Building Strategic Alliances...  
...Providing Mobility

James L. Ely

Executive Director  
Chief Executive Officer

IBTTA

International Bridge, Tunnel and Turnpike Association

Founded 1932
The IBTTA is the worldwide alliance of toll operators and associated industries that provides a forum for sharing knowledge and ideas to promote and enhance toll-financed transportation services.

**MISSION**

**Diverse Membership**

- **259** members (worldwide)
- **$7B** annual toll revenue (US)

**PROJECT DELIVERY**

- **Public Agency**
  - "USA"
- **Concession**
  - "International"
Members in 23 Countries

US Toll Roads, Bridges & Tunnels

5,244 miles

States with toll roads, bridges and/or tunnels
Universal Truths About Toll Facilities

1. There are no free roads
2. A toll is not a tax – it is a user fee
3. No one likes to wait in line to pay a toll
4. Toll facilities offer value and choice for everyone
5. Toll facilities provide a safe trip
6. Toll road – or no road
7. Toll facilities relieve congestion
8. Conventional funding is not sufficient

Conventional Funding Is Not Sufficient

- **Decline** in real dollar value of fuel taxes
- **Resistance** to increase or index fuel taxes
- Steady **climbs** in vehicle fuel economy
- Relentless **growth** in vehicle miles traveled
- **Higher** percentage of deferred maintenance
- **Rising** ROW / construction costs
Conventional Funding Is Not Sufficient

$50M builds one mile of urban roadway
UP 40% since ‘03

Shortfall $30B through 2025

Conventional Funding Is Not Sufficient...
... Adds to Increased Congestion

“How to Make a Frog Jump”
People Feel the Heat of Congestion”

Mary Peters
Former FHWA Administrator
Conventional Funding Is Not Sufficient...  
... Fuels Interest in PPP’s
PPP’s...One Size Does Not Fit All

- 50 year tolling history
- 764 miles of toll roads
- Toll facilities serve 75% of population
- Receptive to tolling
- Embrace ETC
- Significant growth

History of PPP’s to build new alignments, service plazas and interchanges

Built with PPP
- Toll Facility
- Service Plaza
- Interchange
PPP’s...One Size Does Not Fit All

Design Bid Build
Private Contract Fee Services
Build Operate Transfer (BOT, Turnkey, DBOM)
Design Build Finance Operate (DBFOM)
Lease of Existing Facility
Build Own Operate (BOO)

Concession

Project control
Sharing risks

$1,200

PPP’s...One Size Does Not Fit All

ASSET LEASES

Existing

Strong
Operations, traffic & maintenance history
Lacking

Predictable
Revenues and expenses
Less reliable

Solid
Going concern
Ramp-up

Greenfield

Existing

Strong
Operations, traffic & maintenance history
Lacking

Predictable
Revenues and expenses
Less reliable

Solid
Going concern
Ramp-up

Greenfield
Relieving Congestion... 
... Building New Corridors

Over 40% of states have or are considering PPP’s.

- New PPP Toll Facilities (7)
- Privatization of Existing Toll Facilities (4)
- States with PPP Activity (13)
- Pending PPP Legislation (4)

PPP's: US & European Hybrid

- Predevelopment Agreements
- Best Value Selection
- One-on-One Meeting
- Alternative Technical Concepts
- Risk Sharing
- Availability Payments
- Project Oversight
Bottom Line

- No free roads
  - Growing trend to build toll facilities

- High cost of ROW / construction
  - Pushing innovative finance

- Significant transportation demand
  - Continuing expansion by toll agencies
  - PPP's can help build new corridors

Lessons learned:
- Approach PPP like a marriage
- Reasonable estimates for project
- Carefully calculate and allocate risks
- Transparent process (everyone understands the rules)

IBTTA supports PPP partnerships
- The sale/lease of an existing asset is a local government decision