



**The Education Committee of the
National Federation of Municipal Analysts**

**ADVANCED SEMINAR
ON
TRANSPORTATION**

**October 3 & 4, 2013
The Adolphus Hotel
Dallas, Texas**

PROGRAM

Wednesday, October 2

2:00 – 6:00 p.m. *Optional Site Visit – Dallas Fort Worth Airport sponsored by the Southern Municipal Finance Society (additional registration necessary)*

Thursday, October 3

7:30 – 8:00 a.m. *Registration and Breakfast*

8:00 – 8:15 a.m. *Opening Remarks*
Rachel Cortez, Moody's Investors Service, Advanced Seminar Chairperson

8:15 – 9:30 a.m. *Shouldering the Construction Risk Burden: The State of American Infrastructure*

With an estimated \$1.1 trillion gap between U.S. infrastructure needs and probable infrastructure funding through 2020, the capital markets are likely to play a significant role in financing America's future transportation infrastructure. As the projects increase in size and level of complexity investors will be asked to take on a substantial amount of construction risk. This panel will look at construction risk from the following perspectives: (1) one of the largest transportation contractors in North America; (2) a lender's technical advisor who analyzes construction risk on behalf of the investment community; and (3) a seasoned project finance attorney describing the legal protections for investors to help mitigate construction risk.

Moderator: *Scott Zuchorski, Director, Fitch Global Infrastructure and Project Finance Group*

Panelists: *Gordon Smith, Partner, BTY Group; Patrick Harder, Partner, Nossaman LLP; Joe Wingerter, Director, P3 Project Development, Kiewit*

9:30 – 9:45 a.m. **Break**

9:45 – 11:00 a.m. ***There is No Free Funding: Federal Transportation Policy in Lean Times***
The federal budgetary impasse and sequester cuts continue to threaten to undermine future transportation funding as infrastructure deteriorates and needs escalate, as highlighted in the 2013 Report Card for America's Infrastructure recently published by the American Society of Civil Engineers, which estimates that just to maintain all of the nation's highways at their current condition would cost \$101 billion in annual capital investment through 2028 and to improve them \$170 billion annually. This panel will address the challenges and opportunities federal policy makers face in transportation funding, as well as the increased funding pressures that likely will 'devolve' to state and local governments and add to their fiscal pressures.

Moderator: *Maria Matesanz, Senior Vice President, Moody's Investors Service*

Panelists: *Kathy Ruffalo, President, Ruffalo and Associates LLC; Joungh H. Lee, Associate Director for Finance and Business Development, AASHTO; Janet Kavinoky, U.S. Chamber of Commerce Executive Director, Transportation & Infrastructure; David Seltzer, Principal, Mercator Advisors, LLC*

11:00 – 11:15 a.m. **Break**

11:15 a.m.

– 12:30 p.m. ***A Tale of Two States: Different Approaches to Transportation Finance***
State Departments of Transportation manage the planning and financing of most major transportation investments. This panel will discuss the process three states use to determine the appropriate financing structures for their projects, and the policy issues they address in undertaking that process. Panelists will also address the political issues they face when pursuing major capital investments.

Moderator: *Mary Francoeur, Managing Director, Assured Guaranty Corp.*

Panelists: *James Bass, Chief Financial Officer, Texas Department of Transportation; Leon Corbett, Project Finance Office Manager, Florida Department of Transportation*

12:30 – 2:00 p.m. ***Luncheon & Keynote Address: Bob Montgomery, Vice President Airport Affairs, Southwest Airlines,*** will discuss the state of the airline industry, airline consolidation and possible credit implications for airports.

2:15 - 3:30 p.m. ***Up In The Air: A Look at the Effect Of Airline Consolidation on Airport Credits***
The domestic airline industry has undergone a drastic realignment since 2000 as the result of 12 major airline bankruptcies, five major airline mergers, and an industry-wide pull down in capacity equal to the loss of a major airline. This industry consolidation, which will leave four major domestic airlines accounting for over 80% of system capacity following the completion of the proposed American Airlines – US Airways merger, has profound implications for the operations of the nation's airports. This panel will explore how the airline industry's changing landscape in terms of competition, costs, pricing and network structures may affect demand for air service and influence the capital needs and financial operations of the nation's airports in the future.

