THE SECRETARY OF TRANSPORTATION
WASHINGTON DC 20590

January 27, 2011

The Honorable John A. Boehner
Speaker of the House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

The enclosed 2010 Report to Congress on the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) is submitted pursuant to the requirement of the Transportation Equity Act for the 21st Century, Section 1503(a), as amended by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, Section 1601(h). The report summarizes the financial performance of projects assisted by TIFIA and discusses alternatives for achieving the program objectives in the future.

A similar letter has been sent to the President of the Senate.

Sincerely yours,

Ray LaHood

Enclosure

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WASHINGTON DC 20590

January 27, 2011

The Honorable Joseph R. Biden, Jr.
President of the Senate
Washington, DC 20510

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Sincerely yours,

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Enclosure

TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT

2010 REPORT TO CONGRESS

U.S. Department of Transportation
Federal Highway Administration
Office of Innovative Program Delivery

Report to Congress
Transportation Infrastructure Finance and Innovation Act Credit Program
U.S. Department of Transportation

I. Introduction

Congress created the Transportation Infrastructure Finance and Innovation Act (TIFIA) credit program as part of its 1998 enactment of the Transportation Equity Act for the 21st Century (TEA-21, P.L. 105-78), as amended by the TEA-21 Restoration Act (Title IX of P.L. 105-206). Codified in Sections 601 through 609 of Title 23, United States Code (23 U.S.C.), the TIFIA program provides Federal credit assistance to surface transportation projects of national or regional significance in order to attract substantial non-Federal public and private co-investment. Private investment can be in the form of debt or equity. Debt can be in the form of bonds, sold as taxable or tax-exempt investments in the United States (U.S.) capital markets, or private bank loans typically provided by a syndicate of foreign-based lenders. Of the 22 TIFIA commitments[1] described in this report, eight are public-private partnerships (P3s), which include significant investments of equity on behalf of the private sponsors.

As part of its enactment of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), P.L. 109-59 in 2005, Congress increased the TIFIA program's reporting frequency, directing the Secretary of Transportation to submit a biannual report summarizing the financial performance of the projects receiving assistance under TIFIA. The report must include a recommendation as to which governance structure best serves the objectives of TIFIA – continuing the program under the authority of the Secretary, establishing a government corporation or a government-sponsored enterprise (GSE) to administer the program, or phasing out the program and relying on the capital markets to fund the types of infrastructure investments assisted by TIFIA without Federal participation.

This TIFIA Report to Congress constitutes the fourth submission from the U.S. Department of Transportation (DOT). Copies of the earlier submissions are available on the Internet at http://www.fhwa.dot.gov/ipd/tifia/. Detailed background information regarding the TIFIA policy underpinnings, the Department's implementation of the program, and its benefits for borrowers can be found in the initial 2002 report. In addition to the congressional requirements noted above, this 2010 report addresses recent issues that have arisen since the 2008 report was issued.

[1] For the purposes of this report, and consistency with prior reports, we include the Miami Intermodal Center in the total project count as a single project, even though there are three separate executed loan agreements for the project. Financial performance data is updated through July 31, 2010 to include two projects that closed after June 1, 2010.

II. Program Description and Funding

The TIFIA program is intended to fill market gaps and leverage substantial private co-investment by providing flexible credit assistance to projects of national or regional significance. Through TIFIA, DOT provides Federal credit assistance to highway, transit, rail, and intermodal freight projects including seaports. The DOT administers TIFIA via a Joint Program Office (JPO), located in the Federal Highway Administration's (FHWA) Office of Innovative Program Delivery. The TIFIA JPO brings projects to a Credit Council comprised of senior DOT officials for review and recommendation for Secretarial approval.

By statute, credit assistance under TIFIA can comprise no more than 33 percent of total project costs. The TIFIA program targets large projects, generally in excess of $50 million. For Intelligent Transportation System projects, the minimum project cost is $15 million. In addition to modifying the minimum size requirements for TIFIA projects, SAFETEA-LU expanded eligibility requirements, improved the flexibility of the line of credit, and authorized the use of TIFIA for refinancing.[2] The program offers three types of financial assistance featuring maturities up to 35 years after substantial completion of the project. *Secured loans* are direct Federal loans providing long-term financing of capital costs with flexible repayment terms. *Loan guarantees* provide full-faith-and-credit guarantees by the Federal Government of a portion of project loans made by institutional investors. Standby *lines of credit* represent secondary sources of funding in the form of contingent Federal loans that can supplement project revenues during the first 10 years of project operations. The DOT has required to date that projects selected for TIFIA assistance receive an investment grade rating on all senior obligations from at least one Nationally Recognized Statistical Rating Organization.

Both public and private sector borrowers may apply for TIFIA assistance. Projects must be consistent with State and local transportation plans. The TIFIA statute identifies eight criteria by which DOT is to evaluate a project: (1) national or regional significance; (2) creditworthiness; (3) private participation; (4) project acceleration; (5) use of new technology; (6) consumption of budget authority; (7) environmental impacts; and (8) reduced Federal grant assistance.

To fund TIFIA, SAFETEA-LU provided $122 million in contract authority from the Highway Trust Fund for each of Fiscal Years 2005 through 2009. These funds pay the subsidy cost (and administrative expenses) of credit assistance.[3] Any uncommitted contract authority remains available for obligation in subsequent years, unless Congress chooses to re-program or rescind these amounts. Based on the current extension of SAFETEA-LU through December 31, the Fiscal Year (FY) 2010 Departments of Transportation, Housing and Urban

[2] These statutory changes went into effect upon passage of the law; any discrepancy between the statute and the TIFIA regulation, which was not revised to reflect SAFETEA-LU, must be resolved in favor of the statute.

[3] Since enactment of the Federal Credit Reform Act of 1990, Federal agencies must set aside in advance capital reserves to cover the expected long-term cost to the Government of providing credit assistance. Analogous to a commercial bank's loan reserve, this subsidy cost is calculated for each TIFIA loan transaction based on an estimate of expected loss.

Development and Related Agencies Appropriations Act provides TIFIA with funding based on the previous year's appropriations.

Beginning in FY 2008, for the first time since the inception of the TIFIA program, total credit requests from TIFIA applicants exceeded available budgetary resources.[4] In response, the Department reserved the majority of its anticipated FY 2009 and FY 2010 appropriations for existing applicants with the added expectation that several, if not all, would – for the first time – lower the Government's cost of providing credit assistance by paying an upfront fee as contemplated by statute and regulation.

As stated in 23 U.S.C. 603(b)(7), 603(e) and 604(b)(9), DOT may establish fees at a level sufficient to cover all or a portion of its estimated costs of making a secured loan, loan guarantee, or line of credit. From this authority, 49 CFR 80.17(c) states:

> "If, in any given year, there is insufficient budget authority to fund the credit instrument for a qualified project that has been selected to receive assistance under TIFIA, the DOT and the approved applicant may agree upon a supplemental fee to be paid by or on behalf of the approved applicant at the time of execution of the term sheet to reduce the subsidy cost of that project. No such fee may be included among eligible project costs for the purpose of calculating the maximum 33 percent credit amount [of eligible TIFIA assistance]."

Based on this authority, three projects – North Carolina's Triangle Expressway, Florida's Port of Miami Tunnel, and Texas' IH 635 – have paid an upfront fee to reduce the overall subsidy cost of their respective projects. By allowing borrowers to lower the subsidy cost to the Federal Government through an upfront payment, DOT was able to finance more projects within its available budget resources than it could have without the fees.

In conjunction with this approach, DOT terminated the open process whereby, since 2002, the TIFIA JPO had accepted applications on a "first come, first serve" basis defined by the optimal schedule of the applicant. Instead, the TIFIA JPO changed its funding allocation process to be based on a regular solicitation (Notice of Funding Availability) with set deadlines through which it offers credit assistance to projects competitively selected on the basis of their alignment with TIFIA program criteria and subject to the availability of adequate budget resources. Competition is by cohort for each Notice of Funding Availability (NOFA).

Based on the letters of interest submitted in response to the FY 2010 NOFA (Section IV, below), demand for TIFIA credit assistance greatly exceeds program resources. The current gap between budgetary resources and demand could be as large as $1 billion, representing approximately $12.5 billion in credit assistance. These issues are detailed further in Section IV of this report.

[4] Actual TIFIA lending capacity is subject to calculation of the estimated subsidy cost for each individual loan. The subsidy amount varies based on the risk profile of the project and the repayment stream.

The growth in demand for TIFIA credit is due, in part, to the growing demand for additional infrastructure investment relative to other existing sources of transportation funding including fuel tax receipts and municipal borrowing. The demand is further exacerbated by the current state of the capital markets in the current economic downturn. Notably, State and local governments are using innovative financing and P3s to reduce costs, accelerate project delivery, reduce public sector exposure, and supplement public revenue with private capital. For instance, the year 2009 saw three significant transportation infrastructure P3 transactions, and TIFIA was essential to each.

III. Financial Performance of Projects Receiving TIFIA Credit Assistance

A. Portfolio Overview

TIFIA Portfolio
($Millions)

TIFIA Number	Project Name	Project Type	Project Cost	Instrument Type	Credit Amount	Primary Revenue Pledge
I. Active Credit Agreements						
19991002B	Miami Intermodal Center	Intermodal	1,664	Direct Loan	270	User Charges
20011001	Central Texas Turnpike System	Highway	3,278	Direct Loan	900	User Charges
20031002	South Bay Expressway (formerly SR 125 South)	Highway	658	Direct Loan	140	User Charges
20051001	183-A Turnpike	Highway	305	Direct Loan	66	User Charges
20051002	LA 1 Improvements	Highway	372	Direct Loan	66	User Charges
20061001	Warwick Intermodal Station	Intermodal	280	Direct Loan	42	User Charges
20061003A	Pocahontas Parkway / Richmond Airport Connector	Highway	597	Direct Loan	150	User Charges
20071004A	I-495 Capital Beltway HOT Lanes	Highway	1,938	Direct Loan	589	User Charges
20071002A	SH 130 (Segments 5-6)	Highway	1,328	Direct Loan	430	User Charges
20061002A	Intercounty Connector	Highway	2,566	Direct Loan	516	User Charges
20081002A	I-595 Corridor Roadway Improvements	Highway	1,834	Direct Loan	603	Availability Payments
20081004A	Triangle Expressway	Highway	1,172	Direct Loan	387	User Charges
20081008A	Port of Miami Tunnel	Highway	1,073	Direct Loan	341	Availability Payments
20081001A	North Tarrant Express	Highway	2,047	Direct Loan	650	User Charges
20081007A	Transbay Transit Center	Transit	1,189	Direct Loan	171	Real Estate Tax Increment
20071006A	IH 635 Managed Lanes	Highway	2,615	Direct Loan	850	User Charges
20101001A	Denver Union Station Project	Intermodal	519	Direct Loan	146	Sales Tax/Real Estate Tax Increment
Total			**$23,434**		**$6,317**	
II. Retired Credit Agreements						
19991005	Washington Metro Capital Improvement Program	Transit	2,324	Guarantee	600	Interjurisdictional Funding Agreements
19991006	Tren Urbano (PR)	Transit	2,250	Direct Loan	300	Tax Revenues
20001003	Cooper River Bridge Replacement	Highway	675	Direct Loan	215	Infrastructure Bank Loan Repayments
20001004	Staten Island Ferries and Terminals	Transit	482	Direct Loan	159	Tobacco Settlement Revenues
20011002A	Reno Transportation Rail Access Corridor (ReTRAC)	Intermodal	280	Direct Loan	51	Room and Sales Tax
19991002A	Miami Intermodal Center	Intermodal	[a]	Direct Loan	269	Tax Revenues
Total			**$6,011**		**$1,594**	
Total Credit Agreements			**$29,445**		**$7,910**	

As of 07/31/10

Footnotes
[a] Project Cost included in TIFIA Number 19991002b

The 22 projects receiving TIFIA credit commitments represent approximately $29.4 billion of infrastructure investment in the U.S. These commitments total nearly $7.9 billion in Federal assistance with a budgetary cost of approximately $596 million in contract authority. Credit agreements have been executed for all of the commitments. To date, TIFIA has provided financing for 22 projects, including four intermodal projects, 14 highway projects, and four transit projects.

