

# **IBTTA Summit on Legislation, Policy & Infrastructure Finance**

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## **Thematic Report**



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## **Executive Summary**

With the transportation reauthorization debate gaining momentum on Capitol Hill and the Highway Trust Fund about 100 days from insolvency, the International Bridge, Tunnel and Turnpike Association (IBTTA) convened its *2014 Summit on Legislation, Policy & Infrastructure Finance* in Washington, DC March 10-11.

The Summit brought together a wide diversity of panelists and participants around a common theme: the urgent need to address the transportation funding deficit through a long-term federal highway bill.

A panelist said the Summit was taking place at “a very opportune time.” Congress will address the immediate problem with the HTF in the next few months, he predicted, but “the most important thing we need to deal with is reauthorization and long-term financing,” including a “very strong role” for tolling.

Legislators on both sides of the aisle acknowledge the need to invest more in America’s national transportation network. But **Hon. Ed Rendell**, former Governor of Pennsylvania and Co-Chair of Building America’s Future, underscored the urgent need for decisive action.

“We are falling apart and falling behind, and it’s time that we do something about it,” he said. “What I need you all to do is deliver a message to your Congress members and Senators that we need infrastructure spending at a significant rate.”

The immediate legislative challenge is to replenish the HTF. The [Highway Trust Fund Ticker](#) on the U.S. Department of Transportation website projects that the fund will run out of cash by August 31.

Members of Congress are unlikely to either raise taxes or open the door for more user financing before mid-term elections in November. But they won’t want the HTF to slide into insolvency before voters go to the polls. Observers generally expect a short-term fix in late summer or early fall, followed by a scramble to pass a highway reauthorization bill during the “lame duck” Congressional session in late 2014.

For the longer term, panelists and participants agreed on the need for a long-term, stable source of transportation funding. Several panelists expressed support for a gas tax increase, though most acknowledged the limited political support for the idea. There was widespread acknowledgement of tolling as an option for funding essential highway projects, some of it from organizations that have not traditionally supported tolling.

Discussion during the Summit touched on a variety of items that could be incorporated in the reauthorization bill, despite the conflicting interests Congress will have to reconcile before taking action. Rendell proposed five elements of a comprehensive action plan, including:

- Raising the gas tax for a limited period of time
- Converting to a vehicle miles travelled charge
- Bringing back Build America bonds

- Lifting the limit on private activity bonds, and expanding TIFIA to a \$10 billion annual program
- Lifting the ban on tolling existing Interstate highways.

Although most speakers emphasized the need for a strong federal transportation program, they also saw the greatest momentum for transportation funding coming from state and local governments. Highway infrastructure was mentioned in 26 out of 40 state of the state speeches this year. And last year, 91% of the referenda and ballots calling for increased borrowing or taxes for transportation infrastructure were successful.

But large, long-term solutions require broad coalitions, effective organizing, and an ability to demonstrate value for the dollars that are spent. "Tolling an existing Interstate sounds like a really great idea. It is a great idea. It has enormous potential. It's worth trying," a panelist said. "But it's awfully hard to do." In presentations by **Texas State Sen. Robert Nichols** and **U.S. Representative Daniel Webster** (R-FL), participants heard about successful efforts to expand tolling and adopt a variety of other innovative financing mechanisms in Texas and Florida.

During a panel discussion with customer groups that have traditionally been skeptical of tolling, participants heard that the American Automobile Association supports tolling to pay for new capacity not fully funded or financed by other means, while truckers and tourism operators share the tolling industry's deep concern about highway congestion. The American Highway Users Alliance expressed support for new toll roads, tolling of new lanes on existing capacity, conversion of underutilized HOV lanes to toll, and electronic toll collection and variable pricing as strategies to maximize highway use.

Meanwhile, with a cluster of emerging technologies on the horizon, panelists painted a portrait of a 21<sup>st</sup> century transportation system that is efficient, reliable, multi-modal, and interoperable. Panelists foresaw possible futures in which the internal combustion engine largely disappears as early as 2020, and tolling triples in volume over the next 10 to 15 years.

