

TESTIMONY OF JORDI GRAELLS  
ABERTIS INFRAESTRUCTURAS  
PENNSYLVANIA TRANSPORTATION PARTNERS  
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Good morning Mr. Chairman and members of the Committee. My name is Jordi Graells and I am Managing Director of Toll Roads for North America at Abertis. I also serve as President of Abertis USA. Thank you for taking the time today to understand more about Abertis and the transportation, service, and value that we will bring to the Commonwealth of Pennsylvania by the leasing of the Turnpike.

Abertis manages transportation and communications infrastructures in five segments: toll road concessions, airports, car parks, logistics parks, and telecommunication infrastructure. The company, based in the Barcelona, Spain, has interests in 60 operating businesses in 17 countries on four continents. Abertis has over 40 years of experience operating and managing toll roads worldwide and employs 12,000 globally. Overall, we directly manage and operate over 2000 miles of toll roads and participate in the management of an additional 3000 miles of motorways.

While Abertis is based in Europe, we have a sizable U.S. presence in the airport sector including managing part of one of the U.S.' busiest airports, Concourse E of Atlanta International Airport, as well as managing Burbank Airport and Orlando Sanford Airport. The company also manages the Teodoro Moscoso Toll Bridge in San Juan, Puerto Rico. Abertis is one of the leading toll-road and airport operators in the world and is highly regarded corporate citizen in the U.S. states in which they operate.

There have been many questions regarding how this public private partnership will work to the benefit of the Commonwealth and how a Turnpike lease will provide better performance. This is one of the areas where I will focus my testimony. The other is the anticipated improvements that The Pennsylvania Transportation Partners will engage on to make the Turnpike a better, more efficient, and safer roadway.

**History in Public-Private Partnership Operations and Management**

The lease and concession of infrastructure is not new phenomena. These practices have been successful throughout the U.S. and the world. Today, over 20 states allow for some form of public private partnership and since 1985, approximately 83 transportation public private partnership projects have been contracted or completed in the United States.

The lease and concession of infrastructure produces several benefits including 1) the transfer of long term traffic and revenue risks along with reconstruction risk to the private sector as the whole turnpike will likely have to be reconstructed by the private sector over the length of the concession due to the age of the road. 2) Increased efficiency in the operations and management of the Turnpike 3) increased accountability due to the concessionaire being legally responsible for various performance standards as set forth in the Concession Agreement and Operating Standards Manual 4) best practices in international tolling and the most innovative electronic tolling solutions 5) a large upfront

payment from the concessionaire

Abertis will work closely with the Commonwealth of Pennsylvania to ensure that the Turnpike is maintained to the highest performance standards and provides a safe and swift journey to all users. We have an excellent track record in managing toll roads worldwide and combining this management excellence with social and civic service components that are implied by infrastructure management.

Abertis has significant experience in transferring public roadway management to private management. Our experience includes the fourth largest public ownership, private management agreement of an infrastructure asset ever – the French motorway Sanef which was valued at over 10 billion dollars. We anticipate that many of the same management transition challenges that happened with Sanef will also happen with the Turnpike. For example, with Sanef, the consortium was required to maintain all 3,500 (plus) employees of Sanef for the first years of the concession. With Sanef, the consortium was also required to meet similar performance standards and fund large CAPEX projects. Over the first two years of the concession the consortium has already completed or is in the process of completing over \$1.5 billion dollars of reconstruction, rehabilitation, construction, and other such capital projects.

Be assured that the Turnpike will be managed according to best practices internationally focusing upon implementing the most up-to-date technology in order to make the ride easier and safer for users. All key considerations were taken into account by the consortium and I look forward to explaining them to you further.

**Capital Expenditure and Turnpike Improvements:**

Abertis has outstanding expertise in the maintenance of pavements, structures, tunnels, traffic electronic equipment, tolling systems, landscaping, traffic signals, and all other project types. Abertis is also a global leader in developing and implementing the newest and most efficient tolling systems and we will use this to improve safety and efficiency throughout the commonwealth. It is in our best interest to improve customer service, since it would produce an increase in demand and improve our business.

