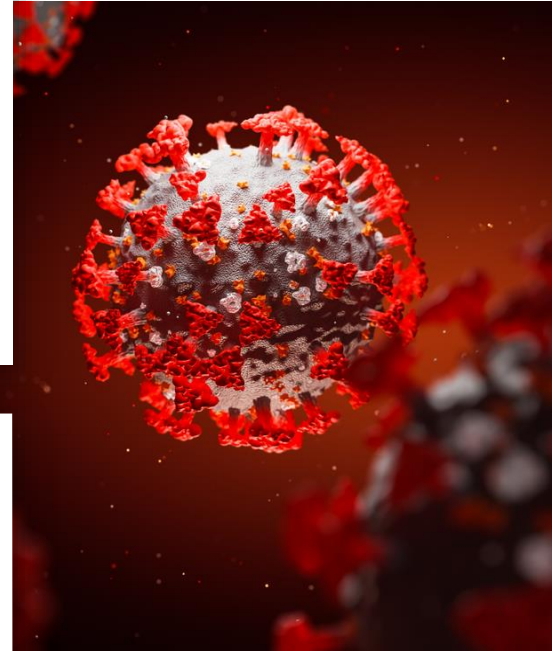




COVID-19 and the Impact on Highway Policy & Funding

May 13, 2020 | 2pm CT





Laura Perrotta, CAE

President & CEO

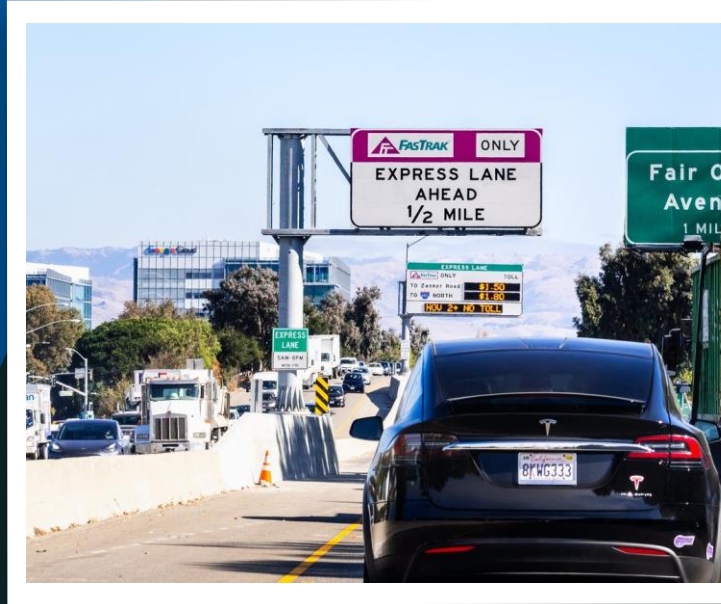
American Highway Users Alliance

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Who We Are



Legislative Activity Update



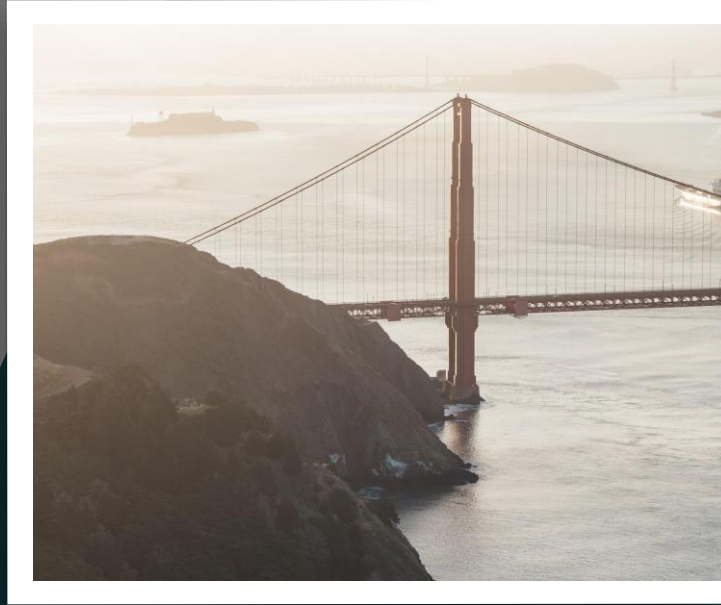
Movement on Transportation Reauthorization