To clear the transportation infrastructure deficit and embrace tolling as an essential funding tool, panelists agreed that voters and highway users will have to buy in to a vision of safe, reliable mobility, enabled by a more flexible approach to highway funding. To reach that goal, the tolling industry will have to demonstrate a consistent commitment to delivering on its promises, and the federal government will have to decide to lead, follow, or get out of the way. "There's some getting out of the way to do, especially around tolling," a panelist said.

### Introduction: The Political Context

The International Bridge, Tunnel and Turnpike Association (IBTTA) convened its 2014 *Summit on Legislation, Policy & Infrastructure Finance* against a familiar backdrop: A mounting infrastructure funding deficit, the looming bankruptcy of the U.S. Highway Trust Fund (HTF), limited political impetus to raise the federal gas tax, and growing momentum for a mix of state and local solutions.

During their deliberations March 10-11, participants reached a remarkable level of agreement on the scope and severity of the infrastructure funding crisis, and on the need for practical solutions included in a long-term federal highway bill.

“You’re here at a very opportune time,” **Pete Ruane** of the American Road and Transportation Builders Association told participants in the opening session. Congress will address the immediate problem with the HTF in the next few months, he predicted, but “the most important thing we need to deal with is reauthorization and long-term financing,” including a “very strong role” for tolling.

**Jack Schenendorf** of Covington & Burling, LLP said legislators on both sides of the aisle acknowledge the need to invest more in America’s national transportation network. But **Kathy Ruffalo** of Ruffalo and Associates said it’s been a challenge to articulate a vision of an effective, national transportation system. “We haven’t given them a narrative or a story that helps them sell it to the public.”

Participants heard a passionate call for action from **Hon. Ed Rendell**, former Governor of Pennsylvania and Co-Chair of Building America’s Future.

“We are falling apart and falling behind, and it’s time that we do something about it,” he said. “What I need you all to do is deliver a message to your Congress members and Senators that we need infrastructure spending at a significant rate.”

### A Short-Term Fix

Most panelists agreed that there is little momentum for a gas tax increase, and Members of Congress are highly unlikely to either raise taxes or open the door for more user financing before mid-term elections in November. By the same token, they don’t want the HTF to slide into insolvency before voters go to the polls. So observers generally expect a short-term fix in late summer or early fall, followed by a scramble to pass a highway reauthorization bill during the “lame duck” Congressional session in late 2014.

**Bud Wright** of the American Association of State Highway and Transportation Officials (AASHTO) pointed to a [Highway Trust Fund Ticker](#) on the U.S. Department of Transportation website that projects insolvency by August 31.

“That means states are not going to be reimbursed by the federal government for commitments to projects that have already been made, for work that’s already been completed,” he said. So states will have to “step up with dollars they shouldn’t have to use” to pay their contractors, or the contractors won’t be paid.

“That’s the harsh reality facing us, and it’s something we’re doing our best to make sure every single Member of Congress understands,” he said.

But panelists agreed that a solution to the immediate HTF crisis is not the win that is needed in 2014. “Hell, no. That’s a stalemate,” Ruane said. “Victory to us is a long-term reauthorization bill that produces reliable, recurring revenue.”

**Billy Moore** of the Transportation Transformation (T2) Coalition agreed that Congress will likely move to prevent a shutdown or severe slowdown in highway programs just before the election, then subsequently pass a four- or five-year bill that contains the building blocks of a long-term funding solution.

But Rendell said it would be unfortunate if legislators opted for a two- to three-month HTF extension to get through the mid-terms. “That means we miss a construction cycle,” a loss that would be “extraordinarily important” to the effort to rebuild America’s roads and bridges. Building America’s Future President **Marcia Hale** said no elected official wants to see major highway or transit projects delayed before they have to face the voters, “so that’s something we should take advantage of.”

