

March 29, 2012

The Honorable John Boehner
Speaker the House
U.S. House of Representatives
H-232 The Capitol
Washington, DC 20515

Speaker Boehner,

We write to you to bring to your attention two provisions in the Senate passed bill S. 1813, Moving Ahead for Progress in the 21st Century (MAP-21) that we strongly oppose. Specifically, section 40309 and section 104(c)(1)(C) of Title 23USC as amended by section 1105 of the bill. These two provisions remove important optional financing tools that states can use to build, maintain and operate highway infrastructure. We respectfully request that the House not include either of these provisions in HR 7, the American Energy and Infrastructure Jobs Act. Further, we request that in conference, the House stand firm against these Senate provisions and not include either in a conference report. We appreciate your continued leadership on the reauthorization of surface transportation legislation and look forward to working with you and your colleagues as you move forward.

As you are aware, State Departments of Transportation (DOTs) around the country are facing a monumental funding crisis. Diminishing state and federal revenues combined with increased cost of construction materials, demands for new capacity and existing infrastructure in need of rehabilitation are forcing states to search for new and innovative ways to generate additional revenue. One such innovation involves responsibly leveraging our publicly owned assets in partnership with our private partners. Public Private Partnership, or P3, agreements allow cash-strapped states the ability to provide needed infrastructure without the need for large scale public investment.

Section 40309 and the amendment to 1105 of MAP-21 will hinder and constrain the relatively new and unleashed method of innovative infrastructure finance and project delivery. It is imperative that these sections of MAP-21 be removed so that DOTs may continue to provide for a safe and efficient transportation system.

The changes made by these provisions are detrimental to those states that choose to utilize innovative P3 agreements in an effort to deliver transportation projects more quickly. At the state level, we have heard from Washington that states must be innovative and creative in finding new revenue sources. We believe it is right to question the focus on penalizing states for being innovative instead of encouraging new ways to do business. DOTs should be rewarded for going above and beyond while finding solutions to challenges and not punished for them.

If these provisions are enacted into law, states that choose to utilize a private operator for a publically owned asset would be penalized by receiving less federal funding. Instead of utilizing the increased revenue and efficiency engendered by involving a private partner, the state will be

forced to use those increased revenues for general maintenance; general maintenance that would otherwise be taken care of through the federal assistance that will now be lost due to these measures.

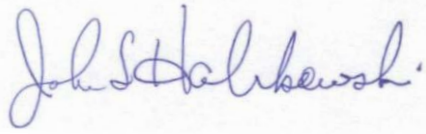
Utilizing state assets and P3s has the potential to generate significant new sources of income to help cash-strapped states fund necessary infrastructure projects that are essential to creating and maintaining jobs. We strongly believe in the importance of allowing DOTs to leverage existing assets and we respectfully ask for your support.

Again, DOTs are facing a considerable amount of funding challenges. We cannot provide an adequate transportation system without a federal partner. However, with the enactment of these sections, our Federal partner becomes more of an adversary. It will become an adversary that withholds funding for doing the right thing and further restrict much-needed flexibility to use diminishing funds to their fullest extent. Without our freedom to explore P3 agreements, our ability to provide a modern and efficient transportation system is in jeopardy. Transportation is a key job creator and by placing these systems in jeopardy we are doing a great disservice to the residents of our respective states and our nation.

Thank you for your leadership and we hope we can count on your continued support in helping states leverage their assets to the fullest extent while protecting our public funds for transportation.

This coalition will continue to review HR7 and will provide additional and more detailed feedback in the near future. We hope this in-depth look at the concerns we share will lead to you joining us in opposing Section 40309 in MAP-21 and the amendment made by section 1105 of MAP-21 to section 104(c)(1)(C) 23USC.

Sincerely,



John Halikowski
Director
Arizona Department of Transportation



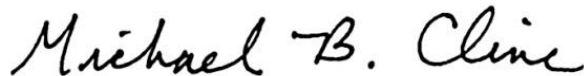
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