Totaling $3.7 billion in credit assistance and almost $13.0 billion in total project costs, eight of the 22 TIFIA projects have closed since the beginning of FY 2009.

As of July 31, borrowers had drawn approximately 34 percent of their available TIFIA proceeds. No borrower has defaulted on a TIFIA loan payment. Although not in payment default on the TIFIA loan, the South Bay Expressway, LP (SBX) project filed for Chapter 11 bankruptcy protection on March 22, the first in the history of the TIFIA program, as discussed below under II.C of this section. Pursuant to the statutory requirements, TIFIA's debt is on par with that of the senior banks' due to SBX's bankruptcy filing.

Within the TIFIA portfolio, six borrowers have retired their TIFIA loans, either by early repayment, by refinancing the loan prior to draws, or due to expiration of the credit agreement. The following table displays key financial information for TIFIA projects.

Information as of July 31, 2010

TIFIA PORTFOLIO - FINANCIAL PERFORMANCE

Project Name	Location	Project Type	Agreement Date	Project Cost	Loan Amounts	Disbursed Amount	Percent Disbursed	Borrower's Rate	Substantial Completion
I. Active Credit Agreements									
*Miami Intermodal Center RCF 1				*					
Central Texas Turnpike System	Texas	Highway	Jul-02	$ 3,277,800,000	$ 900,000,000	$ 900,000,000	100.0%	5.51%	Sep-07
South Bay Expressway (formerly SR 125 South)	California	Highway	May-03	$ 658,000,000	$ 140,000,000	$ 140,000,000	100.0%	4.46%	Nov-07
183-A Turnpike	Texas	Highway	Mar-05	$ 304,700,000	$ 66,000,000	$ 66,000,000	100.0%	4.75%	Mar-07
LA 1 Improvements	Louisiana	Highway	May-05	$ 371,600,000	$ 66,000,000	$ 66,000,000	100.0%	4.45%	Expected 2011
Warwick Intermodal Station	Rhode Island	Intermodal	Jun-06	$ 280,000,000	$ 42,000,000	$ 5,108,685	12.2%	5.26%	Expected 2010
Pocahontas Parkway / Richmond Airport Connector	Virginia	Highway	Jul-07	$ 597,400,000	$ 150,000,000	$ 128,747,723	85.8%	5.16%	Expected 2011
1-495 Capital Beltway HOT Lanes	Virginia	Highway	Dec-07	$ 1,938,000,000	$ 588,922,875	$ 173,904,076	29.5%	4.45%	Expected 2013
SH-130 (Segments 5-6)	Texas	Highway	Mar-08	$ 1,327,900,000	$ 430,000,000	$ 196,798,556	45.8%	4.46%	Expected 2012
Intercounty Connector	Maryland	Highway	Dec-08	$ 2,566,000,000	$ 516,000,000	$ -	0.0%	2.56%	Expected 2011
* Miami Intermodal Center RCF 2	Florida	Intermodal	Apr-05	$ 1,664,000,000	$ 270,000,000	$ 170,000,000	63.0%	4.65%	Expected 2012
I-595 Corridor Roadway Improvements	Florida	Highway	Mar-09	$ 1,833,600,000	$ 603,441,466	$ 205,500,000	34.1%	3.64%	Expected 2014
Triangle Expressway	North Carolina	Highway	Jul-09	$ 1,171,700,000	$ 386,662,363	$ 68,800,044	17.8%	4.25%	Expected 2012
Port of Miami Tunnel	Florida	Highway	Oct-09	$ 1,072,900,000	$ 341,037,601	$ 76,765,121	22.5%	4.31%	Expected 2014
North Tarrant Express	Texas	Highway	Dec-09	$ 2,047,000,000	$ 650,000,000	$ -	0.0%	4.52%	Expected 2015
Transbay Transit Center	California	Transit	Jan-09	$ 1,189,000,000	$ 171,000,000	$ -	0.0%	4.57%	Expected 2015
IH 635 Managed Lanes	Texas	Highway	Jun-10	$ 2,615,000,000	$ 850,000,000	$ -	0.0%	4.22%	Expected 2015
Total				**$ 22,914,600,000**	**$ 6,171,064,305**	**$ 2,197,624,205**	**35.61%**		
II. Expected to Close in FY 2010									
Denver Union Station	Colorado	Intermodal	N/A	$ 479,426,000	$ 155,000,000	$ -	0.00%	N/A	Expected 2014
Total				**$ 479,426,000**	**$ 155,000,000**	**$ -**	**0.00%**		
III. Retired Credit Agreements									
Washington Metro Capital Improvement Program	DC, VA, MD	Transit	Jan-00	$ 2,324,000,000	$ 600,000,000	$ -	0.00%	N/A	Jun-09
Tren Urbano	Puerto Rico	Transit	Aug-00	$ 2,250,000,000	$ 300,000,000	$ 300,000,000	100.00%	4.97%	Jun-05
Cooper River Bridge Replacement	South Carolina	Highway	Jul-01	$ 675,200,000	$ 215,000,000	$ -	0.00%	5.52%	Jun-05
Staten Island Ferries and Terminals	New York	Transit	Dec-01	$ 482,200,000	$ 159,900,000	$ 159,161,429	99.54%	5.52%	Apr-06
Reno Transportation Rail Access Corridor	Nevada	Intermodal	Jun-02	$ 279,900,000	$ 50,500,000	$ 50,500,000	100.00%	5.66%	Spring-06
** Miami Intermodal Center	Florida	Intermodal	Jun-00	**	$ 269,000,000	$ 15,000,000	5.58%	5.89%	May-08
Total				**$ 6,011,300,000**	**$ 1,594,400,000**	**$ 524,661,429**	**32.91%**		
Total Credit Agreements				**$ 29,405,326,000**	**$ 7,920,464,305**	**$ 2,722,285,634**	**34.37%**		

* Miami Intermodal Center Rental Car Facility (RCF) 1 and 2 loan data has been aggregated and reported under the Miami Intermodal Center RCF 2 loan header

**Total project costs include MIC RCF 1 and 2 project and original Intermodal Center Loan and are included once above

Summaries of each TIFIA project are provided in Appendix A. Additional notable project milestones are described in the following section.

B. Project Innovations

Projects have utilized a broad range of finance techniques in combination with TIFIA credit assistance. These project finance techniques and strategies have helped to accelerate delivery of critical infrastructure investments. The TIFIA program facilitates this by acting as a patient investor – backloading debt repayment and accepting a junior lien on project revenues.

As noted above, this report highlights financing innovations since the 2008 report was submitted. Eight TIFIA projects have closed since the beginning of FY 2009. Each of these projects – totaling $3.7 billion in credit assistance and almost $13.0 billion in total project costs – has already used or will utilize one or more of the innovations listed on the chart below in combination with TIFIA.

TIFIA Innovations

Project	Location	Primary Revenue Pledge	Financing					
			GARVEE	BAB	PAB	MAP	Value Capture	Managed Lanes
Active Credit Agreements (Closed Since October 1, 2008)								
Intercounty Connector	Maryland	User Charges	X					
I-595 Corridor Roadway Improvements	Florida	Availability Payments				X		X
Triangle Expressway	North Carolina	User Charges		X				
Port of Miami Tunnel	Florida	Availability Payments				X		
North Tarrant Express	Texas	User Charges			X			X
Transbay Transit Center	California	Real Estate Tax Increment					X	
IH 635 Managed Lanes	Texas	User Charges			X			X
Denver Union Station	Colorado	Sales Tax Revenue and Tax					X	

1. Grant Anticipation Revenue Vehicles (GARVEEs)

A GARVEE is a debt financing instrument authorized to receive Federal reimbursement of debt service and related financing costs under Section 122 of Title 23. GARVEEs can be issued by a State, a political subdivision of a State, or a public authority. In general, projects funded with the proceeds of a GARVEE debt instrument are subject to the same requirements as other Federal-aid projects with the exception of the reimbursement process. Instead of reimbursing construction costs as they are incurred, the reimbursement of GARVEE project costs occurs when debt service is due.

The Intercounty Connector (ICC) project executed a TIFIA loan in combination with GARVEE Bonds in December 2008. The ICC project is an 18-mile toll road project advanced by the Maryland Transportation Authority that will link corridors within central and eastern Montgomery County and northwestern Prince George's County. The $2,566 million project was financed, in part, through a $516 million TIFIA loan, $750 million in GARVEE bonds, $716 million in toll revenue bonds, and $445 million in funds from the State of Maryland. The ICC project highlights the TIFIA program's ability to

participate in the overall package of funding sources utilized to advance a publicly owned and managed toll facility to delivery.

2. TIFIA Credit Assistance used with Alternative Bonding Mechanisms

Build America Bonds (BABs) are taxable bonds that are eligible for an interest rate payment subsidy from the U.S. Treasury. Authorized by the American Recovery and Reinvestment Act of 2009 (ARRA), BABs were created to supplement State and local governments' capacity to access conventional corporate debt markets for public infrastructure, instead of issuing traditional tax-exempt debt. The BAB program is designed to provide a Federal subsidy for a larger portion of the borrowing costs of State and local governments than traditional tax-exempt bonds in order to stimulate the economy, create jobs, and encourage investments in capital projects in 2009 and 2010.

The Triangle Expressway is an 18.8-mile toll road and is the first project advanced by the North Carolina Turnpike Authority. The project consists of three components that will provide an alternative north-south route in the Research Triangle Park region between Raleigh and Durham. Scheduled for financial close and to start construction during the height of the credit crisis, the Triangle Expressway project utilized BABs to complete its financial package. The $1,172 million project was financed through a $387 million subordinate TIFIA loan, $609 million in senior debt, including BABs, and $175 million contributed by the State of North Carolina.

By accepting a repayment stream that has revenue risk – toll revenues generated by a newly constructed or "greenfield" road – TIFIA enabled the Triangle Expressway project to structure a BABs offering that was attractive to risk-averse private market participants.

While BABs were authorized to generate an alternative market for municipal debt, private activity bonds (PABs) were created to attract private equity and debt to public projects. Authorized under Section 11143 of Title XI of SAFETEA-LU, PABs can be issued by private investors for public purpose projects. Passage of Section 11143 reflects the desire to increase private sector investment in U.S. transportation infrastructure. Providing private developers and operators with access to tax-exempt interest rates lowers the cost of capital significantly, enhancing investment prospects.