### **Longer-Term Solutions**

**Janet Kavinsky** of the U.S. Chamber of Commerce expressed support for a fully funded, long-term transportation bill with a primary focus on user fees. The effort to maintain HTF programs and clear the highway infrastructure backlog will touch almost every Congressional district and require hundreds of billions of dollars over the next 10 years, she said.

The Chamber takes no position on tolling, but Kavinsky urged participants to “get out and talk about what that value is when Members of Congress are home.” By highlighting options for bringing more resources to bear for transportation, she said transportation advocates can counter the view that the funding crisis can be solved solely by devolving responsibility to the states or relying on public-private partnerships.

Several panelists underscored the need for a long-term, stable source of transportation funding. “Everyone we talk with, whether it be governors, whether it be Members of Congress...they talk about the importance of federal investment in a robust national economy,” Wright said. Part of the problem is that MAP-21 was a two-year bill with “about five or six years’ worth of policy reform in it,” but “what was not in MAP-21 was the funding necessary to get through those five or six years.”

This time around, Wright predicted a General Fund infusion to address the immediate shortfall. “Is that the right way to deal with this problem? Absolutely not.”

### **Performance Standards in MAP-21**

But some panelists pointed to the process reforms in MAP-21 as a cornerstone for new funding arrangements in this year’s bill.

**Steve Heminger** of the Bay Area Toll Authority said many of the witnesses before the National Surface Transportation Policy and Revenue Study Commission, where he served as commissioner, wanted an immediate discussion of revenue sources.

“Fortunately, we resisted that call and thought our first job was to figure out what we wanted the program to do,” he recalled. The Commission consolidated 108 categorical programs into 10 key priorities, with most of the investment reserved for management of existing assets, globalization of the flow of goods, and improved mobility in metropolitan areas.

But “we’re still on that subject, and that lack of focus is one reason we don’t have a long-term bill that, if all had gone well, we would be enjoying the sixth year of right now.”

“We really were supportive of the notion of performance standards,” agreed Schenendorf, who served on the same commission. “But I don’t think the public relates to standards,” particularly when the funding is intended for a complex, multimodal system. “That’s one of the places we’re struggling,” he said. “We’re asking for real money, but if we’re asked what [customers] are going to get for it, we can’t really describe it.”

**Sen. Robert Nichols**, Chairman of the Texas Senate Transportation Committee, said his state had done some streamlining of its own by requiring agencies to run their environmental processes in parallel, rather than in sequence. “We’ve found that helps make the process more compact,” he said, and TXDOT expects even greater improvements from an upcoming agreement on environmental assessments with the Federal Highway Administration (FHWA). “We do expect that the final adoption of all of this will save the state and our local partners millions of dollars in just a few years.”

A couple of panelists said process improvements can pave the way for reinvestment, since voters are more willing to pay for transportation projects when they know what they’re getting. But Rendell said no effort to clear burdensome regulations will be enough to close the infrastructure funding gap. The MAP-21 reforms were a good move in the right direction, “but it doesn’t matter how fast we can move the EIS [Environmental Impact Statement],” he said. “There’s not going to be any EIS” without proper funding.

### **What Can Congress Do?**

Panelists suggested the eventual Congressional bill could authorize anywhere from two to six years of transportation funding. But their discussion of the details illustrated the conflicting interests that will have to be reconciled before legislators can get the job done.

- If allocations for future programs are set close to today’s funding levels, stakeholders will be very protective of the resources they currently receive. A significant increase that benefits all modes could make it easier to reach broad agreement.
- A six-year bill could be offset by as much as \$100 billion in corporate tax relief. But if transportation dollars come from the General Fund, users will be extremely watchful of dollars that they perceive to be theirs.
- If the bill seeks to combine trust funds or introduce user fees, some stakeholders will complain that their dollars are being reallocated to competing modes.
- A large spending bill would be open to criticism for adding to an already cumbersome national debt. But if tolling is put forward as an alternate revenue

source, voters will ask what they're getting for their money, and federal legislators will have to defer the question to state governments.

