

Building Strategic Alliances... ...Providing Mobility

James L. Ely



Executive Director
Chief Executive Officer

IBTTA

1st Vice President /
President Elect

IBTTA

International
Bridge,
Tunnel and
Turnpike
Association



IBTTA

IBTTA MISSION

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



3

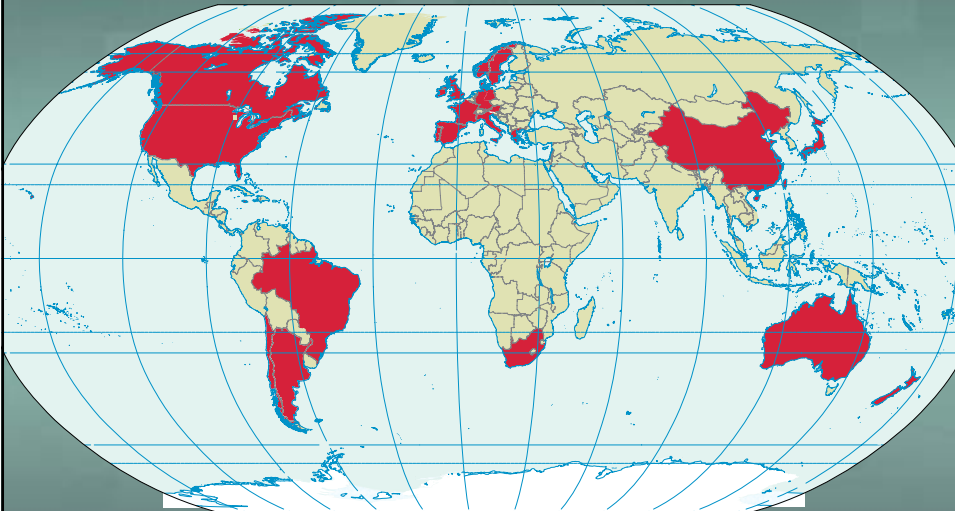
Diverse Membership

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



4

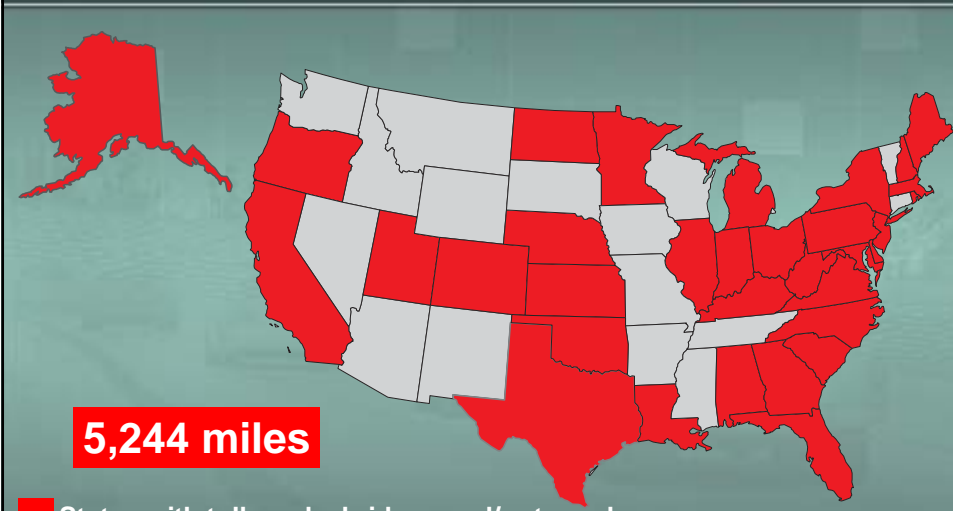
Members in 23 Countries



DATA

5

US Toll Roads, Bridges & Tunnels



5,244 miles

 States with toll roads, bridges and/or tunnels

DATA







6

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

7

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 

8

Conventional Funding Is Not Sufficient

\$50M builds one mile
of urban roadway

UP 40% since '03



Shortfall **\$30B**
through 2025

11/11/14

9

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

11/11/14

10

CHICAGO SKYWAY SOLD!

Transportation experts clamored when a foreign consortium spent \$1.8 billion to lease the Chicago Skyway claiming the group had bid too much for the shortcut to the Loop.

State and municipal governments across the country are beginning to see the possibilities for leasing roads as the city of Chicago winner in the Skyway

The Boston Herald, a publication of the Boston Financial, put profits under city ownership at \$25 million per year in an article just after winning bid was announced. And that was before

SOLD!

On Monday, Governor Mitch Daniels said a Spanish-Mexican consortium had bid \$3.95 billion to run the Indian Toll Road, a 157-mile highway across northern Indiana that runs from the Illinois border to Ohio, for 75 years.

The legislature still has to approve the proposal, but they're not going to slow down this concept, Indiana lawmakers have only to look north,

INDIANA TOLL ROAD SOLD!

connects the Dan Ryan Expressway with the Indiana Toll Road. Lots of public officials took notice.

