HOW THE PUBLIC INTEREST IS PROTECTED IN THE SKYWAY AND TOLL ROAD TRANSACTIONS

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1. STRICT OPERATING STANDARDS

- **Spelled out in detail--covering all aspects of operations and maintenance**
- **Strong enforcement mechanisms: arbitration and judicial order; self-help if necessary; take back the road if continuing default**
- **Arguably not needed because of private operator's own incentives**

2. CONTINUED APPLICATION OF ALL PUBLIC POLICIES

- **MBE/WBE contracting; “living wage”; “Buy Indiana”; Chicago hiring preference; etc**
- **Transactions no escape from public policies**
- **May go further in protecting employees-e.g. Midway Airport legislation requires job offers on comparable terms**
- **Allows broad political consensus support-including unions**

3. TOLL LIMITS

- **Specifics vary: Chicago had stepped increases to 2017, then formula; Ind had initial increase, formula starting in 2010**
- **Importance of clarity: no surprises for public**
- **Specific limits affect price, but not viability of privatization**

4. CAPITAL OBLIGATIONS COME AHEAD OF DEBT

- **Lease spells out operator obligation to carry out capital improvements over term-upfront (e.g. $250M Ind expansion just begun); further expansion triggers;continued high engineering standards**
- **Operator has only lessee interest to mortgage- lease obligation to make capital improvements has priority over any debt**
- **Public gets not just upfront cash but assured high level maintenance for extended term**

PRIVATIZING EXISTING INFRASTRUCTURE CAN BE MASSIVE SOURCE OF NEEDED TRANSPORTATION CAPITAL

- **U.S. toll roads/bridges represent $200B+--public capital no longer needed in these assets--can be redeployed to meet other needs**
- **Privatizing existing assets is far easier politically than building new toll roads/bridges**
- **Privatizing existing airports and other transportation assets can provide similar source of upfront and continuing capital in other areas**