A participant said the size of the investment gap can make it difficult for local authorities to articulate the benefits of a more comprehensive transportation program. "A lot of the time, the state and local officials who really know what needs to be invested won't talk about it to Members of Congress because they don't know where the money's going to come from," he said. If they point to the important work that isn't being done, "they're going to be criticized as much as the federal government."

### **Legislative Initiatives To Date**

As of mid-March, when the Summit convened, several legislators had launched initiatives that could play some part in shaping the reauthorization bill.

- Rep. Earl Blumenauer (D-OR) had introduced two bills, one to raise the gas tax from 18.4 to 33.4 cents per gallon and index it to inflation, the other to allow states to establish voluntary pilot programs to test vehicle miles traveled (VMT) charges.
- In early March, the White House and House Ways and Means Chair David Camp had each proposed to partly address the HTF deficit through reforms to the tax code. A panelist described that proposal as a "desperation stopgap to fill a hole" that would ultimately drive user fees backwards.
- The House Transportation and Infrastructure Committee had formed a special panel on P3s and held hearings on transportation reauthorization, MAP-21 implementation, and supply chains and goods movement.
- The Senate Energy and Public Works Committee had held a hearing on MAP-21.

Early in the process, IBTTA filed written testimony with both Congressional committees.

A couple of panelists said the reauthorization process could include initiatives to free up the three slots for pilot tests of Interstate tolling, or to increase the number of slots to as many as 10. Others agreed that bill will likely advance national pilot tests for mileage-based user fees (MBUF), though not as an answer for this reauthorization or the next. **Jack Basso** of Peter J. Basso and Associates, LLC said the point of the Blumenauer VMT bill is to begin a transition that will take 10 to 12 years. "The bottom line is that we're at a crossroads, and we've been talking about that crossroads for five years," he said. "We under-invest and end up in great economic difficulty."

There was wide agreement that gas tax revenues are not a sustainable funding source for highway infrastructure, though some speakers expressed hope and support for an increase in this year's bill. A panelist said she'd been in the White House the last time the gas tax was raised, and the process was "perhaps the most brutal fight I witnessed," even in an era of earmarks. But she and another speaker pointed to growing consensus around the gas tax, including support from Fortune 100 CEOs and some conservative legislators who would not normally support tax increases.



A panelist said transportation funding is really a matter of trust. "People are happy to spend more on lots of things if they feel they get more for it. When we start convincing people that they're getting a lot and they're getting more, they'll spend it. But that's completely impossible in the current system."

### ***Perspectives from the Administration and Capitol Hill***

**Hon. Victor Mendez**, Acting Deputy Secretary of Transportation, said President Obama had proposed a four-year, \$302-billion transportation bill, including \$199 billion for highways and \$53 billion to fill the gap in the Highway Trust Fund.

"But we believe funding is only part of the equation," he said. "You have to be looking at efficiency, how we reinvent the way we conduct business, the way we build infrastructure, and also look at innovations and new ideas to bring more value to the resources that we do have." To work better, faster, and smarter, he said FHWA was adopting integrated planning to help communities save time and money, and embracing technology to deliver projects more quickly and efficiently.

In not-for-attribution comments, Congressional staffers from either side of the aisle:

- Identified highway infrastructure as "a non-partisan issue, and something that's really critical for the nation"
- Expressed support for completing the reauthorization bill on time
- Committed to working with stakeholders to shape the bill
- Pointed to the streamlining provisions in MAP-21 as a "fundamental foundation of reform"
- Acknowledged that a zero program "isn't acceptable to anyone," but a funding increase will be a major challenge
- Acknowledged the precarious state of the HTF as the "elephant in the room"
- Acknowledged that a two-year bill doesn't provide sufficient confidence to non-federal partners
- Noted that 32 states had already taken steps of their own to raise revenue, "and those states have had a consistent message: They're not doing this to take the place of the federal government."