Closed in December 2009, North Tarrant Express (NTE) is a P3 between the Texas Department of Transportation (TxDOT) and NTE Mobility Partners, LLC. When completed, this project will have a state-of-the-art electronic toll collection system, ensuring a seamless, free flow operation of the managed lanes. Located in the Dallas-Fort Worth area, the project includes $398 million in PABs along with a $650 million TIFIA loan to finance a portion the $2 billion project. A public funds contribution of $573 million from TxDOT along with a $426 million equity commitment complete the sources of funds for project construction. Another notable innovation on this project financing is the participation of the Dallas Police and Fire Pension System as a 10 percent equity partner; this is the first transportation project in the U.S. that has received a direct investment from a public pension fund.

An improvement in market conditions for the issuance of PABs over the past year is seen as an important factor in the concessionaire's decision to propose an all PABs solution for the senior debt structure for the IH 635 Managed Lanes project. In January 2009, TxDOT awarded the 52-year concession to the LBJ Infrastructure Group comprised of Cintra, Meridiam and the Dallas Police and Fire Pension System (the same equity sponsors investing in the NTE project). The $2.8 billion project, closed in June, includes an $850 million TIFIA loan, which is investment grade, and $606 million of senior PABs. The use of PABs improves the credit metrics for the project, reducing the overall cost of capital and eliminating the refinancing risk associated with bank debt. The project's financing plan also includes $672 million in private equity (accounting for 20 percent of the overall funding for the project), and $490 million in public funds.

By issuing PABs to NTE and IH 635, the private sector concessionaire saved on interest expenses and mitigated hedging and refinancing risk. The fixed-rate, long-term, subordinate TIFIA loan allowed the private equity partner to achieve a reasonable rate of return on investment, while still keeping the overall cost of financing within the confines of what the project could support.

3. TIFIA and Senior Debt Secured by Availability Payments for First Time in the U.S.

Most transportation P3s to date have involved toll roads that transfer the risk of slowly developing and uncertain project demand to the private concessionaire. In 2009, the TIFIA JPO completed two transactions wherein the demand risk remains with the public partner. These transactions represented the use of availability payments for the first time in U.S. project finance. In both the I-595 and Port of Miami Tunnel projects, the Florida Department of Transportation (FDOT) will pay the concessionaire a negotiated annual "availability payment" rather than toll revenue from the project. The payment caps both the Government obligation and the concessionaire's rate of return on the asset. The availability payment is based on performance of the concessionaire irrespective of market demand for the asset.

By removing demand risk from the private concessionaire, the private cost of capital to the concessionaire is reduced, lowering the overall cost of financing. The public then absorbs the project demand volatility. This can be useful when the project is critically needed but revenues from direct users would not be sufficient to finance the entire project.

In March 2009, TIFIA closed a $603 million subordinate direct loan for the I-595 Corridor Roadway Improvements project in Florida. The total cost of $1,833.6 million represents the total final acceptance and availability payments over the 35-year contract with the concessionaire. The I-595 Express, LLC will receive no compensation from FDOT until the facility is fully operational. Upon FDOT's final acceptance of the project construction, I-595 Express, LLC will be eligible to receive a series of annual lump sum final acceptance payments, including potential incentive bonuses for completing a series of interim milestones (related to major construction activities) within established contractual deadlines. Performance-based availability payments will be made monthly during the operating period of the project. A maximum availability payment of $65.9 million (in 2009 dollars) begins in 2014 and escalates annually. If quality and performance requirements stipulated in the

contract as well as availability of the roadways to traffic are not met, then the availability payments will be subject to downward adjustment, in accordance with the contract.

Use of this innovation for the I-595 project in combination with TIFIA credit assistance provided a higher bid to FDOT for the concession as the traffic demand risk is not absorbed by the concessionaire. In addition, availability payments can be an innovative financing alternative for projects where user fees are not a feasible option.

In October 2009, the TIFIA JPO closed a subordinated direct loan to finance the Port of Miami Tunnel project, the second U.S. application of availability payments to finance a transportation project. Currently the Port is linked to the mainland only by the Port Bridge. Creating the tunnel alternative will improve access to the Port, improve traffic safety in downtown Miami, and facilitate ongoing and future development plans in and around downtown Miami. The State has agreed to pay for approximately 50 percent of the capital costs (design and construction) and all operations and maintenance, while the remaining 50 percent of the capital costs will be provided by the local governments. Under the concession agreement, FDOT will make milestone payments at various stages of project development. Payments of varying amounts summing to $100 million will be made during construction between 2010 and 2013, followed by a $350 million final acceptance payment after construction is completed. In addition, FDOT will provide 30 years of availability payments – up to $32.479 million annually – to the concessionaire beginning at the completion of construction.

Use of this innovation in combination with TIFIA allowed the Port of Miami Tunnel concessionaire to absorb substantial construction risk via a guaranteed maximum price contract with a 55-month term.

4. Value Capture

Value capture provides a potential revenue source for funding certain types of transportation projects. While traditional transportation financing mechanisms rely on some form of user fees or user taxes, value capture aims to harness the broader economic benefits that the transportation project provides. As vacant or dilapidated properties within a redevelopment area are purchased, developed, and returned to productive use, the value to future property owners and real estate developers is increased. By enhancing the location advantages of the developed area with improved transportation facilities, the increase in value of the property surrounding the project generates the real estate taxes that can be pledged to finance the transportation improvements.

The Transbay Transit Center project represents the first venture in which TIFIA advanced a new transportation facility based on the value captured from the surrounding real estate development. In January, the TIFIA JPO provided a $171 million secured loan to the Transbay Joint Powers Authority for the construction of a new Transbay Transit Center in downtown San Francisco that will serve nine transit and rail providers. The TIFIA loan for Phase 1 will fund approximately 14 percent of the estimated $1,189 million of Phase 1 costs. The remainder of funds necessary to construct the project is being provided from a wide

variety of committed sources, including Bay Area Transportation Authority revenues, Federal and State grants, and land sales. The TIFIA loan has been rated investment grade by Fitch Rating Services and includes a number of creative loan provisions designed to insulate the Federal Government from the real estate risk. The nominal annual tax increment for this project is projected to increase to more than $33 million by 2024, as land is sold and developed over time.

This pledged real estate tax increment, or value capture, will be used to repay the TIFIA debt and to fund project construction. It is this new revenue source that, used as a TIFIA pledge, allowed the Transbay Terminal construction to commence prior to completion of the surrounding development.

The Denver Union Station project in lower downtown Denver, Colorado, is another project that will utilize value capture to repay debt. The TIFIA loan for this project closed in July. The Denver Union Station project will serve as the new hub for Denver's transit system, linking the Regional Transportation District's (RTD) existing light rail and bus network with its proposed FasTracks expansion. This intermodal hub will connect commuter rail, light rail, and bus rapid transit, regularly scheduled bus service, and other related transportation services. The approximately $519 million in total project cost is being financed with a combination of a TIFIA loan and a loan from the Federal Railroad Administration's Railroad Rehabilitation and Improvement Financing (RRIF) program, which comprise about 58 percent of total funding for the project. Tax increment revenues from properties in the development districts surrounding the project area are part of the pledge to repay the TIFIA and RRIF loans. The Denver Union Station pledge also includes a $12 million annual payment from the RTD, which is funded from the 0.4 percent FasTracks sales and use tax approved by voters in 2004. Additional tax revenues from sales tax in the development district and a portion of any lodger's tax from hotels in the area will also secure the loans.

5. Road Pricing

Road pricing refers to a fee for the use of a roadway facility that varies by the level of vehicle demand on the facility in order to deliver travel time savings. Revenue from these fees can be used to build the road, be reinvested in capacity expansion, or pay for operations and maintenance. Road pricing is also called congestion pricing, value pricing, variable pricing, peak-period pricing, or market-based pricing. This approach follows strategies used in other industries to account for and manage demand – for example, airline tickets, cell phone rates, and electricity rates. While this pricing strategy is a tool for demand management, it also generates revenue. The variability of pricing, depending on traffic conditions and policies, capitalizes on market forces to manage the utility of limited capacity. In FY 2009 and FY 2010, the TIFIA program closed three loans that will utilize road pricing strategies (more specifically managed lanes) to relieve congestion, environmental impacts, and other external costs associated with vehicular traffic – the I-595 (Broward County, Florida), NTE (Dallas-Fort Worth, Texas), and IH 635 (Dallas-Fort Worth, Texas) projects.

The I-595 project, which involves availability payments, will incorporate managed lanes with the construction of three, at-grade toll lanes to alleviate congestion in South Florida. In an

effort to improve traffic flow during rush hours, FDOT will operate these lanes as reversible variable toll lanes – allowing vehicular traffic to travel in either direction.

The NTE project, funded in part by a $650 million secured loan, consists of a series of improvements to I-820 and SH 121/183 highway corridor in northeast Tarrant County, Texas. With construction beginning in late 2010, this project is designed to help relieve regional traffic by utilizing road pricing strategies. Once all phases are completed, the project will be comprised of 36 miles of managed lanes.

The IH 635 project also will utilize road pricing strategies to relieve congestion on 13 miles of roads located north of Dallas, Texas. This project will create new managed lanes along the IH 635 (LBJ Freeway) and IH 35E corridors in Dallas County. The toll rates will incorporate dynamic pricing, and thus will vary by time of day, level of congestion, vehicle type, and vehicle occupancy.

By utilizing road pricing strategies combined with TIFIA credit assistance, State DOTs and private concessionaires are able to finance and build large-scale transportation projects that in the past had difficulty obtaining financing at reasonable rates due to the uncertainties associated with these revenue streams.

C. Project Issues

The SBX project (formerly SR 125 South in San Diego, California) is a privately developed, 9-mile toll road advanced through a partnership between Caltrans and SBX, pursuant to a Development Franchise Agreement that grants SBX a 35-year concession for the project. The SBX received a $140 million TIFIA loan in May 2003. In addition to the TIFIA loan, the $658 million project was financed with private equity ($130 million); senior bank debt ($340 million provided by a syndicate of 10 banks); and donated right-of-way ($48 million). With accrued interest, the outstanding balance of the TIFIA loan was $172 million as of March.

On March 22, the SBX, filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. The first bankruptcy in the history of the TIFIA program, the filing is the immediate result of the burden of claims by the contractor that built the project, particularly the ongoing litigation costs. The project's financial prospects, however, have also been impacted by lower than anticipated revenues. Through the end of 2009, toll collections were approximately 40 percent below the original projections. Some of this under performance is due to the overall economic downturn, which has been felt especially hard in the San Diego, California region. The initial TIFIA repayments were not scheduled to begin until 2012. As part of the plan of reorganization under the bankruptcy, the loan will be restructured. Pursuant to the statutory requirements, TIFIA's debt is on par with that of the senior banks' due to SBX's bankruptcy filing.

The DOT is working with the senior lenders and SBX on the restructuring of the debt so that the company can emerge from bankruptcy as quickly and efficiently as possible. The Department of Justice has the lead in representing DOT in all legal matters related to the

bankruptcy. The toll road remains open to traffic, and will continue to operate as an important segment of the San Diego freeway network.

IV. FY 2010 Program Funding

A number of administrative adjustments to the TIFIA program have been undertaken to address the funding limitation identified in Section II above. These include a change to the application cycle process and clarifications to the TIFIA selection criteria.

