Transcript and Chat Room Comments from MAP-21 Webinar
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Ladies and gentlemen, thank you for standing by. Welcome to the MAP-21 TIFIA conference call. At this time all participants are in a listen-only mode. Later on we will conduct a question-and-answer session. Instructions will be given at that time. If you should require assistance during the call, press star, then zero. The conference is being recorded. I would like to turn the call over to your host, Chris Bertram, Assistant Secretary for Budget and Programs. Please go ahead.

Hi. I wanted to welcome everyone to today's webinar on MAP-21 and the TIFIA program. This will be probably the first of several outreach sessions that we're going to have with the transportation community to talk about the changes that the recent surface authorization bill had for our TIFIA loan program. The Secretary of Transportation is very focused on a very timely implementation of the MAP-21 provisions. Last Friday, he actually announced the publication of the NOFA, the Notice of Funding Availability, for the TIFIA program. That is actually in the Federal Register today. It's also available on our website. One of the highlights of the recent surface reauthorization are the changes to the TIFIA program. It's a substantially larger program than it has been in the past, which will allow us to do many more projects than we have been able to do. It will also allow us to do larger projects. In the past we've had as many as 30 to 35 Letters of Interest per year and have only been able to do four or five.

Okay. Sorry, it sounds like some folks were having a hard time hearing me, so we've adjusted the microphone a little bit. Like I said, I wanted to welcome everyone to this webinar. It will be the first of many outreach sessions that we have on the TIFIA program, which was substantially increased in funding in the recent surface reauthorization bill. We have published a Notice of Funding Availability, the NOFA, for TIFIA. The Secretary announced that last week, it's in the Federal Register today. It's available on our website and it's also available on regulations.gov. One of the highlights of the recent surface reauthorization legislation is the expansion of TIFIA, which allows us to substantially increase the number of projects where we could do loan programs as well as the size. In the past the funding has actually constrained and sort of has the -- the demand has far outpaced what we've had available. Let me introduce Duane. Duane is the Director of the TIFIA Joint Program Office. He is going to walk through some slides. He will try to keep that fairly brief. That explains the background, how TIFIA operates, what's eligible, give some examples of some projects that we've done in the past and then the real purpose of this is to really open this up to questions, sort of ask to be able to answer and give more information of how we think the NOFA process will work and how the new TIFIA changes will be effected. Anyway. Duane.

Thanks, Chris. As Chris said, I'll quickly walk through these, so we can get to your comments. As Chris mentioned, one of the biggest differences -- and I'm on the first slide of the slide deck -- one of the biggest differences are changes to TIFIA is the increases to the funding available to the program. We had $122 million a year, which meant about $1 billion to $1.5 billion in funding, credit assistance. Now in FY 2013, we'll have $750 million and $1 billion in 2014, which means about $17 billion over those two years in credit assistance in the program. Traditionally, we said that each dollar of budget authority translates into about $10 in credit assistance and then there's a multiple of that depending on what percentage TIFIA is of the overall project funding. TIFIA investment could result in up to over $50 billion in federal, state and local investment in critical infrastructure projects. Chris already mentioned that we have the NOFA in the Federal Register. The Secretary announced this on Friday and it's available for viewing now. Turning to the next slide, one of the other changes to TIFIA had to do with the eligibility. Most of the same eligibility applies. TIFIA is a multimodal program, so highway -- multimodal program, highway, passenger rail and certain intermodal projects are available, as well as freight rail facilities and facilities to access those types of structures. Surface transportation modifications necessary to facilitate access to ports, both airports and sea ports are eligible, intelligent transportation systems, as well as bridges and tunnels, intercity passenger rail and bus facilities. One change is that now groups of projects are also specifically eligible so that if a project needed to string together a group of projects to reach the cost threshold for TIFIA, that would be eligible, or if there are other projects that are related in some fashion that have a common revenue stream, those would also be available. Turning to the next slide, in terms of our process, that's one change that MAP-21 has led to. We posted on the site or we will have posted access to the revised Letter of Interest, so I encourage anyone interested in applying to first look on our site, not to pull up old material, but to see what changes there are, as well as looking at the NOFA to see the new language in there. The Letters of Interest that are sent in have to demonstrate that the project is eligible for financing. The eligibility criteria are laid out in the Letter of Interest as well as in NOFA, and they all relate back to MAP-21. DOT will conduct a review at the time the Letters of Interest are sent in to make sure that they meet the eligibility requirements and request further information to move that process forward. Upon completion of the review of eligibility, DOT will then invite applicants to apply if the project has met all of the necessary requirements. So with that, we have a few questions that we'd like some answers to, but I'll turn this over to Bryna Helfer to talk a little bit more about the process for comments.

