

CITY BUSINESS

'History says we will not spend enough on maintenance'

Howard "Butch" Eley is co-founder, CEO and director of Brentwood-based Infrastructure Corporation of America. Founded in January 1998, ICA handles various bridge and road maintenance projects nationwide and figures to be at the front lines as much of the federal stimulus package works its way into the economy. Eley sat down recently with *City Paper* correspondent William Williams to discuss the industry.

Q: What do you foresee for your industry for the next 10 years?

A: The very same factors we observed a decade ago are still very much driving the growth of our industry. Outsourcing of roadway and transportation infrastructure maintenance will continue to grow because it just makes so much sense, saves so much money and, in many cases, results in better levels of service. For those reasons, I expect that, over the next decade, our industry will become the norm rather than being viewed as an experiment in innovation.

Q: To what do you attribute the growth of the kinds of public-private partnerships that have fueled the industry?

A: States are simply being forced to "do more with less," which is what makes asset maintenance/management and ICA so viable. We are saving states 10 percent to 20 percent in their maintenance budgets — making their dollars go further and increasing the life of the transportation assets.

Our nation has made massive invest-



ICA's **Butch Eley** says 'it's a matter of time' before more state governments look to **outsource the management** of their roads and bridges.

IN THEIR OWN WORDS

ments in roads and bridges, rest areas and other infrastructure. Would anyone think of buying a new car and not conducting on-going routine maintenance? Of course not. The car would not have a very long life. But that's what's happening now with our transportation investments.

Q: How, specifically, does ICA reduce costs for government?

A: One of the ways we save states money is by bundling myriad services into a single, long-term, performance-based contract. That means we handle everything from mowing to lights to striping to litter pickup

to repairing potholes. And we do them all under one long-term contract (three to five years) instead of each of those services being carried out under separate and multiple contracts.

Q: Why haven't more states, Tennessee included, adopted public-private partnerships for maintaining their roads and bridges? Late last year, you talked with TDOT about taking over some functions. But Commissioner Gerald Nicely said TDOT is not ready. Your thoughts?

A: I believe something like 23 states have now passed some sort of public-private partnership legislation. So change is coming. But the transition to contract mainte-

nance conflicts with the basic culture of government and to those who like to do business with government in the same old way it's always been done.

It's a matter of time. Future Tennessee administrations will have a hard time ignoring the trend in nearby states such as Florida, North Carolina, Texas and Virginia.

Q: How will President Obama's stimulus bill, and roughly \$30 billion in infrastructure spending in it, affect your industry?

A: It certainly will improve our transportation system. But even with the proposed \$30 billion planned to spend on transportation, it is not enough to improve the overall condition of the system and relieve the massive congestion that many are feeling. But every little bit helps. The question, though, is whether we will spend what it takes to maintain the new infrastructure that is built. If history is any indication, we will not.

Q: You're a toll roads advocate. Explain.

A: Primarily because tolls represent "choice." There are no "free" roads. The question is only who pays. On a toll road, only those who choose to ride on it pay the toll. On roads that aren't tolled, we just pay through taxes, so at least we have a choice when we decide to use a toll road since it is a true user fee.

They also tend to get me where I want to go faster. And when you are trying to get home to go to your daughter's ball game, every minute counts.