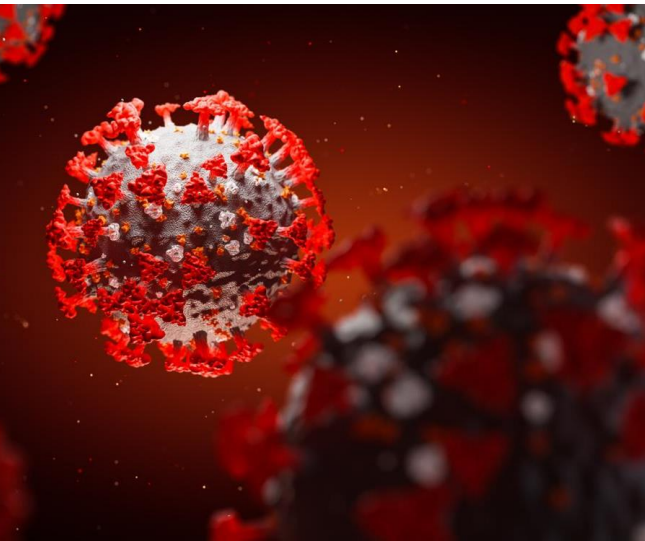
- **S. 2302** – Senate Environment and Public Works Committee passed during the summer of 2019 - \$287 billion over 5 years
- **House Democrats released their Framework** - \$319 billion (for highways) over 5 years
 - a. Under the framework transit funding would grow faster than highways at a 75.8% to 24.2% split.
- **Trump's Budget** – \$810 billion Surface Transportation Reauthorization proposal over 10 years (comparable 5 years under this proposal \$273.3 billion, or \$13.9 billion less than S. 2302)



Timing

- Current Transportation authorization expires Sept. 30.
- Senate Commerce and Senate Finance are drafting their titles.
- Chairman Barrasso (R-WY) wants leadership to move his bill as soon as possible.
- House still working on their bill, timing is fluid.





COVID-19 CHANGES EVERYTHING

- **Phase 1 - \$8 billion – March 6**
 - Money to help prevent the spread.
- **Phase 2 - \$192 billion – March 18**
 - Expand access to free testing, provide food aid and extend sick leave benefits.
- **Phase 3 - \$2 trillion – March 27**
 - Checks to Americans, hospital grants, small business loans and money for transit, aviation, Amtrak.
 - \$150 billion to state and local governments
- **Phase 3.5 - \$484 billion – April 23**
 - Small business loans, money for hospitals, and more money for testing.

Infrastructure Debate in COVID Relief

- Debate \$50 billion in State DOT Relief
- Debate on including a \$2 trillion infrastructure investment in a future relief and recovery package.
- Timing is uncertain.
- Quarantine length and damage unknown.
- Congress needs to hear from you on why this is a wise investment.



State DOT Emergency Relief Request

- \$50 billion to State DOTs over FY 2020-21
- The request is based on a projected 30 percent cut in state transportation revenue over the next 18 months
- Backstop funds essentially treated as state funds, giving states flexibility in how they obligate these dollars



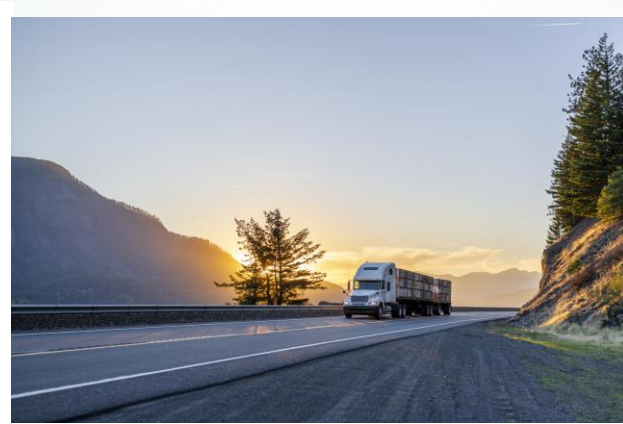
Federal Highway Trust Fund Situation

- U.S. gasoline production has stabilized at 250 million gal./day.
- Down 40% from pre-COVID 400 million gal./day level.
- Highway Trust Fund Highway Account impact is \$25 million per day.



COVID Recovery Should Focus on Infrastructure

- **Massive needs exist** - \$786.4 billion backlog of highway and bridge investments.
 - Request a long-term and robustly funded highway reauthorization in a recovery package.
- **Reliable funding** - Highway Trust Fund and state revenue will need to be shored up.
 - State DOTs are asking for \$50 billion in emergency relief
- **Jobs Effort** – Good paying jobs, performed outside, classified as essential, employ displaced workers.





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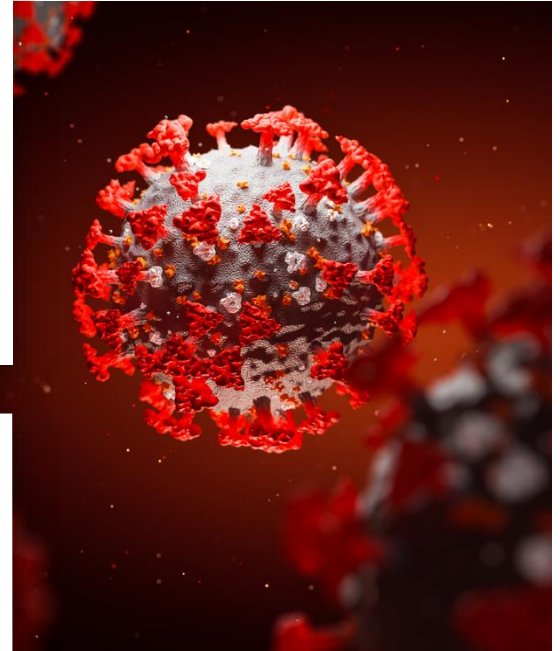
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Tran-SET
Brandon Orr

Managing our lifelines: Using Smarter
Transportation Tools to Move Goods
During a Pandemic



What are we seeing?