Hi, everybody. I think you should be able to hear me. We really want to get your feedback. All of this will go into the docket, and we're very interested in kind of getting your insights on a couple of key pieces. We're going to start with using the chat function for those of you who are online and then we'll open up the phone for a couple of additional comments on each of these questions and then later on open it up for general comments and inquiries. So in light of the changes to TIFIA under MAP-21, what types of projects are you considering that DOT may not be aware of at this point. Again, using your chat function, if everyone can, at the bottom of your screen, where it says chat, hit enter and we want to hear from everybody. Again, in light of the changes to TIFIA under MAP-21, what types of projects are you considering that DOT may not yet be aware of? And if everyone -- there's several hundred people on this call, so I would assume that some of you have some thoughts for us. A high speed transit system along I-70 from Denver. Existing toll lanes converted to HOV lanes. Interchange projects. Keep them coming. Double tracking between Sacramento and Folsom, California. Will positive train control projects be eligible? Bridge bundling. So these are all very helpful for us just for some insights. Keep them coming on the chat function. We'll open the phone line here in a minute. TOD, road projects, airport express, transit, bulk heads. Parking garages at metro rail stations. Traditional passenger rail. Risk analysis incorporated not only for safety, but for high frequency disaster related projects. Regional express lanes. Commuter rails. Park and ride structures. Can urban buses be purchased? So, Chris, do you want to make any comments?

Rather than getting really into the specific eligibility of a particular question, I think maybe Duane and I should generally sort of talk about how eligibility is determined. It generally is if it go is Title 23 -- if something is Title 23 eligible and that is part of the federal law that is part of the program and that would be an eligible expense and then Title 49 as it relates to transit. Anything there that is transit eligible that normally would be eligible for a transit grant could be financed through a TIFIA loan. Obviously, you need some sort of revenue stream, dedicated revenue source to pay that back, but generally those are sort of the eligibility parameters for TIFIA.

And I would add that especially with the projects that are access to airports and seaports, we would look at those costs, per the statute, and have discussions with the relevant modal administrations to make sure that those fit into the overall fairly broad criteria eligibility.

People are talking about public-private partnerships and if they are a necessary component of eligibility?

They are not. We have done both TIFIA loans, TIFIA projects that are through P3s and we've also done TIFIA projects directly with a transit authority, a state DOT, port authority, a special state entity. So P3s are not a necessary part of determining eligibility.

Correct. The prior statute had as one of the criteria the degree to which a project encouraged private participation and that's still something we look at, but it's not necessary for a project to be eligible for financing.

Super. We're going to move to the next question. And then we'll come back and open up the phone lines. You all are using your chat functions just brilliantly, so keep that up. What aspects of MAP-21, such as the set-aside for a reduced interest rate for rural infrastructure, make pursuing a TIFIA loan more attractive or feasible for your projects? So what aspects of MAP-21 make the TIFIA loan more attractive or feasible for you? Again, through your chat function.

Why don't we have Duane quickly explain what the special MAP-21 features are for rural projects.

So under MAP-21 there's a special set aside to make rural projects for projects outside of a city with a population of more than 250,000 inhabitants, as specifically eligible. And one of the main components of that, up to 10% of the TIFIA annual available authority can be used for these projects or is to be prioritized for those projects, I guess I'd say. And they would receive an interest rate break for those types of projects. Where currently the TIFIA interest rate is set at U.S. treasuries on the day that we close, these projects will be eligible for half of U.S. treasuries.