A Merrill Lynch & Co. report published last July on the subject of U.S. toll road privatization asked whether sales like the roadway were one-offs, or do they represent the beginning of a sweeping trend that

100%

CHICAGO

TRANSPORTATION

SOLD

SESSION HIGHLIGHT

PRIVATIZATION-DEAL OR NO DEAL?

Moderator: Steve Snider, Dartmouth-Hallifax Bridge Commission

Date: Monday, September 18

Time: 2:30pm-5:00pm

"Privatization looks squarely at the issue of privatizing public infrastructure in Europe. While turning over control of highways to private contractors and operators is still hotly debated, the practice is still hotly debated."

SESSION HIGHLIGHT

BUILDING A STRATEGIC ALLIANCE ON CONGESTION

Moderator: Mary Peters, HDR

Date: Wednesday, September 20

Time: 9:30am-11:15am

"Building a Strategic Alliance on Congestion (How to Make a Frog Jump)" looks at the seemingly intractable problem of urban congestion from at least four viewpoints: customers, providers, government and think tanks. Workable solutions will require an alliance of all of these interests... and more."

PPP's...One Size Does Not Fit All



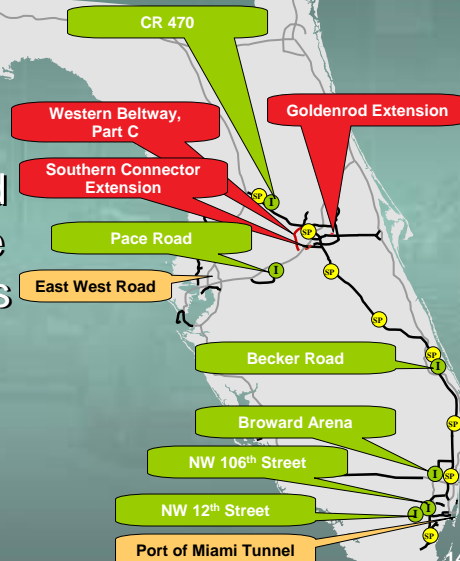
- 50 year tolling history
- 764 miles of toll roads
- Toll facilities serve 75% of population
- Receptive to tolling
- Embrace ETC
- Significant growth

13

PPP's...One Size Does Not Fit All

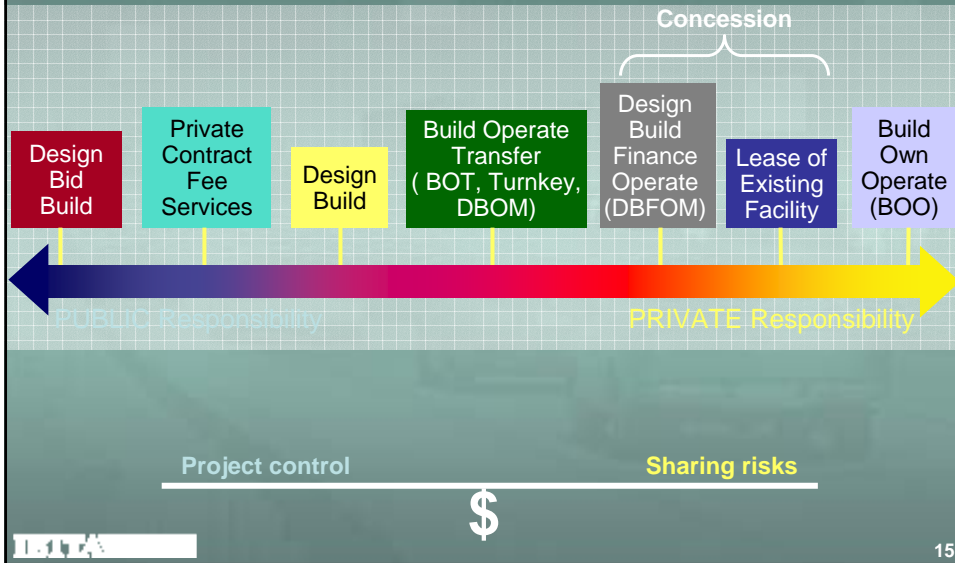
History of PPP's to build new alignments, service plazas and interchanges