Crises have a way of putting mundane things we normally take for granted under a microscope.

Access to goods is saving lives

- Delivering critical medical supplies between countries, as well as internally between manufacturers and medical groups.
- The supply chain has adapted to the new reality/need to support medical efforts. (i.e. alcoholic beverage manufacturers adjusting to produce hand sanitizer and rubbing alcohol)



What are we seeing?

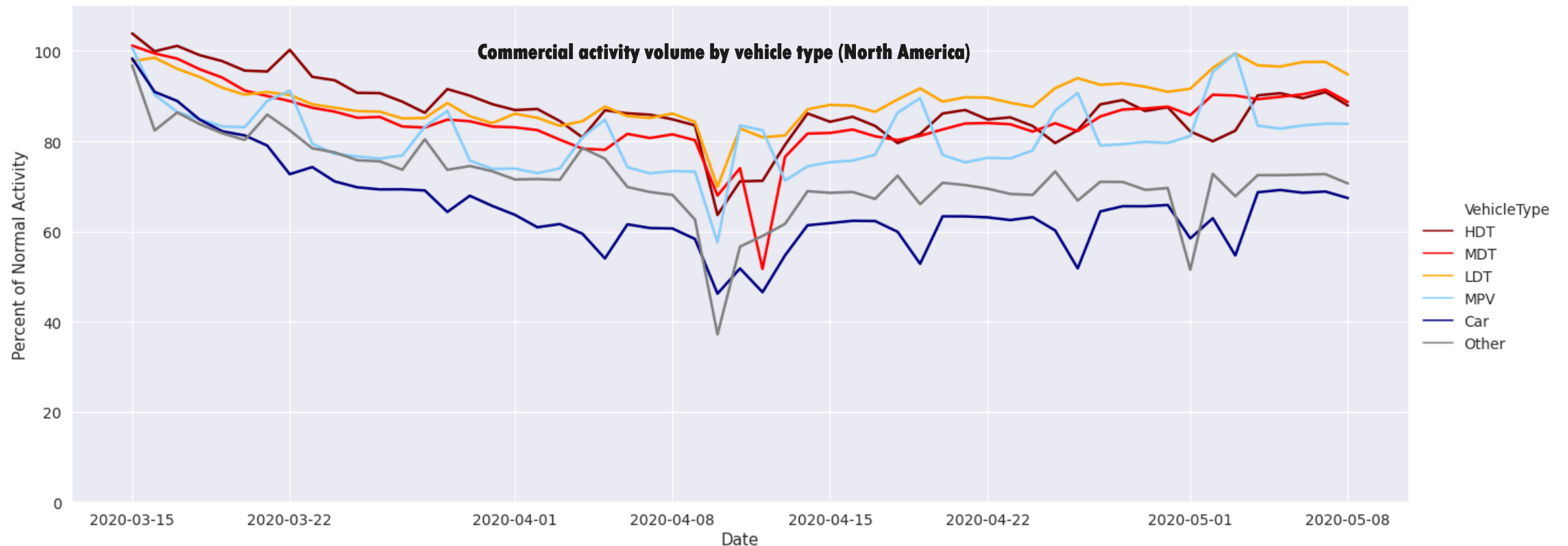
Access to goods is saving lives

- Between March 16 – May 8 commercial activity in Canada/U.S. is operating at 79% of normal activity.
- In Canada, the Maritimes have been most affected operating at ~60% of typical levels.
- In the U.S. New York and New Jersey have been most affected operating at ~65% of typical levels.