So, we'll have to work through developing exactly how that works, depending on how oversubscribed that element may be if we get more rural projects than that 10% set aside, but that's definitely something the Department is eager to look into.

There's a number of comments here that I'd just like to share with everyone and lower costs of financing, particularly in rural projects, larger potential of percentage is kind of attractive and feasible for people, increased money makes larger projects, not rural, more attractive. Some people are saying that it's attractive across the board. Can you use a TIFIA loan for match only on rural infrastructure or is it on all infrastructure is the question. And people want to know what the prospects of more projects getting loans and credit assistance. Previously, there was a small number of projects supported and that was a deterring factor.

Right. I think what talked about a little bit at the beginning is that over the last three years when we had about $100 million worth of credit assistance, credit subsidy available, we did a Letter of Interest process where we looked at all Letters of Interest and on average we got 29, 30, 31 a year. But people knew that our ability to actually participate was fairly limited. So I would presume that we will get at least that many Letters of Interest again and that we will certainly be able to participate in many more projects than we have in the past.

And finally one of those questions, TIFIA is able to be used as a local match in general for a project.

Super. You guys can continue logging on to this chat function and I'm going to move to the next question. What other types of information and outreach would be helpful in understanding DOT's credit assistance under TIFIA? Again, using your chat function at the bottom: What other types of information and outreach would be helpful in understanding the Department's credit assistance program under TIFIA?

I guess while waiting for some more comments to come in, I'll respond to a couple of the questions I saw. TIF revenues can be used for repayment of TIFIA. We have a fairly broad statute in terms of what we can use. What there has to be is a dedicated repayment source, but the only real prohibition is that you cannot use federal funds. You cannot pledge federal funds to our repayment. But looking through our portfolio, you will see that our sources of repayment are varied from taxes to user fees, to lease payments, to TIFIA revenues, all across the board.

Tolls.

Tolls. As long as a sponsor has the legal ability to pledge what they're putting forward and we can get comfortable that it's sufficient to repay us, there's a lot of flexibility there.

So people are suggesting fact sheets, information, informal discussions about likelihood of a project being funded, maybe some tips on how to make the Letter of Interest more competitive, examples of how past projects have used loans and credit assistance. So maybe you can talk to some of that.

Yeah. On the TIFIA website, there are actually descriptions of existing projects, including projects that have paid off their loans that gives different financing ideas, such as Duane said. There's a wide variety of sources that can be pledged. So we have descriptions out there that include descriptions of the project itself and how the overall financing package was put together. I think we were planning to continue to do webinars like this. There was another one scheduled for Friday and in terms of a facts sheet, I think anyone who wants to can download the slides that we presented today, the NOFA is available. The NOFA goes into quite a bit of detail in terms of eligibility and how we will look at those Letters of Interest and then the actual Letter of Interest format is available online to be downloaded as well. And, I think the folks in the TIFIA office are always available to sort of answer questions, to have discussions with people in terms of talking about different structures and how we might actually view those.

And as we work on further MAP-21 implementation, we'll be revising the information on our website, including the program guide and other good resources for exactly what the new legislation means for TIFIA. In answer to a couple of the questions I've seen, one was about environmental clearances. With the change in our process, there's still going to be a requirement that to submit an application, a project needs to have at least a draft environmental impact statement. Going back to one of the comments Chris made earlier, we're really going to be looking for projects that are ready to go and ready to move forward. So that's a good sign or indication at that point that the project is going to be able to receive an environmental clearance in a relatively short time frame and be able to proceed to financial close. It is also part of that process, when the Letters of Interest come in, we'll look at them to make sure there's kind of a basic eligibility and if that's the case, we'll be contacting sponsors to ask for further information to complete the eligibility determination. As part of that, we'll be asking for preliminary rating opinion letters from the rating agencies, financial plans, including financial models, feasibility analysis, depending on what the source of revenue is – all the things that the Department would need in order to make a final determination about eligibility and specifically about creditworthiness before inviting an applicant to apply.