A panelist said tolling "really is the market speaking in transportation, in very fundamental ways. When drivers pay to use a highway, they're acknowledging the value in the use of that highway, and they're willing to pay a price for it." That price, in turn, "allows you to convey to the driver that someone is paying for it."

### **State and Local Solutions**

State and local governments want to address the reality of uncertain, potentially declining federal revenue, and nearly three dozen states have taken steps in that direction. Last year, Rendell said, 91% of the referenda and ballots calling for increased borrowing or taxes for transportation infrastructure were successful.

### ***Searching for Strategies***

But large, long-term solutions can be elusive, said **Bradley Mallory** of the Pennsylvania Department of Transportation. "Tolling an existing Interstate sounds like a really great idea. It is a great idea. It has enormous potential. It's worth trying. Lord knows, Pennsylvania tried," he said. "But it's awfully hard to do." Given that reality, a gas tax increase "is one of the best things you can do for funding." Even that "isn't easy, and it shouldn't be easy if you're going to raise taxes."

Mallory said a successful transportation funding initiative comes down to broad coalitions, effective organizing, and an ability to demonstrate value for the dollars that are spent. In California, a state where 80% of the population is covered by some form of local transportation tax, one panelist said that value takes the form of a multi-county express lane network that had scarcely been imagined a decade ago.

Small transportation agencies took the risk to get different express lanes built, but "fundamentally, we could not have done it without federal help," the panelist said. But "these tolling projects live or die on public acceptance. Not technology, and not funding."

**Sue Gander** of the National Governors Association Center for Best Practices, gave two reasons for governors to engage with a national dialogue on transportation: concern about the "shifting nature" of federal funding, and an interest in innovation at the state level. As a measure of the importance states attach to transportation infrastructure, she noted that the topic appeared in 26 out of 40 state of this year's state of the state speeches.

States are considering a variety of new fee structures to meet their transportation needs, but governors are still looking for greater certainty in the federal government's longer-term funding plan. They're also asking for greater flexibility and fewer administrative delays: "If the states are receiving less funding from federal partners, they want to call the shots a little more," Gander said.

### ***Texas and Florida Lead the Way***

State Sen. Robert Nichols traced Texas' striking success with state and local initiatives to a constitutional provision that dedicates transportation revenue to pay for roads and bridges through the Texas Mobility Fund. With this degree of certainty, TXDOT "can look far out in time" and plan projects to meet known or projected demand for mobility.

Despite rapid population growth, Texas has not raised highway fees since 1991. Instead, the Mobility Fund brings in about \$400 million per year for current projects by issuing bonds and borrowing against future revenues. In the next year, the state's voters will be asked to dedicate about \$1.4 billion in annual oil and gas royalties to highway projects.

Nichols gave a detailed account of Texas' history with user financing, from a constitutional amendment in the 1950s that prohibited the use of any state money to help build a toll road, to a more recent era that has seen the rise of toll authorities, regional mobility authorities, managed and express lanes, and P3s.

In Florida, much of the emphasis has been on using funds available from federal transportation programs to support revenue-generating projects, said **U.S.**

**Representative Daniel Webster** (R-FL). Years ago, at Webster's behest, the state

legislature set up an expressway revolving fund that offered loans for the development of toll authorities in Orlando-Orange County, Tampa-Hillsborough, and Miami-Dade. When the funds were repaid, they were allocated to other projects.

If the federal *Transportation Infrastructure Finance and Innovation Act* (TIFIA) were used the same way, Webster said, it would bridge the gap between the project funds available and the cost of a new road, and the money coming back to the program would be new revenue, available for reuse. "When we do that, we've not only added infrastructure," he told participants. "We've added dollars into the system." Offering states first refusal on the funds they were repaying would give them a powerful incentive to participate and initiate new projects.

Webster described the concept as "the most Republican idea you could have," since "the user is paying for the opportunity to use a road that would not have been there had there not been someone paying for it. That's so principled, it's mind-boggling that we could even come up with such a scheme."