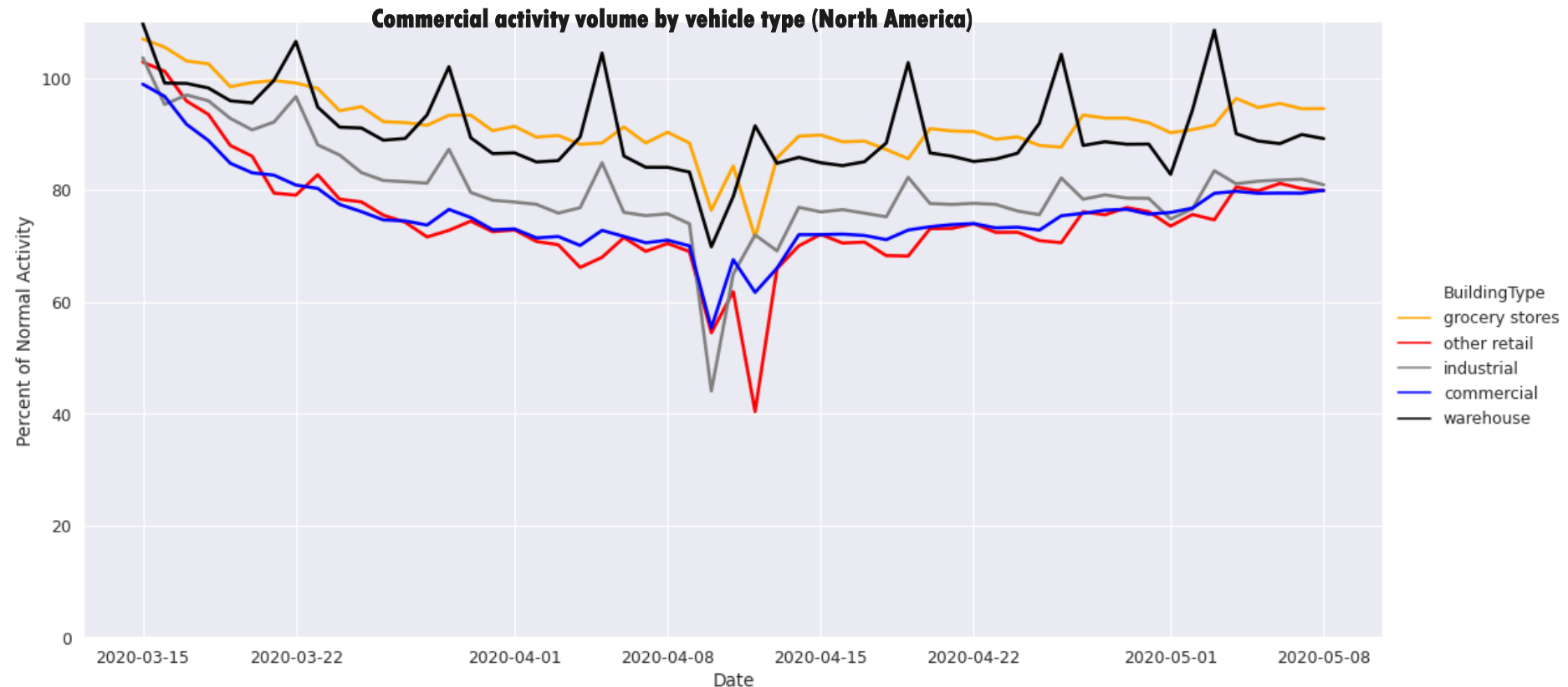
What are we seeing?

The largest drop in commercial vehicle activity has been observed in smaller vehicle types with car-based deliveries dropping significantly to 66% of normal levels, whereas Heavy-Duty Trucks (HDT), Medium-Duty Trucks (MDT), Light-Duty Trucks (LDT), and Multi-purpose Vehicles (MPV) have remained between 75-85% of typical volumes.



What are we seeing?

Not all commercial purpose deliveries have seen substantial declines. Grocery stores and warehousing trips have remained similar to normal levels, and on occasion have exceeded typical activity levels highlighting the commercial needs associated with online deliveries (due to social distancing), and grocery stores (staple regardless of social distancing or not) .



Small disruptions can become large ones

While the Covid-19 pandemic is a large example of a disruption to freight, disruptions occur regularly, but can have significant disruptions in a small amount of time:

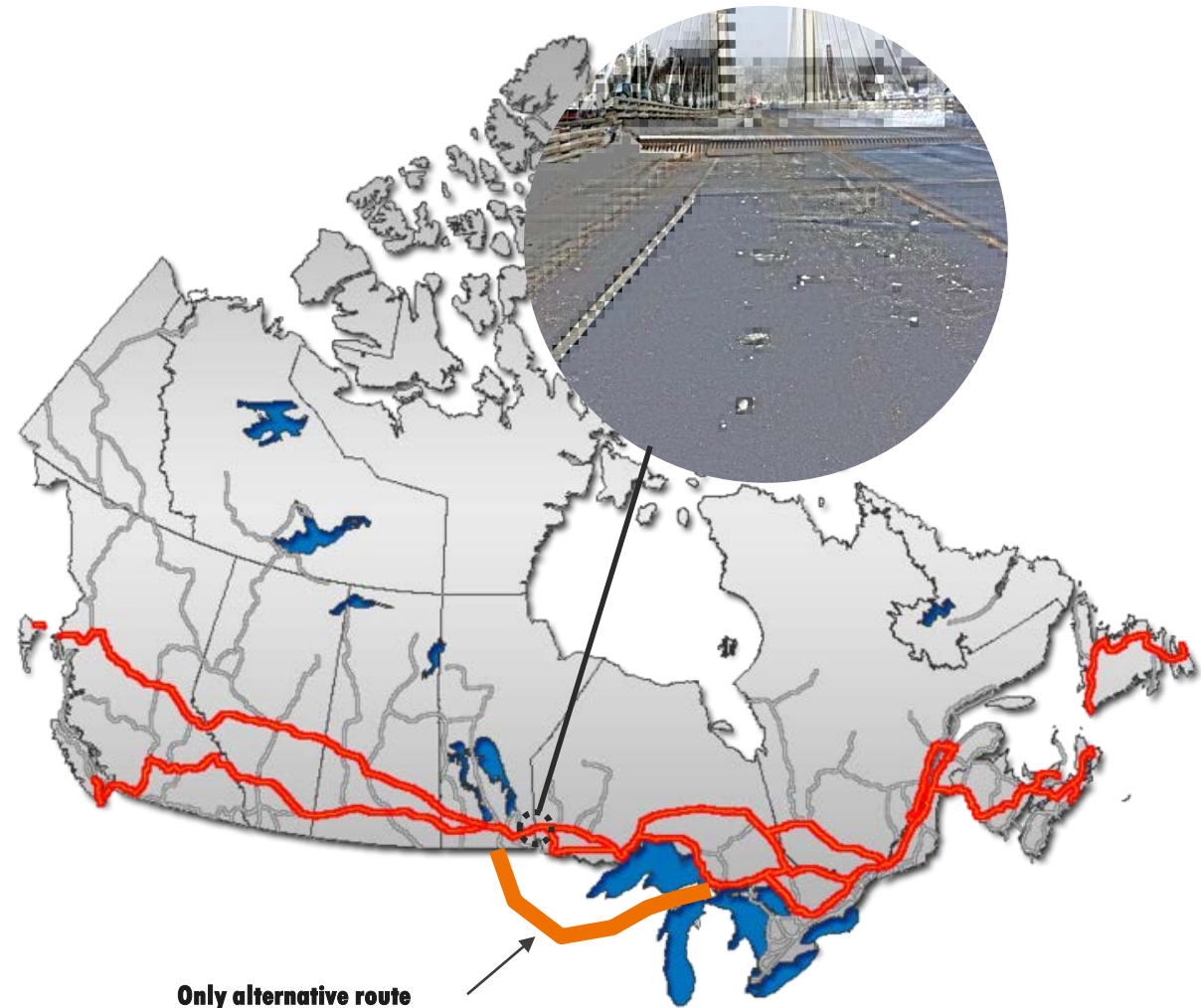
- **Example:** I-80 cross the U.S. between San Francisco and Teaneck, NJ. This single highway connects markets to the supply of goods arriving in Oakland, but an average annual snowfall near Truckee, CA can exceed 200 inches per year preventing trucks from crossing.



Small disruptions can become large ones

While the Covid-19 pandemic is a large example of a disruption to freight, disruptions occur regularly, but can have significant disruptions in a small amount of time:

- **Example:** Highway 11 in Ontario is the only roadway connecting Ontario with Manitoba and the rest of Canada. In 2016 a bridge failed requiring all freight to be re-routed through the U.S. It is estimated that 1,300 trucks carrying \$100M of goods take this route daily.



How data can help Municipalities support Freight

The impacts of disruptions to freight not only impact jobs, but also quality of life.

- **Status Quo Approach:**

- Limited truck data mostly relegated to traffic counts with limited origin-destination info.
- Identify truck restrictions, limit where CVs can go, typically done as a reactive measure (due to resident complaints).
- Few municipalities or government agencies place a strong focus on freight – typically assumed that roadway improvements also enhance freight.