A. Fiscal Year 2010 Competitive Solicitation

1. A Change in the Application Process

As noted in Section II above, DOT determined that it was no longer feasible to maintain an open application process. Instead, DOT will issue solicitations on a regular basis with set deadlines to establish a competitive group of projects to be evaluated against the TIFIA program objectives. On December 3, 2009, the TIFIA JPO issued a NOFA to announce the availability of limited funding in FY 2010 to support new applications for credit assistance. By evaluating letters of interest as part of a cohort, DOT will ensure that projects selected to receive TIFIA credit assistance best fit the program objectives.

2. Clarification of Selection Criteria

As part of the NOFA, DOT clarified its use of the TIFIA selection criteria, incorporating explicit consideration of policy objectives. The TIFIA's "National and Regional Significance" criterion was clarified to include the consideration of livability, economic competitiveness, and safety. Additionally, TIFIA's environmental impact criterion was clarified to include sustainability and achieving a state of good repair.

3. FY 2010 Letters of Interest

As detailed in the table below, letters of interest for FY 2010 funding were submitted by 39 applicants on or before the March 1 deadline. Although difficult to estimate with precision at this preliminary stage, the funding demand represented by these projects greatly exceeds the budgetary authority provided for FY 2010. Using reasonable assumptions, this gap between supply and demand could be as large as $12.5 billion in credit assistance.

2010 TIFIA Letters of Interest (LOI) Summary
($Millions)

Project Applicant	Project Name	Location	Project Type	Est. Project Cost	TIFIA Credit Request	Percent of Total	Credit Instrument Type
Freight Intermodal							
Container Intermodal Distribution, LLC	Central New York Regional Distribution Hub	Manlius, NY	Freight Intermodal	$ 91	$ 29.4	32%	Direct Loan
Total				**$ 91**	**$ 29.4**		
Highway							
KABATA	Knik Arm Crossing	Anchorage and Mat-Su, AK	Highway	$ 783.4	$ 279.3	36%	Direct Loan
Alabama Toll Road, Bridge, Tunnel Auth.	US 280	Jefferson and Shelby Counties, AL	Highway	$ 790.4	$ 228.6	29%	Direct Loan
Arkansas State Highway Commission	Bella Vista	MO and Bella Vista, AR	Highway	$ 250	$ 77.8	31%	Direct Loan
City & County of San Francisco/San Francisco Redevelopment Agency	Southeast Waterfront Transportation Improvements	San Francisco, CA	Highway	$ 587.6	$ 120.5	21%	Direct Loan
CA DOT/San Francisco County Transportation Authority	Presidio Parkway (Doyle Drive)	San Francisco, CA	Highway	$ 629	$ 309	49%	Direct Loan
SANDAG	Otay Mesa East	San Diego, CA	Highway	$ 715	$ 240	34%	Direct Loan
Miami-Dade Expressway Authority	Airport-Seaport Corridor Improvements	Miami-Dade County, FL	Highway	$ 1,019	$ 336	33%	Direct Loan
Mid-Bay Bridge Authority	Mid-Bay Bridge Connector, Phases 2 and 3	Niceville, FL	Highway	$ 136.6	$ 50	37%	Direct Loan
Osceola County/Avatar Properties	Poinciana Parkway	Osceola County, FL	Highway	$ 174.7	$ 55.3	32%	Direct Loan
Georgia DOT	Northwest Corridor Project I-75 I-575	Northwest Corridor, GA	Highway	$ 1,360.7	$ 374.8	28%	Direct Loan
Kentucky Transportation Cabinet	Louisville - Southern Indiana Ohio River Bridges	Louisville, KY	Highway	$ 4,068	$ 1,342	33%	Direct Loan
Massachusetts Port Authority	Boston Logan International Airport ConRAC	Boston, MA	Highway	$ 356.7	$ 114.4	32%	Direct Loan
Michigan DOT	Blue Water Bridge Plaza	Port Huron, MI	Highway	$ 583	$ 194.0	33%	Direct Loan
N. Carolina Turnpike Authority (NCTA)	Gaston East-West Connector	Gaston and Mecklenburg Counties, NC	Highway	$ 1,200	$ 385.8	32%	Direct Loan
NCTA	Mid-Currituck Bridge	Northweastern, NC	Highway	$ 750.4	$ 243.6	32%	Direct Loan
NCTA	Monroe Connector/Bypass project	Union County, NC	Highway	$ 1,045.5	$ 349.5	33%	Direct Loan
Port Authority of New York/New Jersey	Goethals Bridge	Staten Island, NY & City of Elizabeth, NJ	Highway	$ 1,500	$ 500.0	33%	Direct Loan
Delaware River Joint Toll Bridge Commission	I-95/Scudder Falls Bridge	Bucks County and Mercer County, NJ	Highway	$ 310	$ 102.3	33%	Direct Loan
Puerto Rico Highways and Transportation Authority (PRHTA)	PR-22	Northern Puerto Rico, PR	Highway	$ 1,690	$ 435	26%	Direct Loan
PRHTA	PR-52	Central and Southern Puerto Rico, PR	Highway	$ 1,520	$ 390	26%	Direct Loan
PRHTA	PR-66	Eastern Puerto Rico, PR	Highway	$ 390	$ 100	26%	Direct Loan
Central TX Regional Mobility Auth (CTRMA)	183 S Segment	Travis County, TX	Highway	$ 355.9	$ 112.9	32%	Direct Loan
CTRMA	290 E Segment 1 and 1A	Travis County, TX	Highway	$ 211.5	$ 66.8	32%	Direct Loan
CTRMA	290 E Segment 2/3	Travis County, TX	Highway	$ 464.4	$ 147.4	32%	Direct Loan
North East Texas Regional Mobility Authority (NET RMA)	Toll 49 Segment 3B Project	Tyler, TX	Highway	$ 106	$ 34.9	33%	Direct Loan
North Texas Tollway Authority	Southwest Parkway/SH-121	Fort Worth, TX	Highway	$ 1,579	$ 511.8	32%	Direct Loan
Capital Beltway Express LLC	Capital Beltway Extension	Northern Virginia, VA	Highway	$ 165	$ 110	67%	Direct Loan
Capital Beltway Express LLC	I-95/395 HOT Lanes	Northern Virginia, VA	Highway	$ 1,500	$ 800	53%	Direct Loan
City of Chesapeake, VA	Dominion Boulevard Bridge	Chesapeake, VA	Highway	$ 418.1	$ 146.3	35%	Direct Loan
Elizabeth River Crossing, LLC	Downtown/Midtown Tunnels/MLK Extension	Norfolk and Portsmouth, VA	Highway	$ 1,740	$ 525	30%	Direct Loan
West Virginia Division of Highways	US Route 35	Mason & Putnam Counties, WV	Highway	$ 322.3	$ 107.2	33%	Direct Loan
Total				**$ 26,722**	**$ 8,790**		
Transit							
Bay Area Rapid Transit District	BART Oakland Airport Connector	San Francisco, CA	Transit	$ 482	$ 139.0	29%	Direct Loan
Regional Transportation District (RTD)	Eagle	Denver, CO	Transit	$ 2,729	$ 400.0	15%	Direct Loan
WMATA	WMATA Rail Safety Program	Washington, DC	Transit	$ 2,582.6	$ 838.5	32%	Line of Credit
JFKIATTC	Int'l Arrivals Terminal & Transit Center - JFK	New York, NY	Transit	$ 1,200.6	$ 317.4	26%	Direct Loan
Metro Transit Authority of Houston	Houton METRO	Houston, TX	Transit	$ 1,481	$ 244.3	16%	Direct Loan or Guarantee
Dulles Airport Authority	Dulles Metrorail Project	Northern Virginia, VA	Transit	$ 5,250	$ 1,730	33%	Direct Loan
Total				**$13,725**	**$3,669**		
Miscellaneous							
Cascade Sierra Solutions	Cascade Sierra Solutions	CA, OR, WA	Miscellaneous	$ 392	$ 50	13%	Direct Loan or Guarantee
Total				**$ 391.5**	**$ 50**		
Total All Project Types				**$ 40,930**	**$ 12,539**		

B. TIGER I

The ARRA appropriated $1.5 billion of discretionary grant funds to be awarded by DOT for capital investments in surface transportation infrastructure. The Department refers to these grants as ‘‘Grants for Transportation Investment Generating Economic Recovery’’ or ‘‘TIGER Discretionary Grants.’’ These funds were awarded on a competitive basis to projects that have a significant impact on the Nation, a metropolitan area, or a region.

Additionally, ARRA allowed for up to $200 million of the $1.5 billion to be used to pay the subsidy and administrative costs for TIFIA projects if it would further the purposes of the TIGER Discretionary Grants program. The Department refers to these payments as ‘‘TIGER TIFIA Payments.’’ Additionally, under TIGER I, up to $10 million was awarded to these projects for use as either a grant or to cover the subsidy cost of a much larger TIFIA loan for “TIGER Challenge Grants”.

1. TIGER TIFIA Payments

One project was awarded a TIGER TIFIA Payment.

Texas State Highway 161: Sponsored by the North Texas Tollway Authority (NTTA), the Texas State Highway 161 project stretches between Irving and Grand Prairie, Texas. This $1.3 billion project was awarded a $20 million TIGER TIFIA Payment to support a direct TIFIA loan of approximately $400 million. The project completes the western portion of a second beltway around Dallas and utilizes congestion management to reduce delays and emissions. When complete, the project will improve the region’s transportation network and level of service. Several phases are already under construction by TxDOT. The NTTA intends to take over the project and complete and operate it. Located along the western boundary of Dallas County in a high-growth center of the Dallas-Fort Worth Metroplex, the project plays a role in the region’s continued growth. Regional traffic management centers administered by the NTTA and TxDOT will use real-time traffic flow and visual data to enhance mobility, reduce emissions, and shorten incident response time.

2. TIGER Challenge Grants

In addition to the State Highway 161 project that received a TIGER TIFIA Payment, four projects received TIGER Challenge Grant awards. The four projects selected for Challenge Grants are the Bella Vista Bypass project in Northeast Arkansas and Southeast Missouri, the US 36 Managed Lanes/Bus Rapid Transit project in Colorado, the I-85 Corridor Improvement and Yadkin River Crossing project in North Carolina, and the I-95 Interchange and Access Project in South Carolina. With the exception of the US 36 project, the other three TIGER Challenge Grant recipients have elected not to use their Challenge Grants to leverage a TIFIA loan.

C. TIGER II

On December 16, 2009, the President signed the FY 2010 Appropriations Act. This Act appropriated $600 million to be awarded by DOT for National Infrastructure Investments. This appropriation is very similar, but not identical to the appropriation for the TIGER Discretionary Grant program described above. On April 26, DOT published an interim notice announcing the availability of funding for "TIGER II Discretionary Grants." The final Federal Register notice was published on June 1 to solicit applications for these TIGER II discretionary grants. As with the first TIGER program, funds for TIGER II will be awarded on a competitive basis for projects that make capital investments in surface transportation infrastructure that will have a significant impact on the Nation, a metropolitan area, or a region.

The FY 2010 Appropriations Act allows for an amount not to exceed $150 million of the $600 million to be used to pay the subsidy and administrative costs of a TIFIA project if it would further the purposes of the TIGER II Discretionary Grant program. Referred to as "TIGER II TIFIA Payments," the Federal Register notice details the application requirements to obtain these funds. As of July 31, no awards had been made.

