

**Remarks of Susan Buse, President  
International Bridge, Tunnel and Turnpike Association**

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**Introduction**

Good morning! It's a pleasure to be with you today.

My name is Susan Buse. I am the 2008 President of the International Bridge, Tunnel and Turnpike Association.

IBTTA is the worldwide association for the owners and operators of toll facilities and the businesses that support them. IBTTA has members all over the U.S. and in 25 countries on five continents around the world. Founded in 1932, we celebrated our 75<sup>th</sup> anniversary last year.

As President, I am the chief elected officer of IBTTA and serve a one-year term that coincides with this calendar year. Some of you may also know our Executive Director and CEO, Pat Jones.

In my day job, I am the Assistant Executive Director for Project Evaluation and Treasurer of the North Texas Tollway Authority – NTTA. As most of you probably know, NTTA is a political subdivision of the State of Texas that operates several turnpike projects across four counties of the Dallas-Fort Worth Metroplex.

**Key Messages about Tolling**

Since I'm the tolling expert on this panel, I would like to use this opportunity to make a few key points about the industry I represent:

- 1) **The nation's economy depends on a strong transportation system but it's in crisis because of a lack of funding, deteriorating infrastructure, and growing congestion.**
  - America's interstate highways turned 50 years old in June of 2006. Two years ago. The anniversary spotlights government's inability to keep up with future maintenance costs, let alone fund improvements and new construction.
  - Gas taxes – the traditional way to fund roads – are a diminishing resource. Given the rising cost of gasoline, more fuel-efficient vehicles and political unwillingness to raise taxes, the fuel tax will never again be enough to support American infrastructure.
  - Alternative road-funding sources – including tolling and road pricing – are imperative.
  
- 2) **Tolling is a reliable, fair and time-tested mechanism to fund, develop and operate roads – it's also much easier to implement now with new technology.**

- Unlike government funding, user-generated revenue is dependable.
- Toll funding stays in the transportation system and builds facilities with the greatest potential public benefit fast and efficiently.
- Tolls are fair user fees that give drivers choices: If you use a toll road, you pay for it. Whereas with the gas tax, motorists pay for the funding of projects they may never use.

**3) While tolling is not the answer in every case, it's a powerful, agile tool for mobility that works well now and will be a big part of our nation's future transportation solutions.**

- Motorists and public officials increasingly recognize tolling as an integral part of the solution to the U.S. transportation crisis.
- A growing trend is the reliance on user-generated toll revenue to support transportation infrastructure, as cash-strapped states search for innovative funding solutions to fill the gap created by the inadequate federal gas tax and unreliable funding.
- Thanks to technological advances, tolling can actually alleviate congestion and better manage traffic flow.
- Tolling also affords the means to provide high-quality transportation infrastructure, subsidize other modes of public transit and stimulate economic growth.
- No other financing mechanism can offer all of these benefits.

**4) IBTTA members are leaders in providing customer-driven mobility through their expertise in transportation finance, technology, management and operations.**

- The IBTTA is the worldwide association of toll facility owners and operators and associated industry professionals.
- We are working to drive positive change in surface transportation policy.

**Innovative Finance**

Innovative finance is a hot topic today and in the title of this session. Our friend Joe Giglio from Northeastern University likes to provide this definition of **innovative financing**: "I don't have any money, do you?"

As a former CFO, I could talk to you about financing and the challenges of the current market conditions until well into the night. But I won't do that. I will say that in the toll industry, we rely on a very old financial instrument called **bonds**, and those bonds are supported by revenues supplied by the people who drive on our roads in the form of **tolls**. It's a pretty straightforward process. We borrow money today – bonds – so we can build our roads. Then we charge people tolls for 30 years, both to pay off the bonds and to pay for the ongoing operation and maintenance of the roadway. Make no mistake – what may seem like "new money" is the same old concept – borrowing against future toll payers. Whether we are borrowing for new toll facility construction or for contributions to general transportation, our grandchildren will be paying for it.