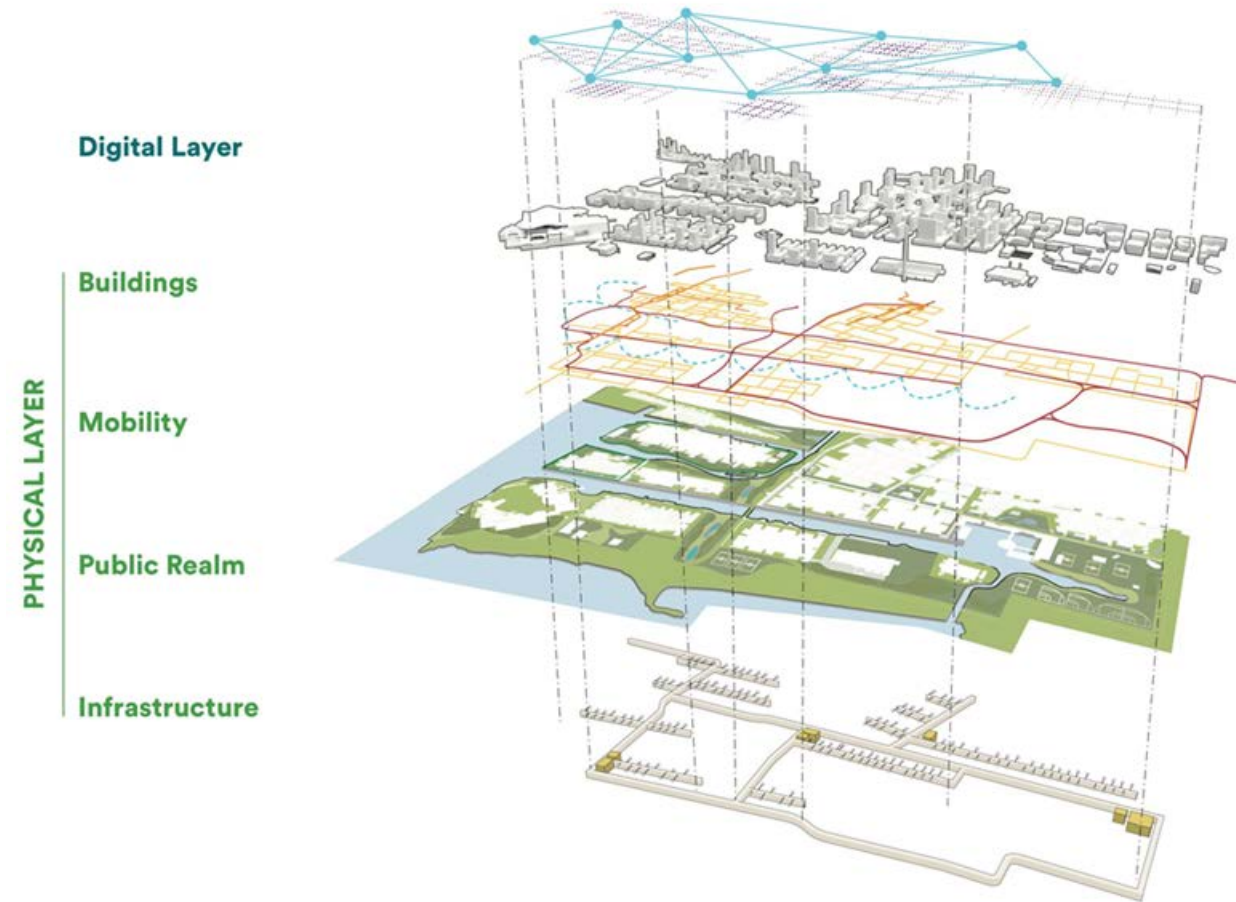


How data can help Municipalities support Freight

The impacts of disruptions to freight not only impact jobs, but also quality of life.

- **Proactive Approach:**

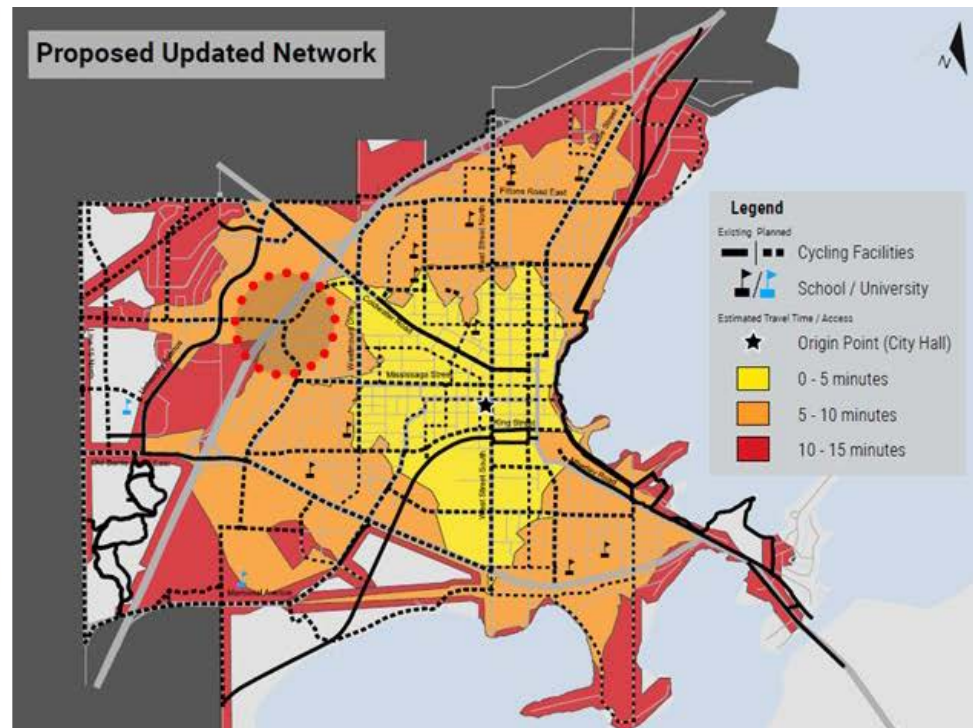
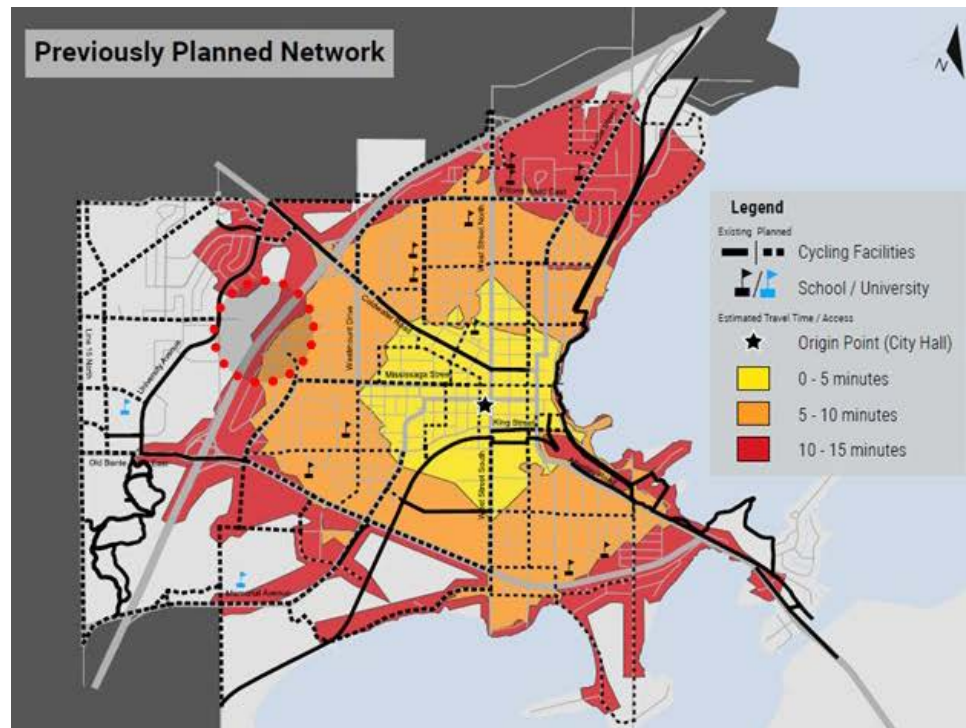
- Integrate goods movement within regional travel demand models and household surveys.
- Take a holistic approach to freight – embrace it and develop tailored solutions that naturally influence freight to do what you want (i.e. provide a great freight alternative rather than simply restrict where freight can go).
- Use new and updated data tools such as fleet Travel data provided by data providers that can help agencies quantify the what, where, when, why of goods movement.