### **The Voice of the Customer**

The Legislative Summit provided a valuable forum to hear from customer groups that have traditionally been skeptical of tolling. A panel featuring representatives of the American Automobile Association, the American Highway Users Alliance, the American Trucking Associations, and the U.S. Travel Association revealed important areas of agreement and ground for dialogue as the debate on Capitol Hill intensifies.

"We all believe in a well-funded, effective, efficient transportation system which is really the foundation of a strong economy," said session moderator **Frank McCartney** of Parsons Brinckerhoff. "I also think we agree that there's an important role for the federal government to help fund this system."

However, "we also know there are key areas of disagreement," he added. "All of these issues, and others you'll hear from our panelists, are particularly relevant as Congress begins its deliberations to craft a new transportation bill."

AAA's **Jill Ingrassia** said the 112-year-old federation of motor clubs had endorsed the Blumenauer bill to raise the gas tax. But in a "notable change" in position, the organization now supports tolling to pay for new capacity not fully funded or financed by other means, or to operate express lanes to improve Interstate traffic flow. AAA continues to oppose tolling existing capacity, especially Interstates. But "we do understand and recognize that the Interstates are aging and need to be upgraded."

Ingrassia said AAA's assessment of specific tolling projects depends on:

- Whether revenues will support mobility on the specific corridor
- Whether the motivation is to boost mobility or "discourage driving" through congestion pricing
- Whether motorists will receive a superior service option, and
- How well the proponent communicates with stakeholders. "Is this a one-way conversation, or is it a two-way conversation where public input is solicited?"

**Greg Cohen** of the American Highway Users Alliance said his organization supports construction of new toll roads, tolling of new lanes on existing capacity, conversion of underutilized HOV lanes to toll, and electronic toll collection and variable pricing as strategies to maximize use, as long as toll rates are clearly posted. The alliance opposes tolling of existing untolled Interstate lanes, diversion of toll revenue for other purposes, toll rates that are high enough to divert truck traffic to less safe roads, and devolution of the federal highway program to the states.

“Both the states and the federal government are obligated to safely operate that system” with fuel tax dollars, Cohen said. But “taking reality into account, we recognize there’s unlikely to be enough tax revenue to provide all the capacity” on the Interstates, so tolling of new capacity is acceptable.

The ATA’s **Pat Thomas**, Vice President of Public Affairs at United Parcel Service, said truckers pay close attention to tolling “because the highways are our office. This is where we spend our time. This is where we do our business. It’s not merely an inconvenience to have to pay a toll. It’s a matter of being able to stay in business.”

Thomas said truckers and tolling agencies have a common interest in a safe, reliable transportation system and a profitable business environment, and a shared concern about highway congestion. At UPS, “if every one of our drivers sits in traffic for five minutes every day, that costs our company \$105 million a year.”

**Erik Hansen** said the U.S. Travel Association focuses its attention on the traveler experience, whether the topic is air travel or highway congestion. One compelling way to describe the transportation infrastructure crisis is that if investment doesn’t increase, “every day will look like Labor Day on the roads,” he said. Asked how they would react to increasing congestion and deteriorating conditions on the Interstates, 30% of drivers said they would avoid one to five trips per year, and 10% said they would stay home.

“If travellers avoided just one trip per year using the Interstate highway system, that would have an economic impact of \$18 billion in lost spending,” Hansen said, “which is enough to support more than 200,000 jobs in the travel industry.”

Hansen cited Myrtle Beach, SC as a community that is already seeing the effects of Interstate congestion: as the commute time from the DC Metro area increased from eight hours to 10, tourism faltered and the local convention and visitor bureau pulled promotional resources out of a market that had been an important source of business.

For a travel destination like Myrtle Beach, the tough competition isn’t Orlando or Atlanta, he told participants. “It’s actually congestion. So this is a problem we have to solve,” and it’s within that framework that USTA views tolling.