Can you talk a little bit about the fee structure for applying?

Oh, also, so given the tremendous plus up in the amount of projects that we're anticipating, we're changing from our prior process where we actually bring on board financial and legal advisers to help us complete our eligibility and creditworthiness determinations. In the past we charged sponsors back the cost of that at the time that we closed. We can no longer do that because of the volume that we expect, so now we'll be charging at that same time during the LOI process a $100,000 fee upfront to help defray the costs of bringing on the financial advisers or legal advisers and then at the end, we would still charge back the rest of the cost, but it would help us in terms of being able to bring those advisers on board when we need them more quickly.

The folks out in the field are asking about how DOT will prioritize projects considering that the program will be likely oversubscribed; for instance, with projects seeking a lower share of the project cost over a project seeking the maximum of 49%.

Right. So that's one of the major sort of programmatic changes in MAP-21 is that the Secretary can go up to -- the TIFIA loan can be up to 49% of the cost of the project. Before MAP-21, the limit was 33%. You know, I think from a Departmental point of view, we want to participate in as many projects as possible, so if a project sponsor wants to have a loan that's more than 33%, going up to 49%, their Letter of Interest needs to indicate what the benefit of doing that is because clearly every loan that we make that's above 33% means there's another loan that we cannot participate in. So we want to make sure that, you know, projects from across the country have an opportunity to participate in the TIFIA program, so we are not going to automatically just give everyone 49%. We're going to need folks to make a really good case of why their project either would be accelerated or what the benefit is of us going beyond the current 33%. And that's spelled out in the NOFA.

There's a question if transit capital projects need to go through the New Starts process.

Frankly, it depends. We have had New Starts projects that are getting New Starts FTA grant money. In that case, they do have to go to the FFGA process, but the TIFIA loan was done for the nonfederal share, as Duane indicated. There have been other transit projects that do not have any FTA New Starts money and, therefore, they would not have to go and receive an FFGA from FDA. They could come directly to TIFIA. We have the Crenshaw Subway project in Los Angeles; it's one that we're working on right now and finalizing, and that did not have to go through the FFGA process because it does not have federal New Start funding.

In answer to one question I saw come in, one other thing that's clarified in MAP-21 is that it makes clear that a public sponsor that's doing a private – or P3 procurement – can submit an LOI on behalf of the project.

Right.

Even knowing that the ultimate obligor is going to be whoever is ultimately suggested as the project concessionaire.

Will matches be required based on proposed project budgets?

So another change in MAP-21 is that it puts a cap on the total federal investment in a project at 80%. So there's a cap on TIFIA that it could go up to 49%. Chris mentioned that projects will have to make a case for why they need above 33% as we try to allocate this fairly across all the different projects we anticipate applying. But, so there would be a cap with whatever the percentage of TIFIA might be, plus any other federal money, that that couldn't go above 80%. But aside from that, TIFIA doesn't really have any kind of restrictions as to what makes up the rest of the project funding. So TIFIA actually can be mixed with a lot of different other types of grant funding, private debt, or even other federal funds subject to that cap.

As I mentioned, you can have a New Starts project where the non-New Starts costs of the project are financed through TIFIA and we have done that.

Can you comment on the new rolling applications process, at what point in the process should the application be filed and when might it be approved?

That's really one of the largest changes we're making as a Department is to really try to reform and streamline the Letters of Interest process. It's hard to predict exactly how quickly people are going to come in. I think the one point that Duane and I have made to a couple of people is that people should not feel like they have to rush in to get their Letters. I think there is a lot of funding available and it's not a competition against, trying to get in line first. I think it would be really better served to put in a carefully worked out Letter of Interest that's very complete that has a lot of the credit issues already worked out and, like I said, we're always happy to talk to people before they submit their final Letter to sort of give them an indication of what sort of -- how various structures might be evaluated by the Department. So I would say do not rush in. But it is different than in the past where in the past we had a deadline for submitting Letters of Interest last year, was December 31 and we made our decisions by April. In this case, if we get a Letter that is complete, that meets the eligibility criteria that Duane has discussed and has a good, robust description of the overall financing package, our hope would be to get back to people fairly quickly. It's really going to depend sort of in terms of demand, how many Letters we get and sort of how their quality. So I don't want to commit to a specific time line, but the idea is to do this on a rolling basis in a fairly expeditious manner.