Isolation Factors

A lot of the principles and analysis used for Vehicular, transit, and active transportation can be applied to the Commercial Vehicle context to determine if there are gaps in the network, or whether key economic activity centres are isolated with limited access.

Example: below shows how our analysis for a Cycling Master Plan for the City of Orillia was used to identify AT isolation factors between the emerging west end industrial area and the broader city.



Curbside Management

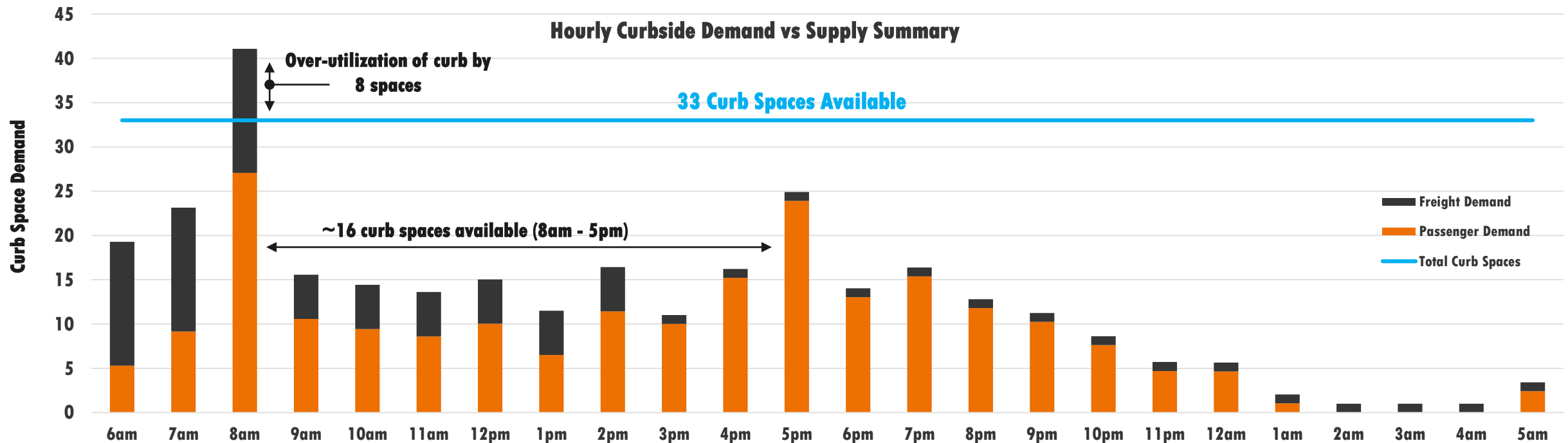
With the prevalence of new delivery standards and needs the way freight interacts with our urban environment is changing.

