



STATEMENT FOR THE RECORD  
**INTERNATIONAL BRIDGE, TUNNEL AND TURNPIKE ASSOCIATION**

REGARDING  
**PAVING THE WAY FOR FUNDING  
AND FINANCING INFRASTRUCTURE INVESTMENTS**

BEFORE THE  
**HOUSE COMMITTEE ON WAYS AND MEANS**

ON  
January 29, 2020

INTERNATIONAL BRIDGE, TUNNEL AND TURNPIKE ASSOCIATION

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On behalf of the International Bridge, Tunnel and Turnpike Association (IBTTA), we are pleased to submit this Statement for the Record to the House Ways and Means Committee.

IBTTA is the worldwide association for the owners and operators of toll facilities and the businesses that provide products and services to the industry. Our mission is to advance transportation solutions through tolling. Founded in 1932, IBTTA has more than 60 toll agency members in the United States and hundreds more in 20 countries on six continents.

We commend you, Chairman Neal, Ranking Member Brady, and all members of the Committee for your efforts to help develop a successor to the FAST Act. We appreciate the enormity of the responsibility before the Ways & Means Committee as it works hard to secure the funding needed to support the FAST Act surface transportation reauthorization, a larger infrastructure program, or something in between. We realize that paying for it is the key to any infrastructure packages.

While IBTTA supports increasing federal motor fuel excise taxes as one means of bringing additional revenue into the Highway Trust Fund (HTF), we are concerned that any potential increase will not be enough to address the large and growing investment needs across transportation modes across the country.

We believe state and local governments should have access to as many funding and financing tools as possible to manage their transportation assets. While tolling is not the solution to every transportation problem, it is a very powerful and effective tool now used to support more than 6,000 miles of the most heavily traveled highways in 34 states and Puerto Rico.

As the primary representative of the U.S. tolling industry, we acknowledge that a state's authority to toll, and the revenues from state and local tolling, do not directly contribute to the federal HTF. However, when tolling is utilized as a way to pay for much-needed surface transportation capacity expansion and reconstruction, limited federal funds from the HTF can be used by states and local governments to meet other transportation priorities. The 128 tolling entities and 340 tolling facilities across the country rely entirely upon toll revenues to support them, drawing nothing from the federal Highway Trust Fund.

Over the years, Congress has gradually lifted restrictions on states' ability to toll federal aid highways. The only restriction that remains is the ability to toll existing lanes of interstate highways. Giving states the ability to toll existing Interstate highways for the purpose of reconstruction would give states even greater leverage and the ability to make their federal dollars go farther. Giving states the ability to toll Interstate highways doesn't directly increase the size of the federal Highway Trust Fund but does address the demands made on the Highway Trust Fund.

## **Dedicated for Loan Programs**

During the Committee's hearing there was significant discussion aimed at the potential of increasing federal loan and bond programs, like the USDOT's Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance program, Build America Bonds (BABs) and increasing limits for the use of Private Activity Bonds (PAB's). Most loan programs require an identified source of repayment and toll financing plays very strongly as reliable source for such repayment. Within the TIFIA program itself, toll financed projects have very quickly repaid their loans and even entered into second loans based on this efficient "pay-back" mechanism. Toll financed projects also factor heavily in the BAB and PAB portfolios. Greater opportunities to marry toll financing with federal assistance provides opportunities to match local utility and benefits with the provision of Federal assistance.

We support efforts to increase the Private Activity Bond threshold to \$20.8 billion as proposed in H.R. 2541 and S. 352

## **Conclusion**

There are many instances of toll agencies across the nation stepping up to address expensive major transportation investment needs. As we have learned from our collective toll operator membership, there is no single "answer" that works in all places across the country.

As we look to the future of a growing population, changing mobility patterns, and technological advances, it is important that states and local governments responsible for meeting transportation demands have maximum flexibility to address their challenges.

Thank you for the opportunity to submit written testimony for the Record. Toll financing has a long and consistent history. At IBTTA, we want to continue to be a resource to you and, therefore, look forward to working with members of the Ways and Means Committee as you continue to work on ways to fund and finance surface transportation programs as part of the FAST Act reauthorization.