To clarify one question, there is not a fee to submit the actual Letter of Interest.

Right.

What we're doing, though, is that once that letter comes in, if there's a determination that the project seems eligible and fits the MAP-21 criteria, we'll require additional information like a full financial plan with a model, feasibility studies, traffic and revenue studies, things like that, as well as an indicative rating letter from the rating agency on the project's debt and at that time we will move to hire our financial adviser or potentially legal adviser, depending on any issues involved with the LOI to do our own analysis and produce the financial adviser's report. So we will charge the borrower a $100,000 flat fee to all of them to help defray those costs to bring those advisers on early.

But the Letter of Interest itself does not have a fee for sending in a Letter of Interest.

Given the increased program and presumed increase in applications, once a project is accepted for TIFIA funding, how long do you expect the process from proponent selection to financial close?

Well, this question is talking specifically about a competitive procurement, so that's slightly different than a public project, but if we're talking from application submittal…

Full application.

…Full application submittal. Typically from that point to financial close, I would say on a regular project, it really depends on the project, how committed the sponsors are to reaching financial close, how fully fleshed out all of the financing plans are, where they are in terms of getting their environmental clearances, getting on the STIP/TIP, things like that, but we can normally get there within six to nine months. If a project sponsor is very motivated, maybe that can be accelerated, because everything is fine and the negotiations of the loan documents are short. Sometimes they'll stretch out because there are business points that we're working on. And then talking specifically about a competitive procurement, it will depend on exactly what the timing is then for the public entity to choose whoever the private concessionaire would be and how quickly they are able to come in to us with whatever their final financial plan is and meet all of the other requirements.

Can TIFIA funds be used for planning, project development, environment and rights of way acquisition?

Yes.

We're going to open the phone lines, operator, and just take a few additional questions.

Thank you. Ladies and gentlemen, if you wish to ask a question, please press star then one on your touch tone phone. You will hear a tone indicating you have been placed in queue. A voice prompt on your phone line will indicate when your line has been opened. You may remove yourself at any time by pressing the star key followed by the digit two. If you're joining us on speakerphone, please pick up the hand set before pressing the corresponding digits. Again, star one at this time. And we'll hear from our first participant.

Hello. This is Kurt Shuman from Macquarie. I have a question regarding existing applications. Is there a need to reapply under the new rules or can that just be carried over to the current application that's currently being processed?

If you are a project sponsor that has been invited to apply based on the last three NOFAs that we have done, the annual NOFAs for 2010, 2011 and 2012 and you've been invited to apply and you're working with the TIFIA office, you still should just continue to work with them just as you did normally. You do not have to resubmit a letter. That was a commitment of funds that we had prior to MAP-21. So existing applicants that are working with us do not have to put in the new Letter of Interest. We already have the funding set aside for those.

Okay. But those projects will be available for funding under the new MAP-21 guidelines?

No. I mean, if you want to use some of the new features in MAP-21, let's say you want to go from 33 to 49%, you would have to submit a new Letter of Interest to specify that the project has now changed because the overall financing package is different and, you know, our financial analysis of how financially viable your project is and how much risk we would take on and how much money we would have to commit to do that has changed. So in that case, you would have to put in a new Letter of Interest. And I think before doing that, I think the best thing is to simply talk to the Department, talk to the TIFIA office and say we want to change things a little bit, do we need to submit a whole Letter of Interest, but that is spelled out in the NOFA.

