



WHARTON TRANSPORTATION EXECUTIVE PROGRAM

by the AASHTO Center for Excellence in Project Finance

Facility:

Steinberg Conference Center at the Wharton School
University of Pennsylvania
255 S. 38th Street
Philadelphia, PA 19104

Accommodations:

The Ritz-Carlton, Philadelphia
10 Avenue of the Arts
Philadelphia, PA 19102
(215) 523-8000

AASHTO CENTER FOR EXCELLENCE IN PROJECT FINANCE

The American Association of State Highway and Transportation Officials (AASHTO) has established the **Center for Excellence in Project Finance (the Center)** under agreement with the U.S. Department of Transportation. By combining the industry knowledge of AASHTO with the educational excellence of the Wharton School at the University of Pennsylvania and the expertise of many leading transportation practitioners, the Center aims to become the nation's preeminent resource for both professional education and technical advice in surface transportation finance.

Growth in freight and passenger travel demand continues unabated. New approaches involving wider private sector participation and greater reliance on user pricing of services are being introduced. At the same time, policy makers, project sponsors, and public and commercial users are demanding greater accountability and responsiveness by providers in meeting mobility needs. The Center can help address these developments by offering professional training, technical assistance, research analysis, and information dissemination services to State DOT officials and other stakeholders in the nation's transportation system.

INTRODUCTION TO THE WHARTON TRANSPORTATION EXECUTIVE PROGRAM

The Wharton School, the nation's first business school, was founded over 125 years ago. Today it is one of the world's leading centers for management education. Wharton is currently ranked the Number One MBA program by the *Financial Times*. Historically, Wharton's reputation has stood on the strength of its Finance department, and *U.S. News & World Report* in its latest survey of business schools ranked the Finance program the Number One nationwide.

Wharton Executive Education is recognized internationally for developing innovative leaders, building business knowledge, and expanding strategic perspectives for senior-level executives. Through intensive design and delivery processes, Wharton Executive Education is committed to equipping executives and organizations with the tools and skills to meet the challenges of today's fluid environment. Finance, leadership, marketing, strategy/management and corporate governance

are among the wide range of topic areas taught by acclaimed faculty members and enriched by the highly charged intellectual environment at Wharton.

Wharton's unique executive education model provides extensive support for the participants before, during, and after the classroom experience. The Wharton Transportation Executive Program (WTEP) will take advantage of the Wharton "Learning Continuum" concept by providing the following.

Pre-Program Communications

Wharton's proprietary web-based technology, *Wharton Direct*, will be set up for the participants three weeks before the program to help them become familiar with the location and program expectations prior to their arrival. Participants will be given access to program materials, the program schedule, and faculty biographical data, including photographs. Participants can also create a biographical sketch and view biographical information about one another. The website can also serve as a vehicle for distributing pre-program preparation materials, such as needs assessments and diagnostic tools and case studies.

Tailored Program Content

To help public officials translate complex financial concepts into effective policies and programs, the curriculum will draw upon:

- AASHTO's understanding of the priorities and needs of the State DOT leadership and other senior executives attending the program;
- Wharton's expertise in the design and delivery of executive education programs;
- Mercator's and Mr. Emil Frankel's first-hand experience in both making public policy and executing capital markets transactions.

The goal is to create a powerful learning experience that transcends the classroom and enables the participants to make the critical connections between the project finance concepts taught in the program and the challenges they face in their organizations.

Post-Program Follow-up

After attending the WTEP, participants will return to their respective organizations to begin to apply the tools and lessons they have acquired. To track their progress, AASHTO will provide a "virtual classroom" session of 90 minutes to be held several months after the program. Using Wharton Executive Education's Virtual Classroom, participants will be able to access the session "real-time" from office/hotel/home computers without having to travel to a single location. This provides an opportunity to reiterate key concepts from the program and gives the participants a forum to seek advice from their peers. The post-program contact also helps to strengthen the bond among program alumni and create a cadre of transportation finance leaders who can help shape the WTEP and participate actively in national policy debates.

PRELIMINARY AGENDA

MONDAY, SEPTEMBER 29, 2008	TUESDAY, SEPTEMBER 30, 2008	WEDNESDAY, OCTOBER 1, 2008
Breakfast 7:30 am - 9:00 am	Breakfast 7:30 am - 9:00 am	Breakfast 7:30 am - 9:00 am
9:00 am - 9:30 am Program Overview	9:00 am - 10:30 am Strategy Under Uncertainty	9:00 am - 10:30 am The Federal Role in Project Finance
9:30 am - 11:00 am Building a Learning Community		
Break 11:00 am - 11:15 am	Break 11:00 am - 11:15 am	Break 11:00 am - 11:15 am
11:15 am - 12:15 pm Building a Learning Community	10:45 am - 12:15 pm Strategy Under Uncertainty	11:15 am - 12:15 am Transportation Finance and "Big Picture" Issues
Lunch 12:15 pm - 1:30 pm (Class Photo - 12:15 pm - 12:30 pm)	12:15 pm - 1:30 pm Luncheon Keynote Guest Speaker: Jane Garvey <i>Head of US Public-Private Partnerships in Transportation</i> JPMorgan Chase & Co	Lunch 12:15 pm - 1:15 pm
1:30 pm - 3:00 pm Leading Organizational Change	1:30 pm - 3:00 pm A Policy Framework for Project Finance	1:15 pm - 2:30 pm Taking it Back to Work
Break 3:00 pm - 3:15 pm	Break 3:00 pm - 3:15 pm	Program Closing
3:15 pm - 4:45 pm Leading Organizational Change	3:15 pm - 4:45 pm Managing Project Finance Initiatives	
4:45 pm - 5:30 pm Change in Action: Participant Presentations on DOT Finance/PPP Initiatives		
Break 5:30 pm - 6:30 pm		
6:30 pm - 8:00 pm Welcome Reception and Dinner Guest Speaker: The Honorable Edward G. Rendell <i>Governor of Pennsylvania</i> (Invited)	No Scheduled Event "Dinner on Your Own"	