- Historical delivery needs used to be satisfied by on-site loading/receiving docks.
- Parcel delivery has gradually moved away from larger vehicles towards smaller vehicles doing more trips – as a market advantage (i.e. same day or next day delivery)
- Implications for curbside usage/demand;
 - Historically addressed through creating rigid curbside loading spaces



How the Curb changes throughout the day

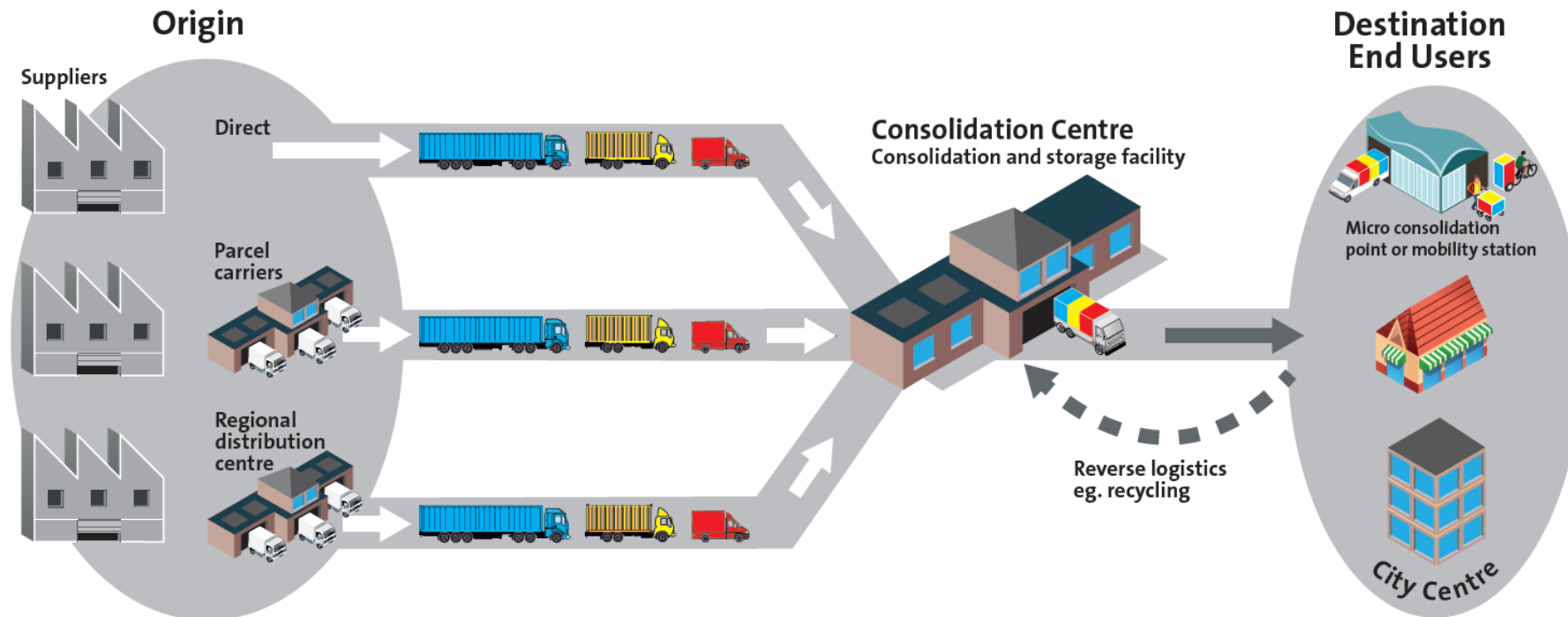
- Opportunity to embrace curbside freight demand during peak hours, and flexibly re-allocating freight loading/unloading space for other public realm uses. Demand on a block or a corridor changes throughout the day and week.
- **Example:** below shows how our analysis for a dynamic curb program in Toronto identifies opportunities to re-allocate freight/vehicular curb space for other uses throughout the day.



Consolidation Centres

In light of the changing demand for freight with a greater number of smaller vehicles – opportunities to consolidate freight within neighbourhoods are key economic areas of a municipality.

- Allows many trips to be consolidated into fewer trips;
- Mitigates the amount of freight travel and number of freight vehicles;



Conclusions

- Just like any other mobility system
 - Freight changes with the changing economic environment
- Small disruptions can lead to large impacts
 - Agencies need to monitor and understand the risks within the existing goods movement network
- New data tools allow Freight Planning to be integrated into broader multi-modal planning
 - New anonymized mobile app data allows agencies to have an unprecedented level of detail for freight movement;
 - Principles applied to planning other modes can be tailored to freight;
 - Isolation factors can be identified and evaluated;
 - Changing freight demands has implications for Complete Streets and curbside management;
 - New forms of receiving and disseminating freight through consolidation centres or other measures could also be looked at





Thank You!

Brandon Orr

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