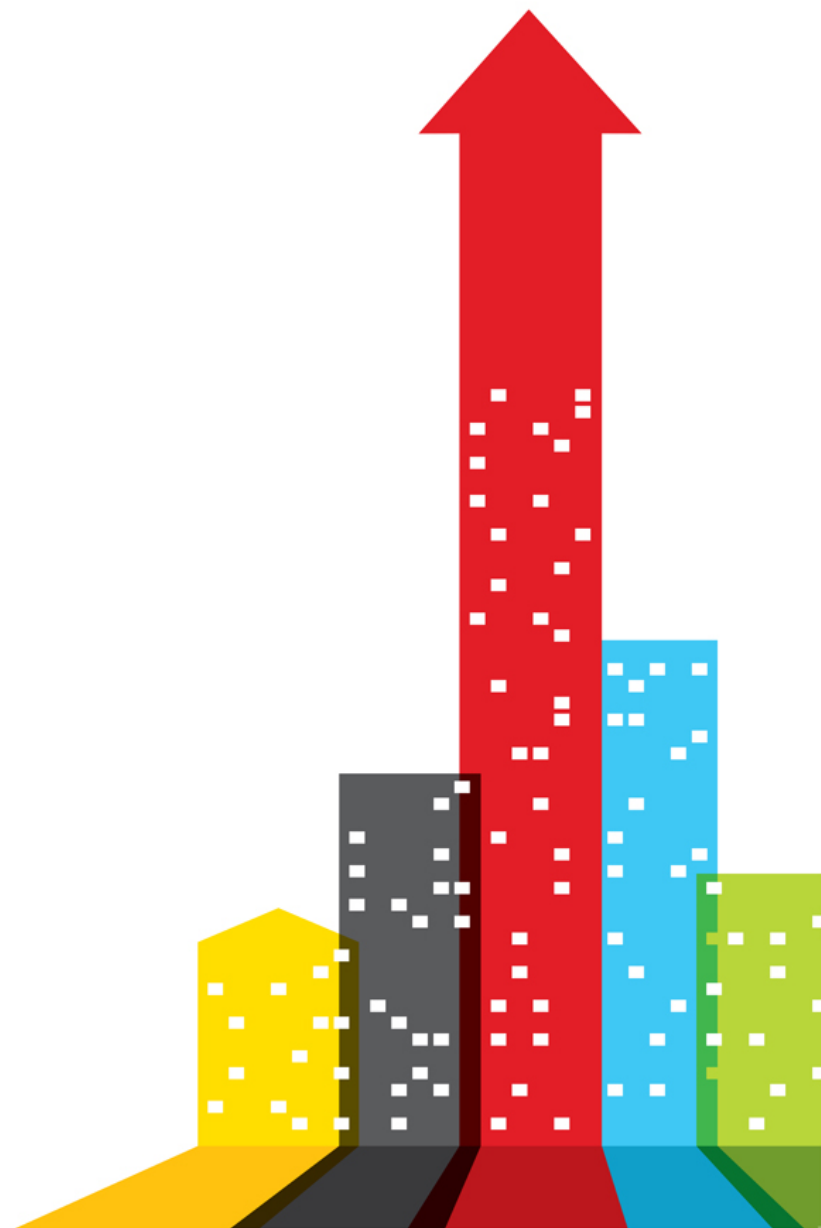


Transportation Infrastructure Finance and Innovation Act

The S&P Approach

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Director
U.S. Public Finance - Infrastructure

April 16, 2013



TIFIA Background

- **Key changes under MAP – 21**
 - Funding: \$750mm in 2013; \$1bn in 2014 vs. \$122mm previously
 - Max share now 49% vs. 33% previously
 - “Creditworthiness” is specified as a key factor as per USDOT
 - Rolling application process until funding exhausted

- **But it’s still . . . *NOT a grant***

Key TIFIA Features

- Payments are “mandatory” or “scheduled”
- Loan is subordinate
- Repaid from same revenues as senior bondholders

Features remain intact . . .