V. Meeting the Objectives of TIFIA: Three Options

Each TIFIA Report to Congress must recommend the governance structure that best serves the objectives of TIFIA – continuing the program under the authority of the Secretary, establishing a government corporation or a GSE to administer the program, or phasing out the program and relying on the capital markets to fund the types of infrastructure investments assisted by TIFIA without Federal participation.

Continued attention to this question speaks to the rationale that established TIFIA. The 1998 Conference Report accompanying TEA-21 articulates the TIFIA objective to "help the financial markets develop the capability ultimately to supplant the role of the Federal Government in helping finance the costs of large projects of national significance."[5] In acknowledging this ultimate objective, however, DOT believes that recent disruptions in the financial markets demonstrate the value the Federal Government can provide in funding transportation infrastructure and recommends continuing TIFIA under the authority of the Secretary.

The TIFIA program is administered under the policy guidance of the DOT Credit Council, chaired by the Deputy Secretary, with the Assistant Secretary for Budget and Programs as vice-chair and consisting of the Administrators of the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration, the Maritime Administration, and other senior officials from the Office of the Secretary. The TIFIA JPO,

[5] Transportation Equity Act for the 21st Century, Conference Report to Accompany H.R. 2400 (105-550), page 435, May 22, 1998.

a component of the FHWA Office of Innovative Program Delivery, manages the program's day-to-day operations.

As a Federal program, TIFIA is subject to Executive and congressional oversight. Like all Federal programs, it is subject to the provisions of the Federal Credit Reform Act (FCRA). Congress directly controls the amount of credit assistance provided by determining the program's level of contract authority. Although the cost of individual credit facilities will vary, there is direct control over the aggregate cost to the Government. The FCRA provisions preclude establishment of a revolving loan fund, where repayments and fees would fund new credit instruments. Like other Federal agency credit programs, all loan repayments are remitted to the U.S. Treasury.

Up to $2.2 million in annual administrative expenses (which include staff salaries and benefits, financial and legal consultants, and loan servicing costs) can be funded from the TIFIA contract authority. In addition, subject to the authority of annual appropriations acts, Congress allows DOT to collect and spend transaction fees from TIFIA borrowers. This allows the JPO to fund annual administrative costs in excess of $2.2 million, providing an essential tool for managing the transaction workload.

Operating the TIFIA program within DOT, an agency subject to congressional and executive oversight, provides policymakers the most discretion to adapt Federal credit assistance to the demands of new and traditional transportation infrastructure investors. Given this advantage, there seems no compelling reason to provide TIFIA assistance via a government corporation or a GSE. Working in conjunction with other DOT grant programs, TIFIA assistance helps fulfill departmental objectives. Employing the corporation or GSE model could lessen the program's accountability with no offsetting advantage.

Seeking to establish a new direction in Federal infrastructure investment, the DOT FY 2011 Budget requests $4 billion to capitalize a National Infrastructure Innovation and Financing Fund (referred to as the I-Fund). The mission of the I-Fund will be to invest in meritorious infrastructure projects of regional and national significance that would be difficult to fund otherwise. The I-Fund would ultimately be capitalized at $25 billion over five years and provide grants, loans, or a blend of both to projects that demonstrate clear and compelling benefits relative to their costs. Projects eligible for funding from the I-Fund will include multimodal projects that include highway, transit, rail, aviation, ports, and maritime components.

Appendix A: TIFIA Portfolio Project Summaries

TIFIA Portfolio
($Millions)

TIFIA Number	Project Name	Project Type	Project Cost	Instrument Type	Credit Amount	Primary Revenue Pledge
I. Active Credit Agreements						
19991002B	Miami Intermodal Center	Intermodal	1,664	Direct Loan	270	User Charges
20011001	Central Texas Turnpike System	Highway	3,278	Direct Loan	900	User Charges
20031002	South Bay Expressway (formerly SR 125 South)	Highway	658	Direct Loan	140	User Charges
20051001	183-A Turnpike	Highway	305	Direct Loan	66	User Charges
20051002	LA 1 Improvements	Highway	372	Direct Loan	66	User Charges
20061001	Warwick Intermodal Station	Intermodal	280	Direct Loan	42	User Charges
20061003A	Pocahontas Parkway / Richmond Airport Connector	Highway	597	Direct Loan	150	User Charges
20071004A	I-495 Capital Beltway HOT Lanes	Highway	1,938	Direct Loan	589	User Charges
20071002A	SH 130 (Segments 5-6)	Highway	1,328	Direct Loan	430	User Charges
20061002A	Intercounty Connector	Highway	2,566	Direct Loan	516	User Charges
20081002A	I-595 Corridor Roadway Improvements	Highway	1,834	Direct Loan	603	Availability Payments
20081004A	Triangle Expressway	Highway	1,172	Direct Loan	387	User Charges
20081008A	Port of Miami Tunnel	Highway	1,073	Direct Loan	341	Availability Payments
20081001A	North Tarrant Express	Highway	2,047	Direct Loan	650	User Charges
20081007A	Transbay Transit Center	Transit	1,189	Direct Loan	171	Real Estate Tax Increment
20071006A	IH 635 Managed Lanes	Highway	2,615	Direct Loan	850	User Charges
20101001A	Denver Union Station Project	Intermodal	519	Direct Loan	146	Sales Tax/Real Estate Tax Increment
Total			**$23,434**		**$6,317**	
II. Retired Credit Agreements						
19991005	Washington Metro Capital Improvement Program	Transit	2,324	Guarantee	600	Interjurisdictional Funding Agreements
19991006	Tren Urbano (PR)	Transit	2,250	Direct Loan	300	Tax Revenues
20001003	Cooper River Bridge Replacement	Highway	675	Direct Loan	215	Infrastructure Bank Loan Repayments
20001004	Staten Island Ferries and Terminals	Transit	482	Direct Loan	159	Tobacco Settlement Revenues
20011002A	Reno Transportation Rail Access Corridor (ReTRAC)	Intermodal	280	Direct Loan	51	Room and Sales Tax
19991002A	Miami Intermodal Center	Intermodal	[a]	Direct Loan	269	Tax Revenues
Total			**$6,011**		**$1,594**	
Total Credit Agreements			**$29,445**		**$7,910**	

As of 07/31/10

Footnotes
[a] Project Cost included in TIFIA Number 19991002b

I Active Credit Agreements

Miami Intermodal Center – Miami, Florida

In Fiscal Year (FY) 1999, the Florida Department of Transportation (FDOT) and the Miami-Dade Aviation Department (MDAD) were approved for a two-tranche Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) direct loan for the $1,664 million Miami International Center (MIC) project, a multiyear program of ground access improvements to and within Miami International Airport (MIA). Major project elements include: the Miami Central Station (MCS) – intermodal center for transit (Metrorail), commuter rail (Tri-Rail), Amtrak, and intercity bus services; Rental Car Facility (RCF) – new RCF consolidating rental car operations at the airport and providing space for 10,000 cars; MIA Mover – automated airport people mover to connect MIA to the MCS and RCF; and various roadway improvements to improve airport access. Using a Construction Management at Risk project delivery method provides the opportunity to begin construction prior to design completion, centralizes risk and responsibility under one contract, and guarantees completion of the project at a negotiated price. Furthermore, a Joint Development program has been established for the MIC to capture the

economic development potential in the area and enhance the functionality of the MIC by encouraging use of public transit.

The original TIFIA commitment included up to $539 million in two separate obligations. First, the $269 million FDOT Program Elements, which has been repaid and retired as detailed below. The second was the RCF loan, originally for $170 million (closed on April 29, 2005) and later amended (on August 1, 2007) to increase the loan amount to $270 million; the loan will be repaid from fees levied on rental car users. In addition to the $270 million TIFIA loan (and $65 million in capitalized interest), this project is funded with Federal grants ($7 million), a State Transportation Trust Fund (STTF) loan ($246 million), a Florida State Infrastructure Bank loan ($25 million), other State funds totaling $650 million, MDAD funding ($226 million), toll revenue ($87 million), and dedicated and ancillary revenues that include customer facility charges, rent, etc. ($87 million).

Central Texas Turnpike System – Austin, Texas

In FY 2001, the Texas Department of Transportation (TxDOT) received a TIFIA direct loan of $900 million for the Central Texas Turnpike System project. The project consists of three contiguous toll highways serving the Austin metropolitan region and the Austin-San Antonio corridor: (i) SH 45 North – 13 miles, four to six lanes; (ii) Loop 1 – 3-mile extension from Parmer Lane to SH 45 North; and (iii) SH 130 (Segments 1-4) – a new, 49-mile, four-lane tollway. SH 130 (Segments 1-4) was procured through Texas' first application of its Exclusive Development Agreement (later Comprehensive Development Agreement) provision, (contractual arrangements equivalent to Public-Private Partnerships (P3s)) and partnered with Lone Star Infrastructure (joint venture of Fluor Corporation, Balfour Beatty Construction and T.J. Lambrecht Co.). In addition to the TIFIA loan, funding sources for this $3,277.8 million project included $1,368 million in proceeds from first tier revenue bonds/notes, $520.1 million in State funding, $304.5 million in local contributions/commission funds for right of way (ROW), and $185.2 million in interest earnings.

The U.S. Department of Transportation (DOT) has a subordinate lien on gross revenues (i.e., prior to operations and maintenance costs) and the trust estate. The TIFIA credit agreement was signed July 25, 2002. Of the approximately $2.2 billion in capital market debt, $900 million was issued as low interest Bond Anticipation Notes (BANs) maturing in 2007 and 2008. In June 2007, TxDOT used its first draw on TIFIA loan proceeds in the amount of $124.9 million to retire the 2007 BANs, and has subsequently retired $775 million in 2008 BANs with a second draw of TIFIA loan proceeds in June 2008. The TIFIA interest payments begin in 2010 with principal payments commencing in 2025. The final maturity of the TIFIA loan is July 2042. By using innovative financing and a fixed-price, lump-sum design-build contract for SH 130, the project was completed 25 years sooner than conventional pay-as-you-go financing would have allowed and was under the original 2002 cost estimate.

South Bay Expressway – San Diego, California

The South Bay Expressway (SBX) project (formerly SR 125 South) is a privately developed, 9-mile toll road advanced through a partnership between Caltrans and SBX, pursuant to a

Development Franchise Agreement that grants SBX a 35-year concession for the project. The SBX received a $140 million TIFIA loan in May 2003. In addition to the TIFIA loan, the $658 million project was financed with private equity ($130 million); senior bank debt ($340 million provided by a syndicate of 10 banks), and donated ROW ($48 million). With accrued interest, the outstanding balance of the TIFIA loan is $172 million. The TIFIA loan for SBX is the first-ever provided to a private toll road development and the 35-year loan has a fixed rate borrowing cost equal to 30-year treasuries on the date of financial close.

On March 22, the SBX filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. The first bankruptcy in the history of the TIFIA program, the filing is the immediate result of the burden of claims by the contractor that built the project, particularly the ongoing litigation costs. The project's financial prospects, however, has also been impacted by lower than anticipated revenues. Through the end of 2009, toll collections were approximately 40 percent below the original projections. Some of this underperformance is due to the overall economic downturn, which has been felt especially hard in the San Diego, California region via high home mortgage foreclosure rates and slow land use development. The initial TIFIA repayments were not scheduled to begin until 2012. As part of the plan of reorganization under the bankruptcy, the loan will be restructured. Pursuant to the statutory requirements, TIFIA's debt is on par with that of the senior banks' due to SBX's bankruptcy filing.