Moderator: *Peter Stettler, Director, BMO Capital Markets*

Panelists: *Jeff Stanley, Director, Ricondo & Associates, Inc.; Chellie Cameron, Deputy Director of Aviation, Philadelphia International Airport; Pete Houghton, Director – Properties, Southwest Airlines*

3:30 – 3:45 p.m.

Break

3:45 – 5:00 p.m.

Panama Canal Expansion & Increasingly Competitive Markets: Are Choppy Waters Ahead for U.S. Ports?

U.S. ports face a number of challenges ahead as the Panama Canal expansion and the development of Panamax and Super Panamax ships threatened to alter the basic shipping patterns for global trade to and from the U.S. Many ports in the Gulf of Mexico and along the eastern Seaboard are making large capital improvements in an increasingly competitive environment. At the same time, the nation's railroads are also gearing up to meet altered demand patterns as well as the challenge posed by a boom in natural gas production. This panel will explore these issues as well as the challenges likely to be faced if there is a significant reduction in global trade activities.

Moderator: *Bill Oliver, Industry & Media Liaison, NFMA*

Panelists: *Jeff Sweeney, Project Manager, Martin Associates; Bill Johnson, Executive Director, Port of Miami; Anita Ogbara, Director, Corporate Ratings Group, Standard & Poor's*

5:15 – 6:15 p.m.

Cocktail Reception Sponsored by BOSCO, Inc., a subsidiary of BOK Financial Corp.

Friday, October 4

7:30 – 8:00 a.m.

Continental Breakfast

8:00 – 9:15 a.m.

Congestion Relief? Paying for Increased Mobility with Managed Lanes

Transportation agencies are faced with growing challenges of congestion and limited space to expand capacity. The economic and social costs associated with congestion, construction, right of way and environmental disruption have led policymakers in several states to address these challenges through the utilization of a subcategory of highway lanes known as managed lanes. Managed lanes use active demand management primarily through pricing to moderate demand during peak periods with a limited need for physical expansion. This sounds like the ultimate win-win situation but is it? While we are at an early state for managed lane development we are at a point where there appears to be sufficient data to make some analytical judgments. This panel will address empirical data from completed managed lanes projects and seek to provide a framework for analysts to make relative judgments of risk for future managed lane projects and a basis for comparison to traditional toll road financings.

Moderator: *Randy Gerardes, Vice President, Wells Fargo Securities*

Panelists: *Steve Abendschein, PE, Senior Associate, Stantec; Ginger Goodin, PE*

Division Head, Texas A&M Transportation Institute; Todd Spence, Director, Standard and Poor's U.S. Public Finance Infrastructure Group

9:30 – 9:45 a.m. **Break**

9:45 – 11:00 a.m. ***Beyond the Farebox: Mass Transit Funding in an Era of Austerity***

Mass transit infrastructure is critical to metropolitan economies. In recent years, ridership declines as well as budget cuts at the state, local, & federal level constrained traditional funding sources as needs for expansion and maintenance continued to mount. Long accustomed to relying on a patchwork of funding from various sources including dedicated taxes, fares, and government subsidies, how will mass transit operators adjust to this new era of austerity in the face of ambitious goals?

Panelists will discuss the financial status, key projects, funding sources, and debt financing needs of large mass transit systems across the US.