### **Elements of a National Program**

Apart from the overarching issue of infrastructure funding and the specific items already under consideration by Congress, panelists and participants touched on several items that could be incorporated in the next national transportation program.

- The White House budget proposes \$302 billion to assure the solvency of transportation infrastructure programs over the next four years.
- The Administration is proposing to increase TIFIA funding by \$4 billion over four years. Mendez pointed out that federal rules permit states to repay TIFIA loans with tolling revenue. During a special panel on the program, a panelist noted that TIFIA approaches projects as both a lender and an investor, and has a duty to make sound investments.
- Legislators could encourage backup proposals for the three Interstate pilot projects, with the possibility of replacing the states that currently hold the slots if their projects don't progress.
- The number of pilot projects could increase from three to 10.
- There may be limited scope to build on the process improvements and performance measurement systems that were introduced with MAP-21.
- A performance standard could be put in place to support state governments that accept the political risk of taking an Interstate tolling proposal to their constituents.
- FHWA will be looking for guidance on how to appropriately designate rural projects for special consideration under TIFIA.
- Everyone involved with highway transportation would have a shared interest in eliminating any barriers that slow down the deployment of technologies to make the system safer, more efficient, and more reliable.

Rendell proposed five elements of a comprehensive action plan, including:

- Raising the gas tax for a limited period of time
- Converting to a vehicle miles travelled charge
- Bringing back Build America bonds
- Lifting the limit on private activity bonds, and expanding TIFIA to a \$10 billion annual program
- Lifting the ban on tolling existing Interstate highways.

### **The Future of Highway Transportation Begins Today**

Discussion throughout the Summit painted a portrait of a 21<sup>st</sup> century transportation system that is efficient, reliable, multi-modal, and interoperable, with rapid change enabled by a cluster of emerging technologies. Panelists foresaw possible futures in which the internal combustion engine largely disappears as early as 2020, and tolling triples in volume over the next 10 to 15 years.

Panelists from several jurisdictions said their agencies were combining user-financed highways with express buses, passenger rail, van pools, ride- and car-sharing, or other forms of mass transit. IBTTA President **Mike Heiligenstein** observed that "an express bus is not express unless it's moving." He described a new smart phone app designed to fill some of the 900,000 empty seats in the 300,000 single-occupant vehicles in an Austin commute.

A panelist said funding shortfalls become a barrier to technology deployment when state and local governments have to choose between filling potholes or building HOT

lanes. Yet a new technology opportunity has just moved to the near horizon, with USDOT's decision to require connected vehicle technology in new cars.

"That's a game-changer in terms of safety," the panelist said. "It's a game-changer in terms of mobility. It has some really amazing opportunities for the tolling industry." But given the pace at which technology is changing, "we have a very narrow window to get this through." Another presentation focused on applications of big data and analytics that will make more useful, real-time data available to toll operators and their customers.

### **Conclusion**

To clear the transportation infrastructure deficit and embrace tolling as an essential funding tool, panelists agreed that voters and highway users will have to buy in to a vision of safe, reliable mobility that is broader than a specific set of transactions. But a panelist said that will mean demonstrating that toll roads deliver on their promises. "It's doing the right thing," he said. "We have to tell people what they're going to get, then design a program that makes sure they get it."

IBTTA Executive Director and CEO **Patrick Jones** noted that most of the positive momentum for transportation solutions is coming from the state and local levels, and a panelist agreed that "one of the helpful things the federal government can do in certain places is to lead, follow, or get out of the way. There's some getting out of the way to do, especially around tolling."

At the same time, most panelists agreed that there's an important role for the federal government in a national transportation program.

One speaker pointed to the evolution of views that was evident in the discussion with the industry's customers and critics. "As an industry, we ought to grab that and say, 'amen,'" she said. "The time to have a rational discussion about tolling is here."

At the end of the customers' session, former IBTTA President Jim Ely thanked the panelists for "coming here and standing tall. We admire that, and we hope you'll come back."