Unlike the current Turnpike approach, which takes a short-term view of the roadway leading to faster deterioration and higher costs, Abertis will focus on a life-cycle approach to maintaining the Turnpike. This means that maintenance and operations activities are fully taken into account by the engineering team at the design stage. That process allows the design team to identify the design options that offer the best value and safety standards for the long run.

It is also important to recognize that the Concession Agreement contractually mandates capital improvement projects throughout the term and requires compliance with operating standards consistent with or better than current operations.

Some of the most significant benefits of the lease will be our installation and management of the safest and most efficient technologies around the world to help cut down congestion and make sure that drivers along the Turnpike get the response they

need. Improvements to the Turnpike that I will focus these remarks on include:

- Communications
- Operations Management
- Roadside Equipment
- Toll Systems

**Communications:**

Abertis will install a seamless, real-time communications network by laying fiber-optic cables along the Turnpike. This will expand capacity for communications and will connect toll plazas, intelligent transportation systems equipment, maintenance facilities, administrative buildings, and traffic control centers. We are committed to a strong investment in assuring the fastest, most accurate flow of information is able to be processed by our operations and traffic controls center.

**Operations Management:**

The operations and traffic controls center will be constantly monitoring the roadway 24 hours a day, 365 days a year and is permanently managed by various communications coordinators (the number varies in accordance to the anticipated volume of traffic) and by a chief operations coordinator 24 hours a day.

The center will have the most powerful solutions that will provide the best service to Turnpike users and will always be getting upgraded and evolving as new procedures and protocols arise. It is the point for collecting and processing information from the motorway and, in accordance with the information received will contact the appropriate resources, be that service vehicles, surveillance service teams, mechanical assistance units, or the toll stations directly. This will be an area where we will always be increasing our investment.

Our network will also provide enhanced communications with external systems, such as police in surround communities, to manage timely, collaborative responses to traffic conditions and incidents.

**Roadside Equipment:**

Abertis will provide Turnpike users with a global surveillance service, which comprises a large fleet of mechanical assistance vehicles that constantly patrol the motorway 24-hours a day in order to report any circumstance that may affect the safety of motorway clients (adverse weather conditions, nearby fires, traffic jams, etc.) and respond to the incidents they detect during their journey's along the motorway (warning messages in the case of accident or a hazard on the road, removal of obstacles from the Turnpike.

The Turnpike will be endowed with variable messaging signs and a network of video cameras that will be connected to the operations center in order to obtain real data from each intersection and all major sections on the road and offer particular zone information for Turnpike users. Also on specific areas of the Turnpike, meteorological equipments will be installed to detect weather conditions and forecast snow and Ice operations.

Finally technology on tunnels will be updated with the most innovated solutions and the newest recommendations improving safety and commodity for the Turnpike users including fire detection, automatic incidence detection, radio communications, clear signalization, improvements to the illumination system, upgraded ventilation, with local and remote controls.

**Toll Systems:**

Abertis has significant knowledge of toll system operation. We have developed internally and fully owned software solutions in continuous evolution on more than 60 toll plazas and 600 toll lanes, accepting different payment means as cash or electronic and operation on toll plazas with more than 100,000 vehicles per day.

The toll systems that we will integrate on the Turnpike will provide improved efficiency, simplicity, security, and flexibility in tolling, with a focus on the central system, toll plazas, and toll lanes. We will promote additional electronic tolling with video tolling components. This will significantly reduce wait times at toll plazas and improve drive times.

To conclude, we believe there is a clear case to lease the Pennsylvania Turnpike. Pennsylvania Transportation Partners is fully committed to improving the roadway for a safer, more efficient, and better roadway for all Turnpike drivers. We look forward to working with your Committee and the legislature as this debate continues, and at this time I welcome any questions that you may have.