



The Federal Perspective on Innovative Financing for Surface Transportation

Chris Bertram

Assistant Secretary for Budget and Programs and CFO
U.S. Department of Transportation
Washington, DC



Historical Overview

- Construction of highways before to World War II, often relied on tolling – PA Turnpike etc....
- Construction of Interstate Highway System began in 1956.
- Cost to complete and 90 % federal share reduced interest in financing.
- Federal law actually prohibited tolling of roads that had received Federal funding.
- Interstate Highway declared complete in 1991.



The Evolution of the Federal Role

- Beginning of discussion on “innovative” or “alternative financing” in 1990’s.
- “One off” projects authorized by Congress like Orange County toll road.
- First financing programs created by Congress in 1995 – State Infrastructure Banks and Garvee Bonds.
- TIFIA created by Congress in 1998 in TEA-21.



TIFIA

- Most successful program to date -- \$6.7 billion portfolio.
- Originally there was limited interest – in recent years demand has far exceeded the funding.
- Spring 2010
 - 39 Letters of Interest
 - \$13 billion in credit assistance
 - Only had a fraction of the Credit Rate Subsidy needed
- Spring 2011
 - 34 letters
 - \$14 billion in assistance



Looking Forward

- Surface transportation programs have expired.
- Administration has proposed 6 year and \$550 billion program.
- Includes National Infrastructure Bank
 - Builds on TIFIA experience.
 - \$ 30 billion over 6 years.
 - Broad modal scope.
 - Can offer combination of grants and financing.