



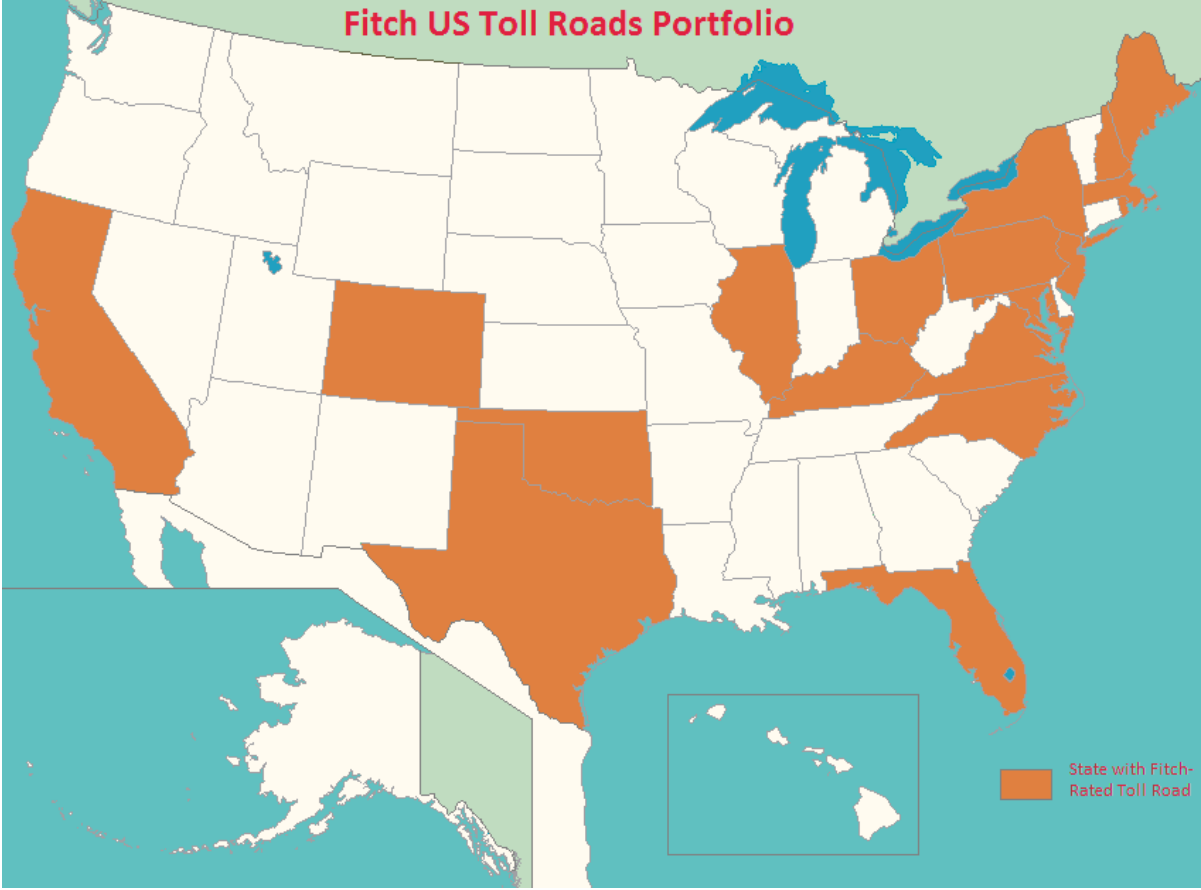
FitchRatings

Toll Revenue Diversion Credit Perspective

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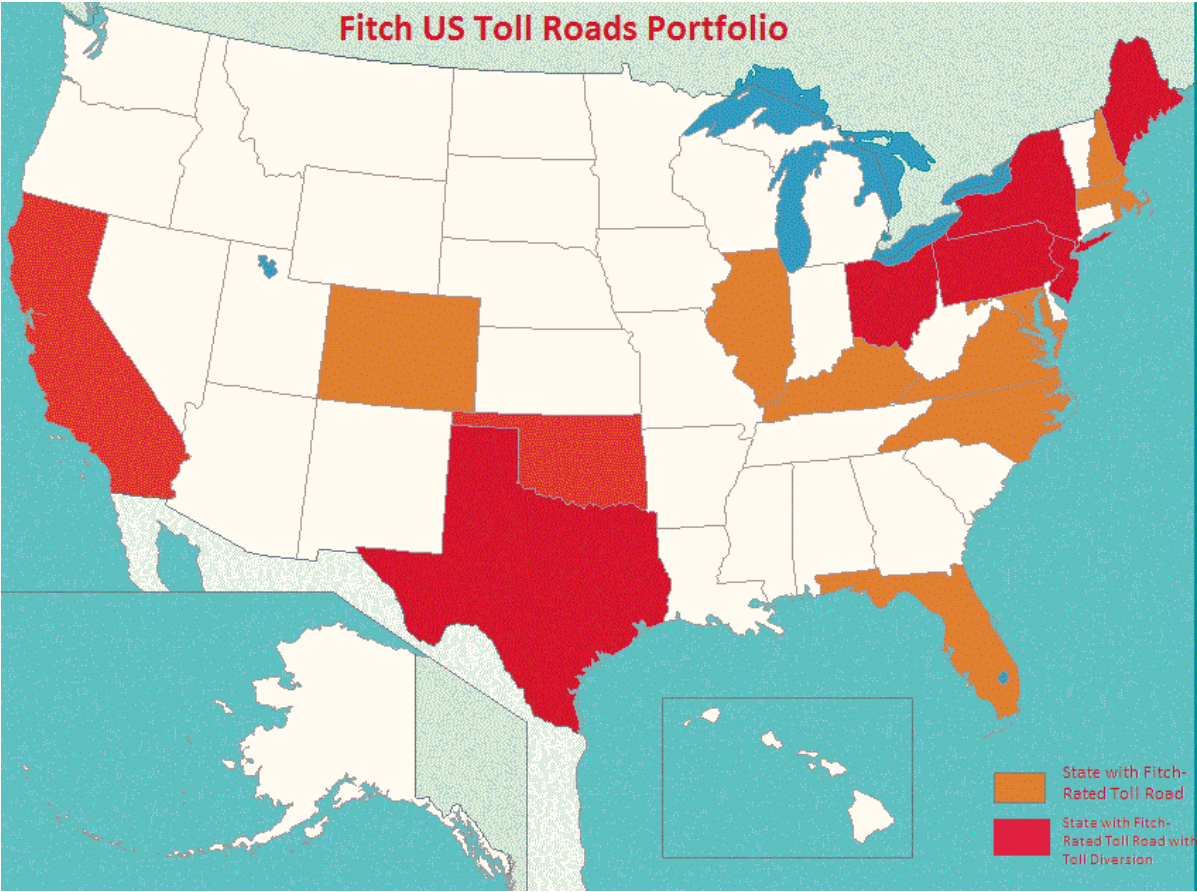
April 28th, 2015

Revenue Diversion Rated US Toll Roads



Revenue Diversion

Rated US Toll Roads with Toll Diversion



Revenue Diversion

Different Mechanisms

- Surplus Revenue
 - NJTA, HCTRA
- Subordinated Debt
 - PTC, OTIC
- Within Agency
 - Port Authority of New York / New Jersey
- Concession Sale
 - Indiana Toll Road

Revenue Diversion

What's The Effect on Credit?

- Debt Service Coverage Ratios
- Reduced Cash - More Debt for Capex?
- Increased Pressure on Toll Rates?
- Concession Sale – Potentially Some Political Risks

Revenue Diversion

What's The Effect on Credit?

- Depends on Scale of Diversion
 - Small Scale / Fixed Amounts
 - => Limited Credit Impact
 - Large Scale / Uncertainty as to Future Amounts
 - => Potentially Constraining Effect

Revenue Diversion

What's The Effect on Credit?

Indicative Rating Case Coverage and Leverage — Large Mature Networks and Major Urban Bridge Systems with Amortizing Debt

Rating Category	Average Coverage ^a	Stabilized Leverage ^b	Dependence on Growth	Special Considerations
AA	1.8x and above	Up to 8.0x	None or Very Limited	Predominantly stronger attributes; if one of volume or price is midrange, offset by very conservative debt structure/metrics. Profit motive means private operators unlikely to be rated in this category.
A	1.4x and above	Up to 10.0x	Low	Balance of stronger and midrange; if both volume and price attributes scored midrange, more conservative debt structure and metrics would be expected.
BBB	1.3x and above	Up to 12.0x	May Be Significant	Predominantly midrange attributes; one weaker attribute may be offset by more conservative debt metrics. Higher dependence on growth only for facilities with stronger operating profiles.
B/BB	1.0x and above	Above 10.0x	High	Weaker operating profile; rating category likely to be determined by particular characteristics of project

^aTypically average debt service coverage ratio, or minimum loan life coverage ratio (LLCR) or project life coverage ratio

Revenue Diversion

Current Ratings - Examples

- AA Category: Harris County, Ohio Turnpike, PANYNJ
- A Category: Penn Turnpike, New Jersey Turnpike
- BBB Category:
- BIG:

People in pursuit of answers

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