

Policy Advisory Committee



Economic Assessment

February 3, 2015

Economic Impact Analysis (EIA)

- Macroeconomic impact of CTP 2040
 - Travel Cost
 - Market Access
 - Economic Adjustment
- Greenhouse gas reduction strategies (Alt #2)
 - Pricing
 - Mode shift
 - Other (off-model)
- Economic impacts
 - Total employment
 - Total annual wages
 - Total annual value added (regional Gross Domestic Product)

The need for an EIA

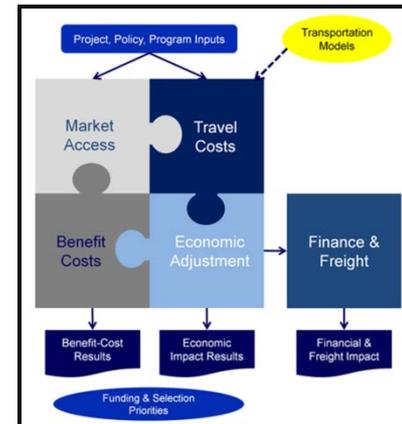
- SB 391, Lui. California Transportation Plan

Sec. 4. “shall consider all of the following... (f) Economic development, including productivity and efficiency.”

- Caltrans Mission

Provide a safe, sustainable, integrated and efficient transportation system to enhance California’s economy and livability

- Appraise proposed transportation investments, policies and programs
- Examines all modes – air, water, rail and road
- Operates as a set of interconnected “core” modules
- Four stages of analysis:
 - Baseline
 - Direct impact
 - Wider productivity effects
 - Regional macroeconomic impacts
- Results – Four metrics
 - Total Employment (jobs)
 - Total annual Wages (worker income)
 - Total annual Value Added (Regional GDP)
 - Total annual Business Output (value of production sold)



TREDIS Inputs

- Compare Baseline 2040 (Alt #1) to GHG Reduction Strategies 2040 (Alt #2)
- CSTDM outputs
 - Trips
 - Vehicle Miles Traveled (VMT)
 - Vehicle Hours Traveled (VHT)
 - Congestion
 - Trip type
- Pricing Strategies
 - Change in user costs
 - Fee/Congestion pricing
- Transportation Alternatives
 - Shift to transit and Bicycle & Pedestrian
 - Trip distance and time assumptions

Expectations

- **User Costs**
 - Increased costs for passenger and freight vehicle travelers
 - Reduced costs for transit users
 - Societal benefits
- **Productivity Gains**
 - Increase access to markets and labor
 - Improved intermodal connectivity
 - Supply chain reliability
- **Regional Impacts**
 - Business investment
 - Inter-industry supply chain impacts
 - Wage spending impacts

Conclusion

- Travel cost increases of this magnitude likely to have negative drag on the economy
- Some impacts negated by shift to transit & active transportation modes
- Industry impacts will vary by industry, depending on dependence and cost of transport of the industry
- Realized societal benefits from reduced air pollution, accidents and vehicle operating costs
- Revenues from fees not included in the analysis