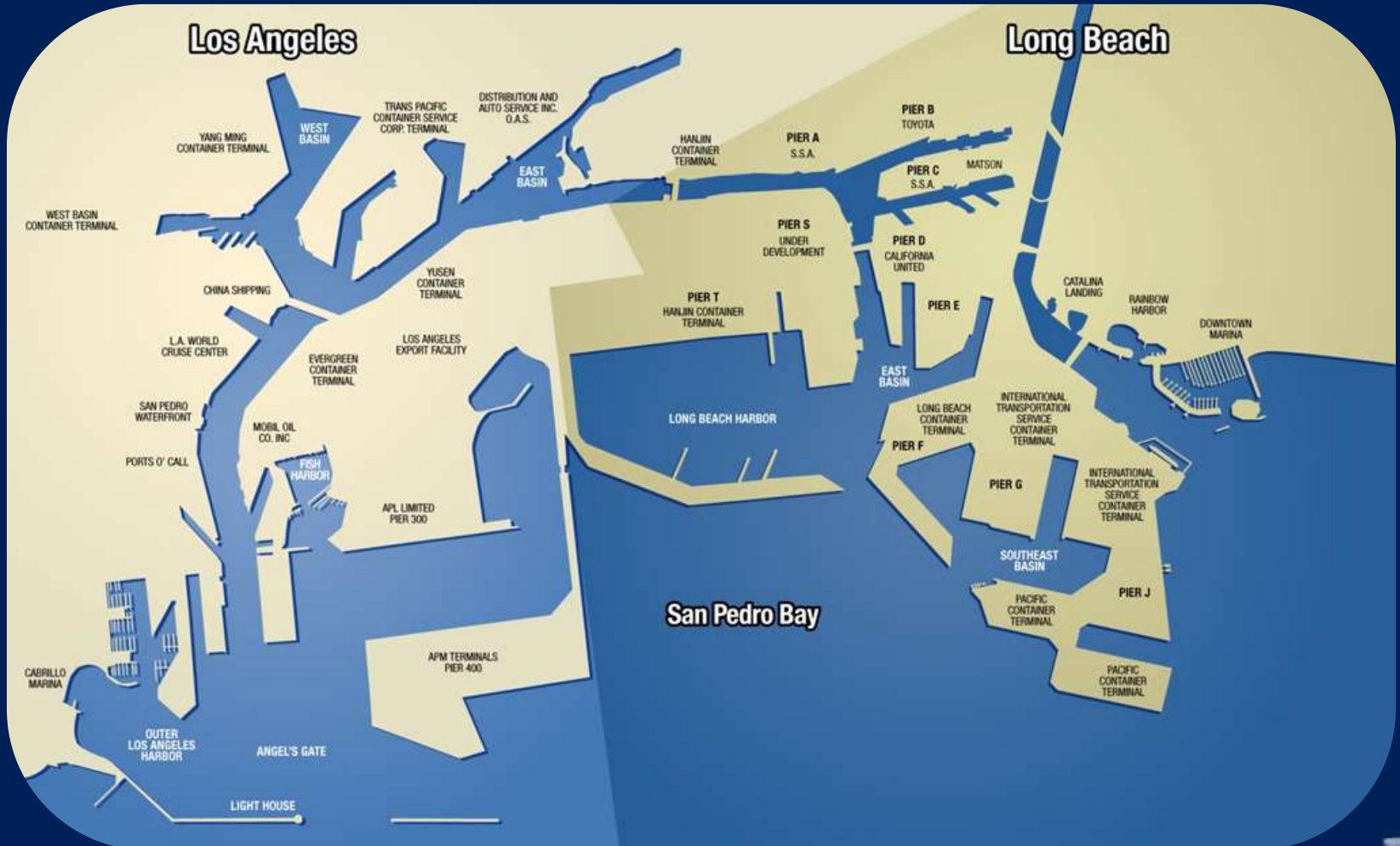




Alameda Corridor Funding



California Facilities





Partnerships Not Always Transactions— Especially for the Public Sector

	APM 1	APM 2	Alameda
Jobs/Tax Base	✓	✓	✓
New Funding Source	✓	✓	✓
Financing Benefits	✓		
Risk Allocation	✓	✓	✓
Align Interests & Incentives		✓	✓





Each Link in the Chain is a Partnership Opportunity



Questions??