It works because we're collecting tolls from people who see value in paying good money to use our roads to get to work or to school and to do all the ordinary things people do in their daily lives. I'm proud to be in the toll business because we provide a service that people need, use, and are willing to pay for.

Financing is important. But in the context of transportation, innovative financing is worthless unless you have a dedicated revenue stream. Financing without dedicated revenues is like a garden hose without the water. Unless the water is **turned on**, even the most innovative hose doesn't do you any good. And diverting the water for non-transportation related purposes is like using a soaker hose to wash the car.

### **Seeing the Big Picture**

A good transportation system is about more than simply having enough money. We can't just pave over everything to supply ever increasing needs for mobility; we have to manage demand. As transportation professionals, we're part of a much bigger picture that is becoming more and more integrated all the time. Or, perhaps, we are perceiving the integration more acutely than we did before. My work with IBTTA has exposed me to the debates and ideas from around the world. We're all dealing with the same issues. Here and abroad.

We talked about transportation as one of the bulwarks of a strong economy. A strong economy also requires energy. A sustainable economy requires transportation choices that are not dependent on the automobile. It requires the cooperation of employers and builders. It requires more responsible land use decisions. And it means linking all of these decisions in harmonious ways.

We have under-valued and under-priced transportation. We look at the lost productivity and air quality effects of congestion, but what are the other consequences of cheap mobility? If commuting weren't so easy, would we have stayed in the cities and demanded better public education? If multiple cars and cheap gas were not available would families have stayed together? If we had charged trucks the true cost they impose on our transportation system, would we have a vibrant freight rail system today? If we had charged car drivers the true costs they impose on our environment, would we have an adequately funded transit system in our congested cities? There is a big disconnect in the public perception of transportation costs and benefits.

About two weeks ago, a group called the U.S. Senate Democratic Steering and Outreach Committee held a meeting in Washington, DC to talk about transportation infrastructure. One of IBTTA's members, Steve Heminger from the Metropolitan Transportation Commission in Oakland, California, suggested that the senators should combine the next big transportation bill with the next big energy bill. The reasons are obvious. With higher fuel prices, more fuel-efficient vehicles, lower travel demand, reduced fuel consumption, and natural resources becoming scarcer, America's energy and transportation policies are inextricably linked.

But Mr. Heminger received a cool reception to his idea. One senator said simply, “that’s not how we do things around here.”

Albert Einstein said, “We can’t solve problems by using the same kind of thinking we used when we created them.”

Here’s a little story to illustrate the process of how we get into problems in the first place. How we avoid them. And how we can pursue another route.

It’s called “An Autobiography in 5 Short Chapters.”

### **Chapter 1**

I walk down the street.  
There is a deep hole in the sidewalk.  
I fall in.  
I am lost... I am helpless.  
It isn’t my fault.  
It takes forever to find a way out.

### **Chapter 2**

I walk down the street.  
There is a deep hole in the sidewalk.  
I pretend that I don’t see it.  
I fall in again.  
I can’t believe I am in this same place.  
But, it isn’t my fault.  
It still takes a long time to get out.

### **Chapter 3**

I walk down the same street.  
There is a deep hole in the sidewalk.  
I *see* it is there.  
I still fall in ... it’s a habit ... but, my eyes are open.  
I know where I am.  
It is *my* fault.  
I get out immediately.

### **Chapter 4**

I walk down the same street.  
There is a deep hole in the sidewalk.  
I walk around it.

### **Chapter 5**

I walk down another street.

## **Conclusion**

We don't fully understand now what it will take to get us out of the transportation financing and energy crises we face today. But if we keep walking down the same road, pretending not to see the big hole, and believing that "it's not my fault," then we **will** keep winding up at the bottom of that hole.

We have choices. We can choose a new path. We can take responsibility for our decisions. We can honor the linkages between energy, transportation, the environment, land use, and a strong economy. We can do better. In Texas. In America. And around the world. I hope we do. And I hope to see you again, on a different street.

I thank you again for inviting me to be with you today. I look forward to a robust discussion of all these issues during the Q and A.

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