The DOT is working with the senior lenders and SBX on the restructuring of the debt so that the company can emerge from bankruptcy as quickly and efficiently as possible. The Department of Justice is taking the lead on this case and representing DOT in all legal matters related to the bankruptcy. The toll road remains open to traffic, and will continue to operate as an important segment of the San Diego freeway network.

183-A Turnpike – Austin, Texas

On March 2, 2005, the Central Texas Regional Mobility Authority (CTRMA) executed a credit agreement with DOT for a TIFIA direct loan of $66 million to support development of the 183-A Turnpike project, an 11.6-mile, north-south toll highway in northwest Austin, Texas, which opened to traffic in March 2007. The project has a total cost of $304.7 million (not including $32 million of capitalized interest). In addition to the TIFIA loan, CTRMA's funding sources include: proceeds from a senior lien revenue bond ($177.8 million); a State of Texas funding grant ($64.7 million); a local right of way contribution ($18.6 million), and investment earning/accrued interest ($9.5 million). Along with the senior bonds issued at loan closing, CTRMA issued $66 million of low interest BANs, which reached maturity in January 2008. The CTRMA had the option of retiring the BANs (with draws on the TIFIA loan, additional bonds, or other funds available); CTRMA chose to draw the full amount of the TIFIA loan to retire the BANs. Net toll revenues on the full 11.6-mile system will secure the loan; the Federal Government has a subordinate lien on these revenues with respect to debt service due on senior lien bonds. Interest and principal payments will begin in January 2012. The final maturity of the TIFIA loan is January 2042.

The CTRMA partnered with Hill Country Constructors (joint venture of Granite Construction Company and J.D. Abrams, LP) for this initiative. The CTRMA is Texas' first Regional Mobility Authority and was authorized to form at the county level in 2001 and its powers were

expanded in 2003 to include the issuance of toll revenue bonds. The first toll road developed by a Texas Regional Mobility Authority, the 183-A Turnpike project was the recipient of *The Bond Buyer* "Deal of the Year" award in 2005.

LA 1 Improvements – Leeville, Louisiana

The LA 1 Improvements project in Leeville, Louisiana, will provide an 18-mile, fully access controlled, elevated toll highway on a new location between Golden Meadow (LA 3235) and Port Fourchon (LA 3090). The existing LA 1 requires replacement because of subsidence, erosion, and frequent storm damage. Phase 1 has a total cost of $371.6 million and is being constructed in the following phases: Phase 1A: Fourchon to Leeville Bridge – approximately seven miles, 40-foot wide, two-lane elevated highway south of Leeville Bridge to LA 3090 in Port Fourchon (*under construction*); Phase 1B: Leeville Bridge approaches and connector – two-lane interchanges and connector roads north and south of the Leeville Bridge (*open to traffic*); Phase 1C: Leeville Bridge Replacement – two-lane, fixed-span, high-level bridge over Bayou Lafourche (*open to traffic*); Phase 1D: Customer service center, kiosk network, open-road tolling equipment, and intelligent transportation systems (*completed*).

The Louisiana Department of Transportation and Development and the Louisiana Transportation Authority (LTA) signed a TIFIA credit agreement in May 2005 for a direct loan of $66 million. All project debt will be repaid from toll revenues. The financial plan shows TIFIA principal and interest payments beginning in 2013 with final payment in 2040. Along with the $95 million in senior revenue bonds issued at TIFIA loan closing, LTA issued $66 million of low interest BANs that matured in 2009. When the BANs came due, LTA drew down the entire $66 million TIFIA direct loan to repay the BANs in August, 2009. In addition to the TIFIA loan, project funding sources include: $70.4 million in proceeds from senior revenue bonds, $42.6 million in Federal formula funds, $81.6 million in Federal earmarks, and $12.9 million in STTF. Other funding sources include $60 thousand in proceeds from State General Obligation bonds, $63 million from State General Fund Surplus funds, and Coastal Impact Assistance Program funds of $35 million. The project is innovatively designed so that major portions can be constructed using "end-on-end" construction methods to protect sensitive wetlands and marshes. In addition, a movable truss and crane system obviates the need for conventional temporary haul roads and construction pads.

Warwick Intermodal Station –Warwick, Rhode Island

The Warwick Intermodal Station project is a $280 million intermodal project connecting air, rail, bus, automobiles, and rental cars at T.F. Green Airport in Warwick, Rhode Island that serves the Providence area and Southern Massachusetts. The intermodal facility will serve Massachusetts Bay Transportation Authority commuter trains traveling between Warwick, Providence, and Boston, utilizing Amtrak rails and eventually Wickford Junction in North Kingstown, Rhode Island. The rail platform is integrated with a consolidated rental car facility that will house all airport rental car operations. The six-level parking garage will include up to 1,800 spaces for rental car operators and up to 700 for rail commuters. This garage will include the first elevated fueling platforms in the country. A 1,200-foot, elevated and enclosed walkway with moving

sidewalks will connect passengers to and from the airport terminal. Additionally, the station incorporates opportunities for local and intercity bus service connections.

The Rhode Island Airport Corporation (RIAC) and Rhode Island Department of Transportation closed the TIFIA loan of $42 million in FY 2006. The TIFIA loan will be secured by customer facility charges imposed by RIAC on people renting cars at the airport as well as payments by the rental car companies for tenant improvements in the Intermodal Facility. In addition to the TIFIA loan, funding for this project included $124.5 million in Federal grants, $50.3 million in special facility revenue bond proceeds, $29.7 million in proceeds from customer facility charges, $31.1 million in State grants, and $2.4 million from interest earnings on bond proceeds. Construction of the project began in fall 2007 and is expected to be completed in late 2010. The Station is being constructed on a former chemical distribution Brownfield site that continues to be cleaned up for future transportation use. Once completed, the Station will be the closest rail connection to a major airport terminal in the country.

Pocahontas Parkway / Richmond Airport Connector – Greater Richmond, Virginia

The Pocahontas Parkway (Route 895) is an 8.8-mile tolled highway, seven miles south of Richmond, Virginia, that opened to traffic in stages beginning in May 2002. In FY 2007, the Virginia Department of Transportation (VDOT) and the Pocahontas Parkway Association (PPA) received approval for a $150 million TIFIA loan to refinance existing acquisition debt, pay for financing costs, and to fund construction of the Richmond Airport Connector (RAC), a 1.58-mile, four-lane extension of the toll road to Richmond International Airport, along with upgrades to the Electronic Toll Collection system (ETC). Transurban, a private Australian toll road operator with subsidiaries in the U.S., has acquired the sole rights to enhance, manage, operate, maintain, and collect tolls on the Parkway for a period of 99 years. Transurban has also defeased all of PPA's underlying debt and is obligated to construct the RAC. The size of the TIFIA loan was determined through a cost-benefit analysis, which identified the minimum loan amount required to incentivize Transurban to assume the risk of constructing a much needed airport connector roadway that was not economically feasible otherwise. The Pocahontas Parkway project was the first construction project implemented under Virginia's Public-Private Transportation Act of 1995, and it was the second transportation project nationwide to be financed through a 63-20 non-profit corporation. This innovative financing allowed the Pocahontas Parkway to be built without a 15-year delay.

Total Eligible Project Costs amount to $597.4 million, which consist of: $477.3 million in refinancing of acquisition costs, $28.6 million in development and transaction costs, $35 million to fund the Total Debt Service Reserve Account, $2.5 million to fund the Extraordinary Maintenance and Repair Reserve Account, $1.8 million to fund the Proceeds Account, $7 million for the ETC system, and $45.2 million for the RAC construction.

The TIFIA loan is structured into two tranches: Tranche A provides for refinancing of a portion of the acquisition bank debt; Tranche B provides for construction of the RAC and ETC system. The TIFIA loan: 1) refinanced a portion of the existing acquisition debt, 2) paid for financing costs, and 3) funded construction of the RAC and upgrades to the ETC. The TIFIA interest is capitalized through 2012; loan repayments are scheduled to begin in 2029 and conclude in 2043. The Parkway was originally constructed through the sale of tax-exempt revenue bonds issued by

PPA ($354 million), a State Infrastructure Bank loan ($18 million), and Federal funding for roadway design ($9 million). A long-term lease was funded using $420 million of senior bank debt, $55 million in subordinated debt, and a $141 million equity contribution.

I-495 Capital Beltway HOT Lanes – Fairfax County, Virginia

In FY 2008, the VDOT was approved for a $589 million TIFIA direct loan to help fund the $1,938 million I-495 Capital Beltway High Occupancy Toll (HOT) Lanes project. The project spans from the Springfield Interchange (south) to just north of the Dulles Toll Road, and includes four lanes in each direction on I-495 with 14 miles of two new lanes in each direction. In addition to the TIFIA loan, VDOT received $589 million in proceeds from Private Activity Bonds (PABs), a $409 million grant from the Commonwealth of Virginia, and $350 million in private equity contributions. The TIFIA loan holds a subordinate lien on a pledge of the project's toll revenues and interest income, after operations and maintenance expenses, certain capital expenditures, senior debt service reserve, and debt service payments to senior lenders. The TIFIA interest payments are expected to begin in 2018; loan repayments are scheduled to begin in 2033 and conclude in 2047. The TIFIA loan is structured with five years of capitalized interest during construction, followed by five years of partially capitalized interest during ramp-up; the following 15 years of the loan repayment includes current interest only, followed by 15 years of interest plus principal. The project is expected to be completed in 2013 and the total length of the concession is 85 years (five years of construction and 80 years of operation).

The I-495 Capital Beltway HOT Lanes project employs a toll collection system that is fully electronic, using transponder technology and dynamic tolling based on real-time traffic conditions. This project has resulted in the first High Occupancy Toll (HOT) lane implemented in the Commonwealth of Virginia and the largest financing of a HOT lanes project in the country. Additionally, this is the first time a PAB was used.

SH 130 (Segments 5-6) – Austin, Texas

On March 7, 2008, the TxDOT signed a credit agreement for a TIFIA direct loan of $430 million to support financing of SH 130 (Segments 5-6) in Austin, Texas. The project has a total cost of $1,327.9 million and is funded with senior bank loans ($685.8 million), private equity contributions ($209.8 million), and interest income ($2.3 million), in addition to the TIFIA loan. The TIFIA loan will be secured by a lien on project revenues subordinate to the lien securing the bank loans, and will be senior to the equity provided by investors. The first TIFIA interest payment is scheduled for June 2017 and principal repayments are scheduled to begin in 2018. The final maturity of the TIFIA loan is June 2047. A bank liquidity facility and contingent equity will be available to meet senior and TIFIA debt service obligations in the first five years of operation. In addition, a 12-month debt service reserve account will be established beginning in year 6 of operations and will be in place through the final maturity of the TIFIA loan.

When fully completed, SH 130 will be a four-lane, 91-mile toll road east and south of Austin designed to relieve congestion on I-35, the primary north-south route through Central Texas. On March 22, 2007, TxDOT signed a Comprehensive Development Agreement (CDA) with the SH 130 Concession Company to design, construct, operate, and maintain a 40-mile extension of

SH 130 (Segments 5 and 6) under a 50-year concession from the date of opening (expected in mid-2012). The concession company is also financing the project and will share toll revenues with the State. The extension will follow the current US 183 alignment from north of Mustang Ridge to north of Lockhart and extend southwest to I-10 northeast of Seguin. Once completed, SH 130 will be the first, privately developed and operated open toll road facility in Texas.