PRELIMINARY COURSE INFORMATION

Session 1 Preparing for a High Impact Learning Experience

SESSION LEAD:

Janet Greco, PhD. , Co-President, Transition One Associates; Lecturer, Master of Science Program in Organizational Dynamics, Graduate School of Arts and Sciences, UPenn

DESCRIPTION:

This session is placed at the beginning of development programs to help participants understand how to maximize their learning in the days to follow. Through exercises and other activities, participants meet their fellow participants, recognize how they can serve as present and future learning partners, identify questions they want to address in the program, and strategize about bringing the learning back to work.

Session 2 Leading & Managing Organizational Change

SESSION LEAD:

Joseph Ryan, Ph.D., Adjunct Professor of Management, The Wharton School

DESCRIPTION:

This session focuses on the roles, responsibilities and core tasks in executing organizational strategies and in designing and implementing strategic change programs. The emphasis will be on relating leading academic thinking to the specific challenges that the participants face and in thinking through 100-day agendas for change at the participants' firms. Participants will begin this session by mapping out all of the change issues that they are currently seeing in the own organizations. Participants will discuss why organizations need to change, the types of changes they undertake, the process of change, how long a change should take and what to expect throughout the course of change. They will also study resistance to change, why it happens and what to do about it as well as the emotional stages of change. Participants will gain an understanding of the role of managers as recipients vs. agents of change as well as the role of leaders during change. Case studies, small group work and group and class discussions focus on what items to remember during change and the drivers of effective change.

Session 3	Strategy under Uncertainty: Analyzing the Future of Transportation
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SESSION LEAD:

John Austin, Ph.D. Senior Consultant and Director of Executive Development for Decision Strategies International (DSI)

DESCRIPTION:

In an environment of funding challenges and changing transportation demands the risks of ignoring uncertainty are greater than ever but so are the rewards of actively addressing it. Traditionally, managers have viewed uncertainty as an obstacle interfering with existing plans rather than as the unknown that can create opportunity. This program focuses on how to develop and test an agency's strategic direction in the face of uncertainty and complexity. It introduces a conceptual framework and methodology to assure innovative as well as disciplined strategic thinking in complex environments. Linking strategic vision to core capabilities, it presents the various steps of scenario-based strategic planning, and in a workshop format applies them to the transportation arena. The learning objectives of the program include regarding uncertainty as an opportunity, recognizing the pitfalls associated with planning for a single future, and finding a systematic approach to handle uncertainty. Participants will also learn how scenario planning relates to more traditional planning and budgeting processes.

Session 4	A Policy Framework for Project Finance
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SESSION LEAD:

- Senior Fellows of the AASHTO Center for Excellence in Project Finance

DESCRIPTION:

Policymakers face increasingly complex and difficult decisions concerning how best to advance critical infrastructure investments. These large, capital-intensive projects require thoughtful integration of planning, financing, political and legal issues. This session will highlight key challenges associated with developing a policy framework to guide decision-making in this area, potentially including topics such as:

- Assessing investment needs, identifying revenues and raising capital, allocating resources
- Distinguishing funding options from financing techniques
- Prioritizing potential projects and P3 opportunities
- Defining and protecting the public interest

Session 5	Managing Project Finance Initiatives
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SESSION LEAD:

- Senior Fellows of the AASHTO Center for Excellence in Project Finance

DESCRIPTION:

This session provides an overview of various strategies for implementing and managing finance initiatives, with an emphasis on integrating private sector participation in the development, construction, financing, operation and maintenance of public infrastructure projects. Discussions may focus on such issues as:

- Fostering intra- and inter-governmental collaboration
- Considering key issues and core competencies of transportation agencies in evaluating options and managing initiatives
- Examining how to value and implement “risk transfer”
- Developing internal staff vs. relying on outside consultants

Session 6	The Federal Role in Project Finance
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SESSION LEAD:

- Director and Senior Fellows of the AASHTO Center for Excellence in Project Finance
- USDOT Representatives

DESCRIPTION:

This session will be a roundtable discussion about the current and potential federal role in surface transportation finance, including specific policies and programs of the federal transportation agencies. Participants will review various strategies for leveraging federal resources, including grant assistance, credit support and tax subsidies. The session will highlight the budgetary and programmatic considerations that often drive policymaking in this area and examine the potential implications of various infrastructure funding and financing proposals that may be considered by Congress during the upcoming reauthorization of federal surface transportation policies and programs.

Session 7	Transportation Finance and "Big Picture" Issues
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SESSION LEAD:

- Senior Fellows of the AASHTO Center for Excellence in Project Finance
- Wharton Faculty

DESCRIPTION:

Participants will consider transportation finance in the larger context of energy security, environmental protection, land use and other critical policy areas. How can/should DOT leaders ensure that transportation project selection and funding policies better support other public policy goals? What are some of the key challenges and potential opportunities in light of policy debates about switching to alternative energy sources and reducing greenhouse gas emissions?