



**STANDARD & POOR'S  
RATINGS SERVICES**

**McGRAW HILL FINANCIAL**

# **Investor Relations: A Ratings Agency Perspective**

## **IBTTA Organization Management Workshop**

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**U.S. Public Finance Ratings**

# Credit Ratings: What They Are And Are Not

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## Are:

- Opinions about relative credit risk
- Opinion about ability & willingness of an issuer to meet financial obligations in full & on time
- Forward looking and regularly evolving
- Intended to be comparable across different sectors and regions

## Are not:

- Investment advice
- Indications of market liquidity or price
- Guarantees of future credit risk
- Absolute measures of default probability
- Expected ultimate loss given default

## Standard & Poor's Ratings Scale

### Investment-Grade

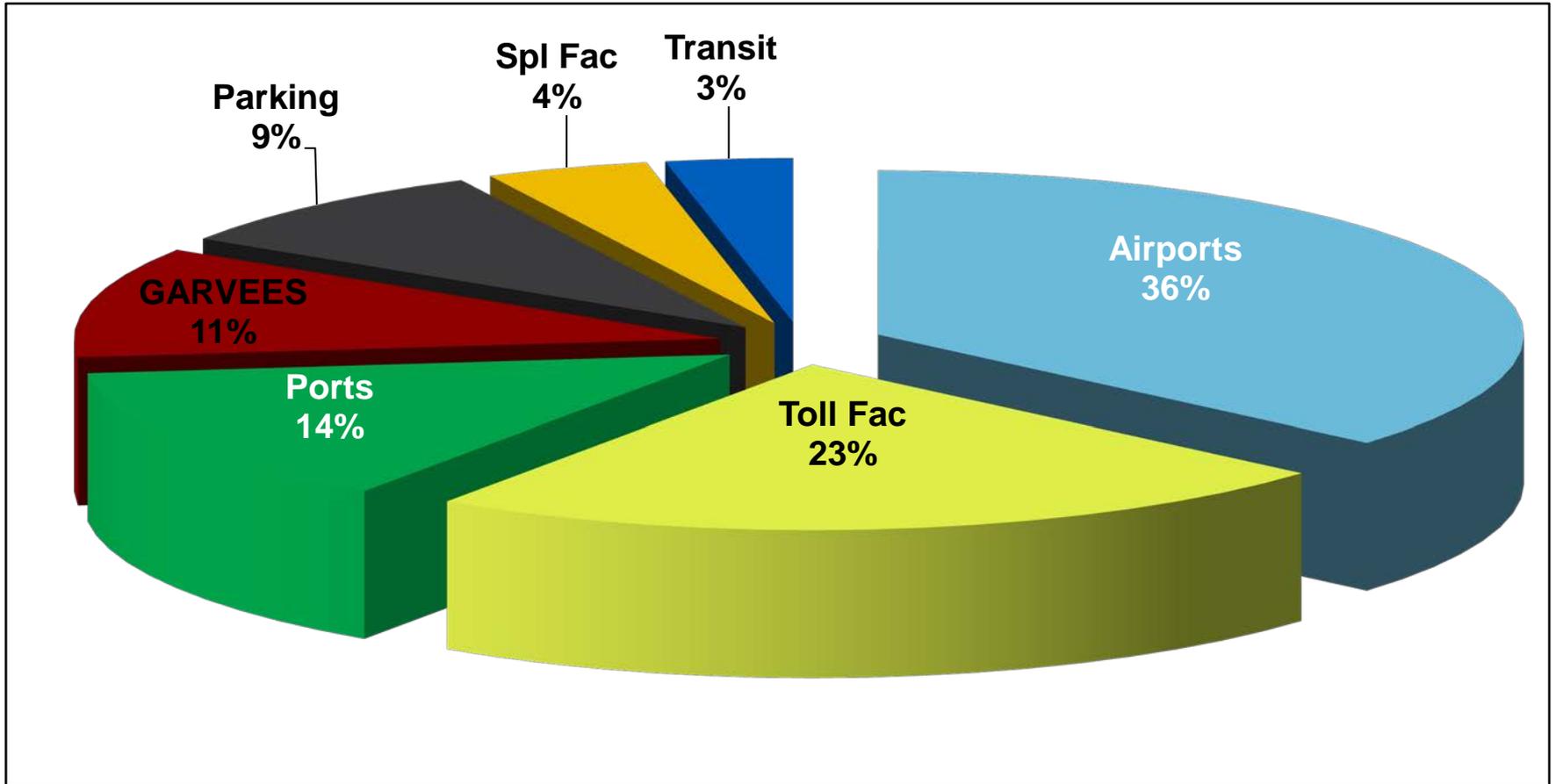
AAA	→	Strongest
AA+	}	Very Strong
AA		
AA-		
A+	}	Strong
A		
A-		
BBB+	}	Adequate
BBB		
BBB-		

### Speculative-Grade

BB+	}	Least Speculative
BB		
BB-		
B+	}	Speculative
B		
B-		
CCC	}	Highly Speculative
CC		
C		
D	→	In Default

# USPF Transportation Pledged Security Distribution (12/12)

220 USPF Transportation Credits  
270 Total Ratings



# Investor Relations

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- **Investor Council**
- **Investor Meetings**
- **Sector Roundtables**
- **Criteria Update Outreach**
- **Thought leadership**
  - Report Cards
  - Medians
- **NFMA & Regional Society Participation**
- **[www.understandingratings.com](http://www.understandingratings.com)**

# Toll Sector Recent Investor Topics

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- **Recovering demand**
- **Ability in current environment to increase tolls**
- **Mission Creep**
- **Accuracy of traffic and revenue forecasts**
- **Competition**
- **Direct Purchase Disclosure**

# Unpredictability in Washington & Economy for Toll Roads

- **Reauthorization risks, now pushed out, but will return**
  - Federal Gas Tax, with 14.1 cents of the 18.4 cent tax scheduled to sunset
  - Federal Gas Tax revenue replacement? VMT/MBUF?
  - MAP-21 reauthorization
- **Prolonged minimal-to-slow economic growth**
- **Higher fuel costs**
- **TIFIA & question of Washington shifting from grant focus to loan focus**
- **Sequestration & deficit reduction options**

# USPF Contact Info

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