



Together, we move P3s forward >

June 1, 2017

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The Honorable Elaine L. Chao
Secretary of Transportation
US Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Dear Madam Secretary:

We are writing today to express our strong support for the Federal Transit Administration's Capital Investment Grant (CIG) Program and for maintaining the Federal government's critical role in Public-Private Partnerships (P3s) for transit projects.

As you know, P3s are an important tool for helping incentivize greater private investment in U.S. infrastructure projects. P3s help get projects completed more quickly, save taxpayer dollars by keeping projects on budget, and transfer risk to the private sector. Public-Private Partnerships can play a critical role in helping President Trump achieve his vision for \$1 trillion in new infrastructure development. Key to deploying available private capital to help meet the President's goal is the steadfast, working support of the Federal government in P3 procurements.

AIAI, the Association for the Improvement of American Infrastructure, represents the nation's premier companies that specialize in P3s for infrastructure projects. AIAI members wish to underscore their strong support for funding the CIG program (New Starts, Small Starts, Core Capacity) at the authorized levels contained in the FAST Act for FY18 and beyond. Maintaining authorized and appropriated levels of CIG funding throughout the five-year authorization of the FAST Act is critical for helping increase the amount of private capital that is invested in P3s.

We applaud President Trump for his efforts to streamline and accelerate approvals and permits for infrastructure projects. As you know, it takes many years for transit projects to move through the CIG process to receive a Full Funding Grant Agreement (FFGA). Private sector firms invest in P3 CIG projects with the understanding that if the project meets the Federal CIG criteria and is approved by Congress, it will receive an FFGA. This guarantees the Federal share and allows the project to move forward to construction. While we wholeheartedly support the Administration's efforts to bring greater efficiencies to this process, our concern is that some changes recommended in the Administration's FY18 budget request may result in significant political risk injected into projects, which could undermine private sector investment and chill the market for future P3 project investment.

Thank you for your leadership and for your attention to these matters. Please feel free contact us directly if you have any questions or would like to discuss these issues further.

Sincerely,

William A. Marino
Chairman, AIAI

Association for the Improvement of American Infrastructure

516-227-2950 | www.aiai-infra.org