Built with PPP	
	Toll Facility
	Service Plaza
	Interchange



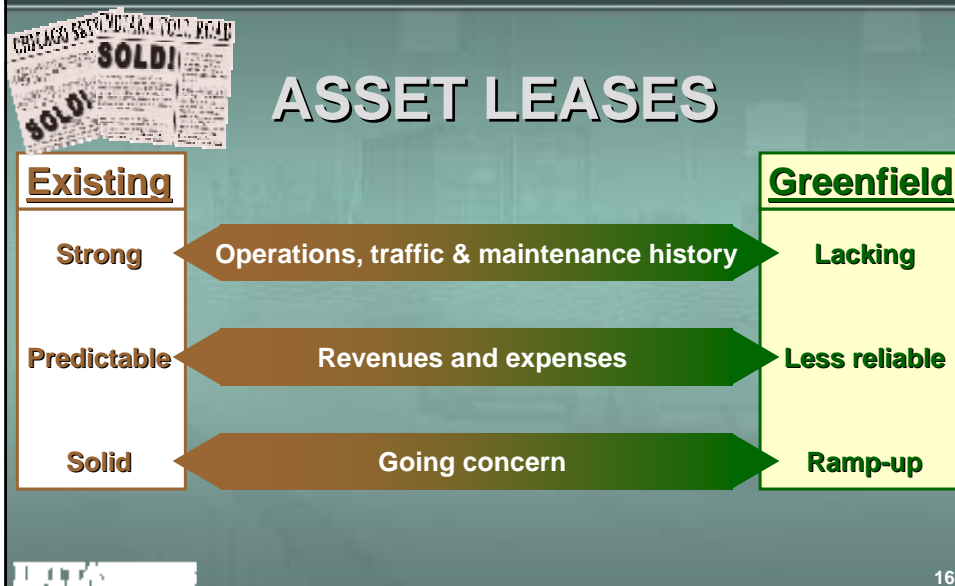
14

PPP's...One Size Does Not Fit All



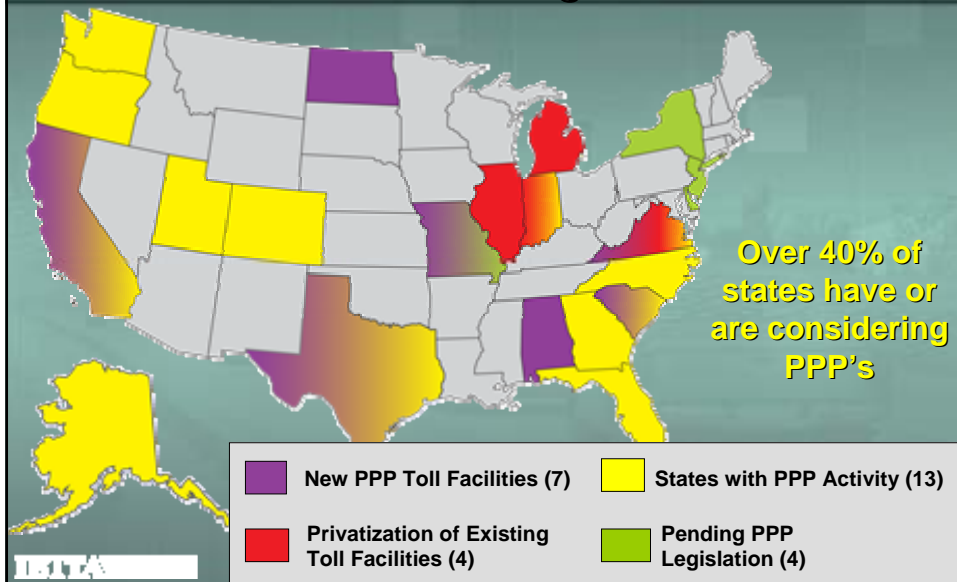
15

PPP's...One Size Does Not Fit All

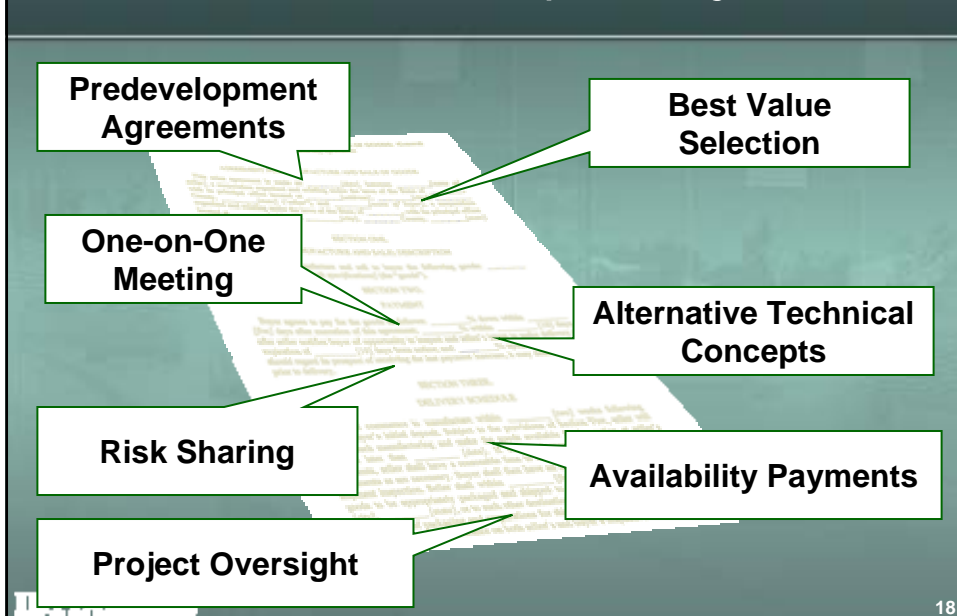


16

Relieving Congestion... ... Building New Corridors



PPP's: US & European Hybrid



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



19

Bottom Line

- 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



20