Intercounty Connector – Montgomery and Prince George's Counties, Maryland

On December 19, 2008, a $516 million TIFIA loan agreement was signed by the Maryland Transportation Authority (MdTA) and State Highway Administration for the Intercounty Connector (ICC) project in Montgomery and Prince George's Counties, Maryland. The $2,566 million project includes an 18-mile, six-lane toll highway that will link existing and proposed development areas between the I-270/I-370 and I-95/US 1 corridors in central and eastern Montgomery County and northwestern Prince George's County. The ICC project has been the focus of various studies and debates since the 1950s and finally started construction in 2007.

The TIFIA loan will be repaid using net toll revenues from the MdTA. The TIFIA interest payments are scheduled to begin in 2013, and principal payments will begin in 2018 with final repayment in 2046. In addition to the TIFIA loan, funding for 96 percent of the total project cost has been secured from various State and Federal sources. Federal funding sources include: $750 million in proceeds from Grant Anticipation Revenue Vehicles (GARVEE) bonds (backed by future Federal-aid receipts), $19 million in special Federal funds (National Corridor Planning and Border Infrastructure Program funding, Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), National Corridor Improvement Program, and high priority project funding), and additional funds from GARVEE sale, totaling $17 million. State funding includes: $716 million of MdTA Toll Revenue bonds proceeds, $180 million from the State of Maryland Trust Fund (motor fuel tax receipts, motor vehicle excise taxes, motor vehicle fees, corporate income taxes, operating revenues), and $265 million from the State of Maryland General Fund. Additionally, future anticipated funding is estimated at $103 million. The project has issued $750 million in GARVEE bonds to support the construction of the project. Furthermore, debt will be secured by revenues from tolls on the ICC and the seven other existing toll facilities operated by MdTA.

I-595 Corridor Roadway Improvements – Broward County, Florida

The FDOT was approved for a $603 million TIFIA direct loan for the I-595 Corridor Roadway Improvements project. The $1,833.6 million project includes the reconstruction and widening of the I-595 mainline and all associated improvements to frontage roads and ramps from the I-75/Sawgrass Expressway interchange to the I-595/I-95 interchange, for a total project length of approximately 10.5 miles. The project is being implemented as a P3 between FDOT and a private concessionaire, I-595 Express, LLC (ACS Infrastructure Development) to design, build, finance, operate, and maintain the roadway for a 35-year term. The FDOT will provide management oversight of the contract; install, test, operate, and maintain all tolling equipment for the express lanes; set toll rates; and retain the toll revenue. State and Federal resources will be used to support FDOT's final acceptance payments ($686 million year of expenditure) and

availability payments ($65.9 million annual Maximum Availability Payment (MAP) in 2009 dollars) made to I-595 Express, LLC.

Aside from the TIFIA loan, the concessionaire's financing sources for repayment includes senior bank debt of $781.1 million, $207.7 million in equity, and $232 million in FDOT qualifying development funds. The DOT has a subordinate lien on availability payments made by FDOT to I-595 Express, LLC. The first interest payment is scheduled for June 2014, and principal repayments are scheduled to begin in 2031. The final maturity of the TIFIA loan is June 2042. A 6-month debt service reserve based on senior debt and TIFIA interest and principal will be available until the final maturity of the TIFIA loan. Furthermore, a $9 million contingency reserve will be available until six months after scheduled substantial completion to cover construction cost overruns and help maintain target minimum debt service coverage ratios. This project represents the first U.S. application of availability payments to a transportation project, where I-595 Express, LLC will not receive any compensation from FDOT until the facility is fully operational.

Triangle Expressway – Raleigh-Durham, North Carolina

The North Carolina Turnpike Authority was approved for a $386.7 million TIFIA loan to support development of the $1,171.7 million Triangle Expressway project. The project is an 18.8-mile toll highway that will provide near-term congestion relief on existing north-south routes serving the Research Triangle Park (RTP) region, including I-40 between Raleigh and Durham, as well as improve commuter mobility, accessibility, and connectivity to the RTP employment center. The proposed tolled highway is comprised of three sections: (i) Triangle Expressway will extend from NC 147 at I-40 south 3.4 miles; (ii) Northern Wake Expressway (NC 540), a 2.8-mile segment, which recently opened to traffic and was constructed by the North Carolina DOT with STIP funds; and (iii) Western Wake Freeway, which connects with Northern Wake Expressway and covers a distance of 12.6 miles.

The requested TIFIA loan was issued on a subordinate basis to the senior lien toll revenue bonds with an interest rate of 4.25 percent. The first interest payment is scheduled for January 2015. Partial principal repayments are scheduled to begin in January 2016, and loan amortization begins January 2025. Final maturity of the TIFIA loan is June 2043. Debt service reserve funds are in place for both the senior bonds and the TIFIA loan. In addition to the TIFIA loan, additional project funding sources included $266.1 million in toll revenue bond proceeds, $343.3 million in State-backed bond proceeds and $175.6 million in State funds. The Triangle Expressway is notable for being the most expensive public works project in North Carolina history and for implementing innovative all-electronic, cashless/video tolling.

Port of Miami Tunnel – Miami, Florida

The FDOT, Miami-Dade County and the city of Miami, entered into a P3 with Miami Access Tunnel, LLC (MAT), to develop the Port of Miami Tunnel project, which includes a tunnel under Government Cut, roadway work on Dodge and Watson Islands, and MacArthur Causeway Bridge widening. Twin tubes, each 3,900 feet long and 41 feet in diameter, will reach a depth of 120 feet below the water. The State has agreed to pay for approximately 50 percent of the

capital costs (design and construction) and all operations and maintenance, while the remaining 50 percent of the capital costs will be provided by the local governments. Under the concession agreement, FDOT will pay milestone payments to MAT at various stages of project development. Payments of varying amounts summing to $100 million will be made during construction between 2010 and 2013, followed by a $350 million final acceptance payment after construction is completed. In addition, DOT will provide availability payments to the concessionaire that begin at the completion of construction and will occur annually for 30 years. The MAP is $32.479 million annually based on the availability of the road.

The total cost of this project is $1,113 million ($1,072.9 in eligible project costs). The TIFIA loan agreement for $341 million was executed on October 15, 2009. Other funding sources include: $341.5 million of senior bank debt proceeds, $80.3 million in equity contributions, FDOT milestone payments during construction totaling $100 million, and FDOT development funds totaling $209.8 million. The TIFIA loan holds a second priority security interest in project revenues after senior obligations and is secured by a pledge of availability payments. The project's senior debt obligations will be fully amortized prior to commencement of TIFIA payments, providing TIFIA with a sole claim on project cash flows available for debt service. This was the second U.S. application of availability payments to finance a transportation project.

North Tarrant Express – Dallas-Fort Worth, Texas

On June 23, 2009, TxDOT awarded two CDAs for the North Tarrant Express project to NTE Mobility Partners. The 52-year, Phase I Concession CDA includes design, development, construction, finance, maintenance, and operation of 13 miles along Interstate Highway (IH) 820 and State Highway (SH) 121/SH 183 from IH 35W to SH 121, from north of Fort Worth to just southwest of Dallas-Fort Worth International Airport. The existing highway includes two general purpose lanes in each direction. Proposed improvements include three general purpose lanes and two managed lanes in each direction for a total of 10 lanes with frontage roads for future traffic volumes.

A TIFIA direct loan for $650 million was approved for Phase I, which is estimated to cost $2,047 million; the loan agreement was executed on December 16, 2009, with the financial close of the senior obligations on December 17, 2009. The TIFIA loan will be repaid with project revenues, which include all income, tolls, revenues, rates, fees, charges, rentals, or other receipts derived by or related to the operation of the Project. In addition to the TIFIA loan, additional project funds came from PAB proceeds ($398 million), public funds ($573 million) and equity contribution ($426 million). Total funding sources do not include TIFIA capitalized interest of $54 million. When completed, this project will have a state-of-the-art ETC system with open architecture, ensuring a seamless, free flow operation of the managed lanes. Furthermore, the project uses an innovative financing package, including PABs and TIFIA credit assistance. It is the second PAB issuance and it is the first transportation infrastructure project in the U.S. to reach financial close with direct investment by a pension fund.

Transbay Transit Center – San Francisco, California

In FY 2010, the Transbay Joint Powers Authority was approved for a TIFIA loan of $171 million to support financing of the Transbay Transit Center project (Phase 1) in San Francisco, California. The Transbay Transit Center Project will be a new multimodal transportation center and will centralize the region's transportation network by accommodating nine transportation systems under one roof. The project will replace the current Transbay Terminal at First and Mission streets in San Francisco with a modern, Leadership in Energy and Environmental Design (LEED®)-certified regional transit hub, one day connecting eight counties in the Bay Area and the State of California. The project is being developed in two phases. Phase 1 includes the Transit Center building and will also include the Caltrain and high-speed extension rail foundation for Phase 2, pending receipt of requested grant funds. Phase 2 includes the remaining rail component. Total project cost of Phase 1 is $1.189 billion.

In addition to the TIFIA loan, Phase 1 project funding includes various local, regional, State, and Federal sources. Local funding sources include $97.8 million from San Francisco Proposition K sales tax proceeds, $7.3 million from San Mateo County Measure A sales tax proceeds, $38.5 million in Alameda-Contra Costa Transit capital contribution, and $7.6 million in other local contributions. Regional project funding sources include $54.4 million from Regional Measure 1 (RM-1) Bay Area toll bridge revenue, $142 million from Regional Measure 2 (RM-2) Bay Area toll bridge revenue, and $150 million from AB 1171 (Bay Area toll bridge seismic retrofitting legislation). State funding for the project included $28.3 million and $429.5 million in land sales. Lastly, Federal funding included an $8.8 million TEA-21 earmark and $53.8 million in SAFETEA-LU earmarks. The TIFIA loan is secured by a senior lien on project revenues, which include dedicated tax increment revenues from land sold and developed in the State-owned parcels surrounding the Transit Center, and a commitment of passenger facilities charges from the Transit Center's initial primary tenant, AC Transit. This is the first TIFIA loan secured by value capture revenues from real estate taxes on surrounding transit oriented development. Additionally, the new transit center, with its sustainable and green building features, will make public transit a convenient option, thereby decreasing congestion and pollution.

IH 635 Managed Lanes – Dallas-Fort Worth, Texas

The LBJ Infrastructure Group, LLC was approved for a TIFIA direct loan of $850 million for the IH 635 Managed Lanes project in Dallas-Fort Worth Metroplex, Texas. The TIFIA Loan Agreement was executed on June 21. The project involves reconstruction of the main lanes and frontage roads along IH 635, the addition of six managed lanes (mostly subsurface) along IH 635 from I-35E to US 75 and four managed lanes west and east of that stretch, and the addition of six elevated managed lanes along I-35E from Loop 12 to the I-35E/IH 635 interchange. The $2,615 million project is being built under a P3 CDA between TxDOT and the LBJ Infrastructure Group, which will operate and maintain the facility for 52 years. Construction is expected to take five years. The managed lanes will be dynamically priced after six months of an introductory fixed-price schedule. HOV2+ users will receive a 50 percent discount during peak operating periods and tolls will be collected by the North Texas Tollway Authority.

