



July 26, 2015

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Dear Senator:

The Association for the Improvement of American Infrastructure is contacting you to voice our support for the use of Public Private Partnerships (P3s) as a necessary tool for developing and improving our Nation's infrastructure. It is our position that alternative project delivery methods, innovative finance programs and procurement options which serve the best interests of the public have a place among the options to address and resolve challenges associated with surface transportation reauthorization.

As the United States Senate begins floor debate on the DRIVE ACT, we want to make clear that programs such as the Transportation Infrastructure Finance and Innovation Act (TIFIA) and Private Activity Bonds (PABs) are essential components of public finance which complement tax-exempt municipal debt, as well as commitments made by the private sector to design, build, finance, operate and maintain infrastructure.

Maintaining the current level of funds available through TIFIA (\$1 billion) and increasing the volume cap for PABs will allow states the opportunity to grow their job base and revitalize their local and regional economies.

Experts estimate that every dollar of Federal funds can provide up to \$10 in TIFIA credit assistance, and in turn support up to \$30 in transportation infrastructure investment. The DRIVE ACT in its current form proposes to cut TIFIA by more than 50 percent.

There are a significant number of projects in the pipeline seeking TIFIA funding, but there appears to be a bottleneck at USDOT. The bill does not allow for adequate resources to facilitate the review of projects which may be eligible for TIFIA or applicable private activity bonds, further restricting investment.

PABS provide tax-exempt financing for large-scale infrastructure projects. The proposed DRIVE ACT would leave the \$15 billion limit intact, likely eliminating further access to this critical tool. This would likely inhibit growth and necessary investment in and development of much needed public infrastructure.



AIAI's goal is to establish a strong foundation for more equitable and effective P3s across diverse market sectors from transportation and energy to education, health and community use facilities.

The mission of AIAI is based on the premise that life-cycle procurement partnerships deliver public infrastructure projects through innovation, expertise and commitment. P3s are fast becoming a reliable vehicle for states planning to rebuild and restore their infrastructure, bolster local and regional development, and create long-term, sustainable jobs.

Maintaining the \$1B level of funding through TIFIA and expanding the volume cap for PABs, or creating another bond program, such as Move America, would help deliver on the intent of surface transportation reauthorization.

We at AIAI stand ready to assist you as a resource to understand and support the role of TIFIA and PABs and the leverage they offer Public Private Partnerships, which are a necessary tool for developing and improving our Nation's infrastructure.

Respectfully yours,

A blue ink signature of William A. Marino, consisting of a series of fluid, overlapping loops.

William A. Marino

Chairman

A blue ink signature of Richard Fierce, written in a cursive style with a prominent 'R' and 'F'.

Richard Fierce

President