Moderator: *Megan Poplowski, Vice President, Eaton Vance*

Panelists: *Jonathan Davis, CFO, Massachusetts Bay Transportation Authority (MBTA); Olga Chernat, Deputy Director of Finance, Metropolitan Transportation Authority (MTA); Mark Haerr, Assistant Vice President of Budget, Financial Planning and Revenue Administration, Dallas Area Rapid Transit*

11:00 – 11:15 a.m. **Break**

11:15 – 12:30 p.m. ***Lessons Learned from Early P3 Projects***

Private activity bonds for public/private/partnerships have been a tool to provide funds for transportation projects for decades. Texas, California, Indiana, Colorado, Virginia, Illinois and several other states have all done P3s, with more deals in the pipeline. A few pre-great recession financings have not performed well, but P3 activity has ramped up again. What lessons have been learned? This panel will investigate the factors that separate the successes from the failures, the evolution of bond structures and trends in governments making the most of their funding and risk transfer. With large transactions in the pipeline for 2013 and 2014, panelist will also talk about whether or not P3 is finally about to emerge as a more frequent development tool, or if issuance will continue to be just a few deals each year.

Moderator: *Sandra Brinkert, Director, Municipal Products Credit Strategies, Bank of America Merrill Lynch*

Panelists: *Kendra York, Public Finance Director, Indiana Finance Authority; Cherian George, Managing Director, Fitch Ratings; Ricardo Bosch, Director, North America Business Development, Cintra US, LLC*

12:30 p.m. ***Seminar Adjourns***

The views expressed at the Advanced Seminar are those of the panelists alone and do not necessarily represent those of the National Federation of Municipal Analysts.

NFMA:

NFMA
P.O. Box 14893
Pittsburgh, PA 15234
412-341-4898
www.nfma.org

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Lisa Washburn

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REGISTRATION

Registration for the seminar is \$450 for full members of the NFMA and its Constituent Societies and \$550 for non-members, which includes all seminar materials, two continental breakfasts, one luncheon and the cocktail reception. The cost to attend the Site Tour is \$25; registration is limited to the first 80 who sign up and pay for the tour. A limited number of discounted registrations for government employees is available; inquiries should be directed to Lisa Good at 412-341-4898, or lgood@nfma.org. Registration is online only at www.nfma.org. Payment may be made by credit card, e-check or by check. Cancellations will be accepted through September 19, 2013; a \$50 processing fee will be applied regardless of the reason for cancellation. After September 19, 2013, there will be no refunds; however, substitutions from the same firm will be accepted. If weather conditions prevent attendance, proof of flight cancellations must be provided and a partial (50%) credit will be given to be applied to registration for a future NFMA event. For more details on the cancellation policy, contact Lisa Good at 412-341-4898.

HOTEL

The Adolphus Hotel, 1321 Commerce Street, Dallas, Texas 75202, is the site of the Advanced Seminar. The Adolphus is located in downtown Dallas, Texas, in the heart of the financial district, steps from a variety of restaurants, and a short drive to shopping at the exclusive North Park Center. It is just blocks from Lone Star attractions such as the Sixth Floor Museum, Dealey Plaza, and the Texas Longhorn Cattle Drive Sculpture.

The NFMA has reserved a block of rooms for registrants at the group rate of \$179/night. Reservations must be made online at:

https://resweb.passkey.com/Resweb.do?mode=welcome_ei_new&eventID=10727975&utm_source=3293939&utm_medium=email&utm_campaign=25065995

or by calling 214-651-3550. The block closes on September 9; however, it may fill prior to that time if demand is high. If the room block fills, it may be necessary to reserve rooms at the public rate, or at a hotel nearby. Please call Lisa Good at 412-341-4898 if you have questions about finding a room. Please see your hotel confirmation for information on early/late checkout, deposits and cancellations.

ATTIRE

Business casual is acceptable for the seminar.

TRANSPORTATION

The Adolphus is approximately 18 miles from Dallas / Ft. Worth International Airport, and only 7 miles from Dallas Love Field Airport. The Hotel contracts with Yellow Checker Shuttle for airport service, and recommends that its guests use this service for transportation to and from DFW at a cost of \$19/person. Taxi service to/from DFW to the Hotel is approximately \$45 - \$50. For transportation to/from Love Field, the Hotel recommends using cab service at a cost of \$23 each way.