

## **Application Addendum: Public-Private Partnerships**

### ***Introduction: Private sector interest***

Industries and corporations, both U.S. and Canadian, who depend on the Cascade Gateway border crossings for distribution of products, acquisition of inputs, and labor mobility, are motivated partners with government agencies in our **focus on reducing congestion**. To date, public-private dialogue and collaboration regarding congestion-relief in the IMTC forum has focused on coordinated outreach and facilitation for the Free and Secure Trade Program (FAST) and the NEXUS program for pre-enrolled travelers. Open channels of communication between shippers, carriers, brokers, and agencies (inspection and transportation) have also proved invaluable for speeding resolution of issues related to rapidly changing operations requirements (electronic cargo information, e-manifests, new lanes for expedited clearance programs, parking and entry-filing arrangements, etc.).

### ***P3s in the Cascade Gateway?***

Public-private partnerships for construction and maintenance or acquisition and maintenance of transportation infrastructure do not currently exist in the regional border crossing system (on the U.S. or Canadian side). This kind of public-private partnership (or P3 or PPP, etc.), while a potentially viable approach for future improvements, would require important considerations specific to the land-border setting.

1. The generation of a revenue stream to support privatized functions (or a purely government-based congestion-pricing strategy for that matter) would need to be carefully worked out with public agencies in both the United States and Canada. Unilateral proposal of a system fee connected with transiting the border would likely generate **concerns of barrier effects**. Thus, consideration of P3s for the border should optimally proceed within a binational forum like IMTC and, if worked out, be offered as a bilateral proposal.
2. The border crossing environment consists of several **institutional layers** that would potentially deter private investment if congestion-related performance measures or user-fees are set contractually. Federal inspection agency operations and facilities would be external to any privately operated components. How inspection agencies do or do not respond to travel demand, or change processing times or staffing levels, all factor into congestion levels. Also, as mentioned in the application, typically, U.S. roads lead to Canadian inspection facilities and Canadian roads lead up to U.S. inspection facilities. Thus, from a private investor's perspective these risk factors are not only external, they are extraterritorial. Proactive, binational coordination would, again, be critical

for establishing and managing expectations of overall system performance.

3. In a border gateway (a set of proximate border crossings serving an economic region), like the Cascade Gateway, any fee-based access would need to be evaluated in terms of the **effect on all gateway routes**. This would ensure that congestion-reduction objectives are most appropriately pursued without causing unintended distortions in crossing-location choices by personal or commercial vehicles. In addition to other system dynamics, this set of interrelationships will be covered in the ongoing Cascade Gateway Border Circulation Analysis project.

### ***Current and future public-private partnerships for traveler information***

The Cascade Gateway Expanded Cross-Border Advanced Traveler Information System (ATIS) project will do two things with the potential for advancing potential public-private partnerships. First, it opens opportunities for **public-private development of improved traveler information products**. Already, public investment in instrumentation of major roadways has been leveraged by private companies who assemble multiple public data sources and deliver real-time congestion-avoidance routing. Companies involved in linking up these data and providing travel and routing tools include Google (traffic tools in Google Maps), Microsoft (via their Local.Live.com site), INRIX, Traffic.com, NAVTEQ Traffic, and others. As these services expand to real-time routing tools and increasingly migrate to in-vehicle devices and mobile-phones, the traveler information world will by definition be a public-private creation.

Second, (as discussed in the application) instrumented border crossings that generate high-quality, real time travel-time and delay information could be a key part of a P3 in which roads are priced. ATIS data could be used to measure system performance and monitor contracted operators. Congestion-pricing strategies could be supported with ATIS real-time assessment of wait-times and using that information to dynamically price access relative to demand or to price congestion avoidance alternatives.

### ***Current partnerships, gateway region applications, and foundations for expansion***

The expanded ATIS system proposed by WSDOT leverages existing commitments to border technology by B.C. Ministry of Transportation (MoT) and WSDOT, and it is anticipated that the project would generate opportunities for new partnerships between public agencies and private interests.

The expanded ATIS systems will emerge in the context of several other system-monitoring efforts, including BC TransLink's Smart Corridors and iMove systems, U.S. and Canadian border inspection agency systems, and state and provincial weigh-station-bypass systems. Several of these efforts illustrate

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successful public-private partnerships and it is our intent to compliment and augment them by supporting compatibility with privately developed applications. WSDOT is also working (again with BC TransLink) to provide cross-border traveler information specifically suited for the 2010 Winter Olympic Games in Vancouver & Whistler BC.

While governments are seen as the only likely sources of funding at this point, WSDOT is currently pursuing agreements with telecommunications companies wherein WSDOT would **exchange access to right-of-way for telecommunications infrastructure**. WSDOT will continue to consider private-public partnership opportunities and anticipates that the way travelers use the system in the future will be of interest to private sector investors and service providers. As more travelers use in-vehicle or hand-held devices to obtain and customize traveler information, hardware and software providers as well as data-consolidators (i.e. Google Traffic) will be likely participants and determinants of how data is generated and distributed.