In addition to the TIFIA loan, the project is funded from the following sources: $606 million in proceeds from PABs, equity contribution of $672 million, $17 million in toll revenues and $490 million in public funds. Total funding sources do not include TIFIA capitalized interest of $126 million and interest income. The TIFIA loan will be repaid with project revenues, which include all income, tolls, revenues, rates, fees, charges, rentals, or other receipts derived by or related to the operation of the project. This project uses innovative financing, including PABs and TIFIA credit assistance and, once completed, will have one of the most comprehensive managed HOV lane systems in the country, deploying Automatic Vehicle Identification technology capable of reading the transponders of passing vehicles.

Denver Union Station – Denver, Colorado

This project is implemented by the Denver Union Station Project Authority, a non-profit public benefit entity. The Denver Union Station project in lower downtown Denver, Colorado, includes design, development, and construction of a new light rail station, an underground bus facility, a passenger rail station that will serve both Amtrak and Denver Regional Transportation District (RTD) trains, as well as public spaces to integrate the transportation components. The Denver Union Station project will be the hub of the RTD FasTracks project, a major expansion of the existing transit system.

The Denver Union Station project is another project that will utilize value capture to repay debt. The TIFIA loan for this project closed in July. Approximately $519 million in total project costs is being financed with a combination of a TIFIA loan of $145.6 million and a loan from the Federal Railroad Administration's Railroad Rehabilitation and Improvement Financing (RRIF) program ($155.0 million). Other funding sources include the Federal Transit Administration ($9.5 million), Federal Highway Administration ($45.3 million) grants, Colorado State Senate Bill-1 Funds ($17.4 million), American Recovery and Reinvestment Act of 2009 (ARRA) grant ($28.4 million), funds from the Denver Regional Council of Governments ($2.5 million), a contribution from the RTD ($40.0 million), land sales totaling $17.4 million, and pledged revenues collected during construction ($57.5 million). The TIFIA and RRIF loans are secured by liens on pledged revenues comprised of an annual payment of $12 million from the RTD and real estate development-related income generated by the project area, including tax increment revenue, a levy on property tax revenues, and lodger's tax revenue. The RTD's annual payment is funded from the 0.4 percent FasTracks sales and use tax approved by voters in 2004.

II. Retired Credit Agreements

Washington Metropolitan Area Transit Authority Capital Improvement Program – Washington, DC, Metro

On January 28, 2001, a credit agreement for a TIFIA loan guarantee of up to $600 million was executed in support of the Washington Metropolitan Area Transit Authority (WMATA) Capital Improvement Program (CIP), a $2,324 million project. The WMATA operates a rail and bus system serving the National Capital area. The fourth largest transit system in the U.S., WMATA

is the Nation's second largest rail transit system, spanning 103 miles and incorporating 83 stations. The WMATA CIP is replacing vehicles and rehabilitating facilities and equipment on the rail and bus systems. Individual components of the CIP include procurement of new buses and rail cars; major maintenance and rehabilitation of electrical and mechanical systems, communications, and track and structures to improve system-wide performance; escalator and elevator rehabilitation, and other station enhancements; parking lot improvements; and upgrades to several maintenance facilities.

In addition to the TIFIA loan guarantee, funding sources included $1,547 million in Federal grants, $560 million in local matching funds, and $217 million in Grant Anticipation Notes. This project was the first TIFIA project to utilize a loan guarantee to support a TIFIA project and employed a funding agreement with local jurisdictions. The WMATA successfully completed the CIP without drawing on the loan guarantee intended to help finance total project costs from a program designed to deal with deferred maintenance and to undertake improvements to the existing system over a series of subsequent years. However, this loan commitment permitted WMATA to demonstrate adequate fiscal capacity under the terms of its funding agreement with local jurisdictions. With the expiration of the loan agreement in January, this loan guarantee was retired.

Tren Urbano – San Juan, Puerto Rico

The Puerto Rico Highway and Transportation Authority (PRHTA) was approved for a TIFIA loan of $300 million in FY 1999 for the Tren Urbano project in San Juan, Puerto Rico, with private partner Siemens AG. Tren Urbano is a single-line, 10.7-mile fixed-guideway rapid transit system that serves the municipalities of San Juan, Bayamón, and Guaynabo in Puerto Rico. It opened in December 2004, and began revenue service in June 2005. The project includes 16 stations, a vehicle maintenance and storage facility, 74 rail cars, operations control center, traction power, train control, and communications systems. Most of the system is elevated with a 1.1-mile tunnel section in the Rio Piedras district. This $2,250 million project was implemented to provide a solution to the continually rising vehicle traffic levels and to bring a new mode of transportation to the most congested sections of the San Juan metropolitan area. The project employed a Systems and Test Track Turnkey procurement approach for one section of alignment, rail systems, and rolling stock.

In addition to the TIFIA loan, Tren Urbano was financed by $828.8 million in Federal grants, $637.8 million in bond proceeds and $483.4 million from other sources. The TIFIA loan received a subordinate pledge of certain tax revenues (including the proceeds of motor fuel taxes, tire taxes, and vehicle registration fees) accruing to PRHTA. The DOT disbursed the $300 million loan in its entirety on August 7, 2000. Taking advantage of the low interest rate environment at the time, PRHTA refinanced the loan with tax-exempt debt in April 2003, fully prepaying TIFIA in the amount of $305.6 million. In keeping with the TIFIA objective of encouraging prepayments when feasible, this loan was paid off 32 years earlier than its scheduled final maturity. The bonds issued to refund the TIFIA loan have an interest rate of 4.97 percent, slightly more than 75 basis points lower than the interest rate on the TIFIA loan. The authority expects to save $31.7 million, based on net present value, when compared to maintaining the TIFIA loan.

Cooper River Bridge Replacement (Arthur Ravenel Jr. Bridge) – Charleston, South Carolina

The South Carolina Transportation Infrastructure Bank (SCTIB) and the South Carolina Department of Transportation (SCDOT) were approved for a TIFIA direct loan of $215 million in FY 2000 (later refinanced in 2004) for the $675.2 million Cooper River Bridge Replacement project. Renamed the Arthur Ravenel Jr. Bridge, the single bridge replaced two functionally obsolete bridges – the Grace Memorial and Pearman Bridges, which ran along U.S. 17 over the Cooper River, connecting the cities of Charleston and Mount Pleasant. The TIFIA loan was secured by two primary sources: (i) payments from SCDOT ($8 million per year for 25 years), and (ii) certain revenues from hospitality fees levied by Horry County as well as an intercept of State funds collected by the County. In addition to the TIFIA loan, funding sources for the project included: an SCTIB Grant of $325 million (backed by motor fuel tax, truck registration fees, local taxes, tolls), and Federal/State funding of $135.2 million.

Retirement of the TIFIA loan marked a successful milestone, as the Federal credit commitment enabled project construction to get underway and to be replaced entirely by private investment after only three years. The DOT and SCTIB terminated the loan agreement so SCTIB could issue new tax-exempt bonds backed by the revenues pledged to the TIFIA loan. The new bonds carry a lower interest rate than the TIFIA loan, the proceeds of which SCTIB had yet to draw. This project marked the largest contract in SCDOT history and part of SCDOT's innovative 27-in-7 program. This program, a statewide effort from 1999 to 2008, accelerated the implementation of 200 highway improvement projects worth over $5.0 billion from 27 to seven years.

Staten Island Ferries and Terminals – New York, New York

The New York City Department of Transportation, New York City Economic Development Corporation, and TSASC, Inc. (a special not-for-profit corporation authorized to issue bonds secured by tobacco settlement revenues) executed a TIFIA credit agreement on December 19, 2001 for a direct loan in the amount of $159.2 million to support financing of the Staten Island Ferries and Ferry Terminals project. The TIFIA loan (now retired) was secured by tobacco settlement revenues due to TSASC, Inc. under the Master Settlement Agreement with participating tobacco companies. This agreement requires participating companies to make annual payments to beneficiaries, including TSASC, in perpetuity. The TIFIA loan held a parity lien, with senior bondholders, of $750 million in outstanding TSASC bonds, the proceeds of which were available for other purposes. Using tax-exempt bonds, TSASC pre-paid the TIFIA loan with interest on February 8, 2006. The loan was repaid 27 years ahead of schedule, saving New York City about $152 million in interest payments. Prior to the loan pay-off, TSASC had made eight timely payments of interest and one principal payment. In addition to the TIFIA loan, this $482.2 million project was funded with $274.3 million of bond proceeds, $47 million of Federal grants, and $1.8 million in State grants.

The Staten Island Ferries and Ferry Terminals project consisted of construction and acquisition of three ferry boats and redevelopment of two ferry terminals, the St. George Terminal in Staten Island and the Whitehall Terminal in lower Manhattan, including new traveler information systems and multi-modal connections to taxis and transit. The ferry system operates an eight-

vessel fleet, serving 70,000 passengers per day on the 5-mile, 25-minute ride between Staten Island and Manhattan. The three new ferries accommodate 4,400 passengers each, 25 percent more than previous capacity. This project introduced the structure of scheduled and mandatory debt service to transportation finance. It was the first time such a structure was used for a transportation project and has since become a standard provision of many TIFIA loans that have uncertain revenues pledged, such as toll road revenue.

Reno Transportation Rail Access Corridor (ReTRAC) – Reno, Nevada

In FY 2001, the city of Reno and Union Pacific Railroad were approved for a TIFIA loan of $50.5 million for the Reno Transportation Rail Access Corridor in Reno, Nevada. The project has a total cost of $279.9 million and involved replacement of 10 at-grade street crossings with bridges and construction of one new bridge over the trench, minimizing emergency vehicle delay, vehicular delay, impacts from pedestrian conflicts, whistle warning noise, and air quality conflicts. The project also increased property tax revenues by raising residential, commercial, and industrial property values along the corridor. The project allows Union Pacific to improve freight capacity by increasing train lengths to 8,000 feet with double-stacked containers.

In addition to the TIFIA loan, project funding sources included $111.5 million from city of Reno bond proceeds (backed by hotel room and sales taxes), $17 million from Union Pacific Railroad, $21.3 million in Federal grants, and $79.6 million in cash, interest earnings and other income. The original TIFIA commitment amounted to $73.5 million, comprised of three separate obligations: $50.5 million, secured by county sales and city hotel room taxes; $5 million, secured by lease income from property contributed by Union Pacific; and $18.5 million, secured by tax assessments on real property in a downtown business district. The sales and room tax loan closed in 2002 and was funded in 2004. Negotiations concluded in 2005 on the assessment district loan, although litigation prevented its closing. The city elected not to proceed with either of the two smaller loans and repaid the original $50.5 million loan with interest in May 2006. The project's innovative design-build structure (versus design-bid-build) allowed an estimated 18 months in schedule saving.

Miami Intermodal Center – Miami, FL

As noted above, in FY 1999, the FDOT and the MDAD were approved for a two-tranche TIFIA direct loan for the $1,664 million MIC project. Major project elements include: the Miami Central Station – Metrorail, Tri-Rail, Amtrak, and intercity bus services; RCF – new RCF consolidating rental car operations at the airport and providing space for 10,000 cars; MIA Mover – automated airport people mover to connect MIA to the MCS and RCF; and various roadway improvements to improve airport access. The $269 million FDOT Program Elements loan closed June 9, 2000; only $15 million was drawn down before FDOT replaced it with a more competitive internal loan through the STTF. The loan was repaid in full on July 3, 2006, in the amount of $17.1 million, including interest, 24 years ahead of the scheduled maturity date.