

Remarks of Jim Ely
IBTTA President
To 35th Study and Information Days of ASECAP
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Introduction

Good afternoon. My name is Jim Ely. I'm the Executive Director and CEO of Florida's Turnpike Enterprise and President of IBTTA. Florida's Turnpike operates 460 miles of tolled motorways and collects more than \$700 million in toll revenues annually.

I have worked for Florida's Department of Transportation for more than 33 years and have been Director of the Turnpike for the least 18 years.

It gives me great pleasure to speak to you during the 2007 ASECAP Study and Information Days. I offer my thanks to your hosts from TEO, to your current president Joao Bento, to your incoming president Fabrizio Palenzona, and to your Secretary General Kallistratos Dionelis.

Long history of friendship and cooperation between ASECAP and IBTTA

It's a pleasure to be here, first, because this is my second visit to Greece. My first visit happened last June when IBTTA was a co-sponsor of the Transportation Research Board's first International Symposium on Freeway and Tollway Operations in Athens. My good friend Bill Halkias and the Attika Tollway were the hosts and major sponsors of that excellent event.

It's also a pleasure to be here because of the long history of friendship and cooperation between ASECAP and IBTTA. Several past presidents of IBTTA have been involved in building up the relationship between our two associations including Vince Leonetti, Jean Francois Poupinel, and Steve Mayer.

In 2004, we established formal ties between ASECAP and IBTTA through a Memorandum of Understanding. And in 2005, ASECAP and IBTTA worked together to hold the International Transportation Finance Summit in Nice, France, with more than 200 attendees from around the world.

We are grateful for your friendship and extend special good wishes to your President, Joao Bento, and steering committee members Jean Mequi, Antonio Diez de Rivera, and Maurizio Rotondo, who also serve on IBTTA's Board of Directors.

Long history of concessions in Europe

The transportation funding crisis continues to be a major issue in North America. We recognize that there is a gap of more than \$50 billion annually between the revenues we have and the revenues we need to invest just to keep the highway system in the United States from deteriorating further. Without that additional \$50 billion annual investment, the highway system in the US will continue to deteriorate and congestion will worsen.

Tolling will be a growing part of the solution to the transportation funding crisis in the US. Toward that end, state and local governments are looking more and more toward Europe, Australia, and Latin America for models of how to bring additional investment into the highway system. While the concession model is quite common in Europe, it is relatively new in the US and we find ourselves struggling over the appropriate US model of concession.

You are probably aware of the long-term leases of the Chicago Skyway and the Indiana Toll Road. In those two transactions, the consortium of Cintra-Macquarie paid \$1.83 billion and \$3.85 billion to obtain concessions to operate those two roads for 99 years and 75 years, respectively.

This type of transaction is very unusual in the United States, especially in the toll road sector. Because of those two transactions, and the negative public reaction to the large toll increases that will happen as a result, and the diversion of toll revenues to foreign investors, there is a public backlash not only against these long-term leases but also against the concept of public-private partnerships in general.

In the state of Texas, as an example, four years ago the governor and state legislature adopted a policy that virtually all new roads in the state would be toll roads. And private investors were invited to be a major part of this new development. All of this happened without a thorough public debate on the policy. In essence, the state of Texas adopted a policy to promote public private partnerships – but without an open and rigorous public debate about the issue.

So, the concept of PPP is in some danger in the US right now – even as the needs for transportation investment continue to outstrip the available funds. Now we are beginning to have the public debate that we probably should have had years or decades ago. Therefore, as the transportation funding crisis intensifies, we in the US are debating different models of investment, ownership, operation – and starting to develop our own model of concession.

It will be an interesting debate. In the years ahead, we look forward to working closely with our colleagues from ASECAP to promote tolling as one of the most powerful and agile tools for financing the construction, operation and maintenance of road infrastructure. We also hope to take the lessons you have learned in developing the European concession model over the last 50 years to guide the American toll road industry in developing a concession model that is most appropriate for North America.

We have much to learn from you, and much to learn from one another. We salute you and our continued cooperation with one another.

Growth and expansion of IBTTA in Latin America

As the debate over transportation funding and PPPs continues in the United States, IBTTA has been active in expanding its footprint in Latin America.

As you may know, IBTTA has hundreds of members in 25 countries on six continents. Until recently, our presence in Central and South America has been relatively modest.

Last November, we held a Technology Workshop in Santiago, Chile. More than 300 toll industry professionals from Europe, the US and Latin America attended this event, and several new members have joined IBTTA. Antonio Diez de Rivera, who is the International Vice President of IBTTA as well as the Executive Director of ASETA and a member of the ASECAP Steering Committee, provided the vision and leadership for this meeting.

To follow up that effort, we will be holding a **Toll Road Summit of the Americas** in Buenos Aires, Argentina, in late March of 2008. We expect more than 250 attendees from Latin America and other parts of the world to attend. We will keep you informed of our plans and welcome your involvement and participation.

Come to Technology Workshop in Berlin and Annual Meeting in Vienna

But long before our meeting in Argentina, we will hold our Technology Workshop at the Palace Hotel in Berlin, Germany on June 10-12. We will focus on many issues of importance to all of us including:

- Cross Border Interoperability Projects
- Vehicle Infrastructure Integration (VII)
- Multilane Free Flow or Open Road Tolling
- Violation and Exception Handling
- And other Technical and Policy Issues

I hope you will join us for this very robust program on toll technology and policy.

Later this year, IBTTA will hold its 75th Annual Meeting and Exhibition in Vienna, Austria, on October 7-10, 2007. This meeting will be held at the same venue where the ASECAP Study and Information Days were held in 2005.

We anticipate more than 600 attendees from Europe, the Americas, and other parts of the world to attend this meeting. There will be more than 25 educational and technical sessions with more than 100 presenters. New this year, we will be holding an "Open House Poster Session" during which presenters will have the opportunity to present their work to audience members in a more informal and intimate setting. I hope you will join us for the premier IBTTA meeting of the year.

We know that the ASECAP Steering Committee will be holding one of its quarterly meetings in Vienna at the same time. ASFINAG has graciously offered to host a combined dinner for the IBTTA Board of Directors and the ASECAP Steering Committee. We are very pleased by this invitation and look forward to this opportunity to strengthen the warm bonds between your two organizations.

Conclusion

We see tremendous opportunities for the toll industry to grow in coming years. The embrace of ETC, open road tolling, and pricing for congestion management have placed tolling at the center of the debate over mobility and sustainable development.

We look forward to working with all levels of government to promote and enhance tolling around the world. And we look forward to continuing our strong, friendly relations with ASECAP.

Thank you again for the opportunity to be here. I wish you much success during the Study and Information Days.

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