as long as a Bankruptcy Related Event does not exist

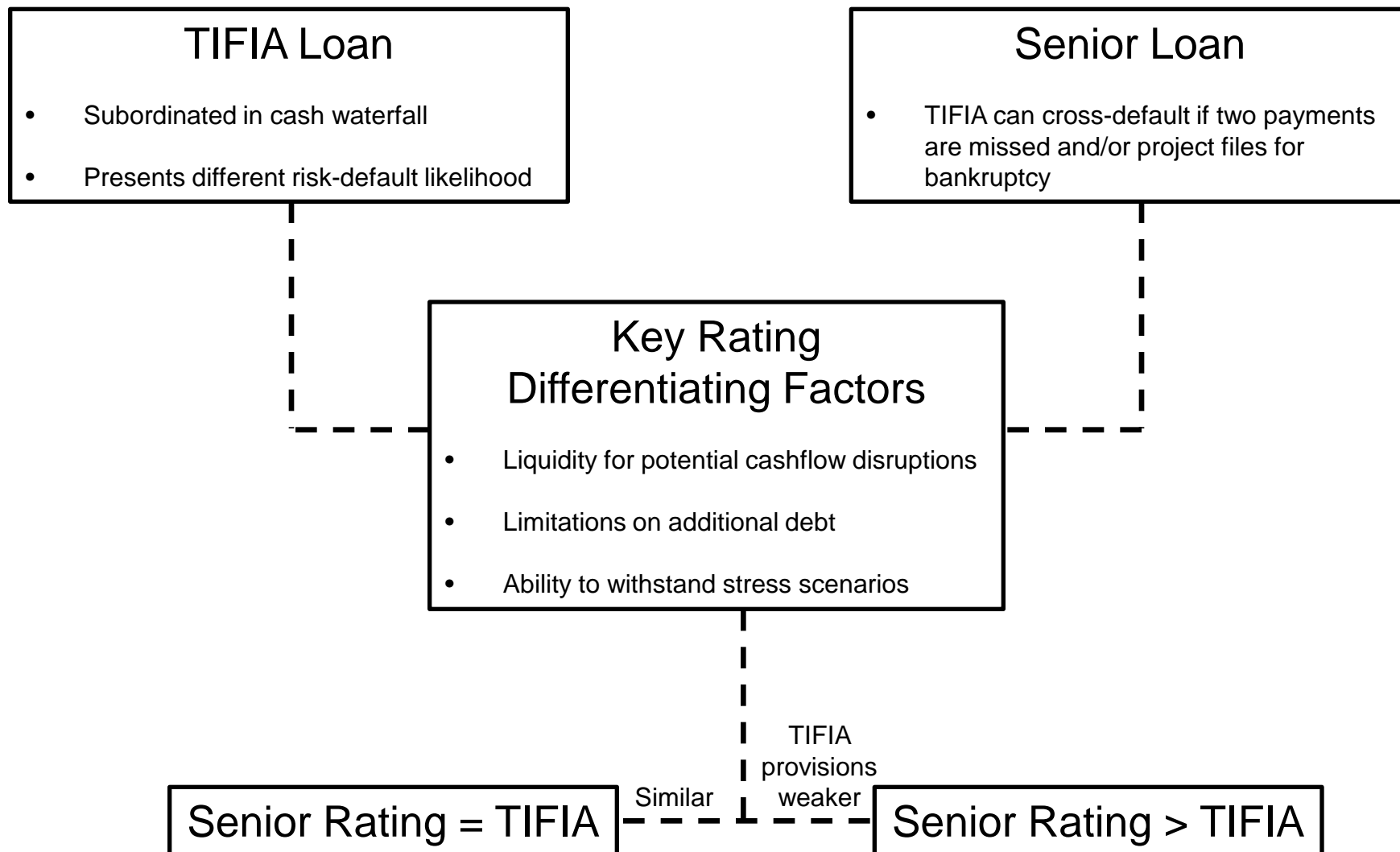
TIFIA – S&P Considerations

- **Public and Private sponsorship differences**
 - Bankruptcy filing
 - Use of cash
- **Senior and subordinate characteristics**
- **Assessing springing lien**

TIFIA – S&P Considerations

- **Senior debt and TIFIA ratings**
 - May be different
 - Cash flow certainty and liquidity
 - General bond provisions
- **Patient lender can be beneficial in early years**

Factors in Assigning Rating



April 10 TIFIA Interest Rate

35-Year Loan: 2.96%

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