And to be clear, if you are continuing on the path that we've already discussed, you know, the money that we've set aside for the project, the current, you know, view of the financing, you're fine. If you're making significant changes to that and trying to access the MAP-21 changes, as

Chris mentioned, you would have to send in a new Letter of Interest, basically go through the new process and you would be relinquishing whatever commitment the Department had previously made because you would be asking again for us to review the entire credit. So that -- just to be clear exactly what the trade off would be.

We have a question on the chat function, can you describe the project finance center and how that will work and the difference with the TIFIA office?

It's Jake Falk from the policy office that worked on setting up this finance center is just going to describe real quick how we envision the finance center working.

The idea behind the finance center is sort of -- it would be separate from the TIFIA office. It would be more of a supplement. It would allow us to provide technical assistance where requested and where it makes sense to help project sponsors prepare financial plans, basically. So this is a new program for the Department. We're in the process of implementing it and the idea generally is to pull together experts to help provide technical assistance to help move projects along expeditiously.

Operator, we'll take another question from the phone.

Thank you. Moving on to our next question.

Hi. This is Andrew Mendelson from RBC capital markets. I was curious in terms -- once you submit an application and are invited to submit an application, what's the process on your side for procuring outside counsel and financial advisors and once you eventually get through a negotiation, is there going to be a change in the credit committee process?

So I think one of the changes we've made in the NOFA is that we would actually be engaging financial advisers earlier in the process to keep projects moving along, so that could happen during the Letter of Interest phase after people have been invited to apply as opposed to waiting for a full application and then hiring the outside expertise. So that is a change. In terms of how the credit council would function in terms of making a recommendation to the Secretary on the final loan, to actually close the loan, we don't envision any changes in that.

To answer two quick questions that were submitted, I stated -- I'm sorry, the question was whether a project could use federal funding to repay a TIFIA loan. We cannot accept federal funds as a pledge for repayment. Now, obviously, moneys are fungible so if a project sponsor pledged a nonfederal source, but intended to use moneys that they got over time, that's permissible, but if those funds were not available, we would have the back stop of whatever that nonfederal source was. There was another question about passenger rail that if a project is for intercity passenger rail, will the requirements of FRA for the high speed and intercity rail programs apply? That's something we'll be working out. TIFIA always looks to the relevant mode's requirements to apply to whatever the project is. So we would work through that.

Can you also talk about period of time for loan repayment? Is there a set amount of time that has to be paid back?

Yes. That hasn't changed. The statutory maximum is 35 years after substantial completion for a direct loan and --

That hasn't changed.

Great. Operator, can we have another call from the phone?

Yes. Moving on to our next question.

Hello. This is Lori Shelton from the North Texas Tollway Authority. My question is when in this process are the TIFIA funds considered obligated?

There's no change in that. The obligation happens when the loan documents are actually signed and closed.

Okay. At the closing. Okay. Thank you.

Yeah.

The one caveat, we have the ability and we've done it in a few cases for various reasons, to sign a terms sheet and obligate funds there. Typically our sponsors don't want to waste time negotiating a terms sheet, so we just go straight to negotiating the loan agreement.

This is outlined in the NOFA, but can you expand a little bit on the minimum project costs?

Yes. So the -- the minimum project costs for a typical TIFIA project is still $50 million. For the rural set aside, the minimum project cost is 25 million and for an ITS project, the minimum project size is 15 million.

And those are statutory, right, Duane?

Yes.

Can you talk a little bit to the planning requirements for TIFIA funding? Is there a separate planning requirement?

No. There's no separate requirement for planning. A project has to go through the regular urban and state planning, they need to be on either the urban plan or on the state plan. They are not treated any differently.

Operator, can we have a question from the phone?

Yes. We'll take our next question.

Hi, this is Parsons Brinkerhoff. Will there be any additional guidance on the subsidy cost requirements or is that all going to stay much as before?

No, those are standard calculations that are governed by federal government OMB guidelines under the credit reform act. There's no changes in that. Clearly if there's a change in the share above 33%, that costs more. But in terms of the credit worthiness and how that is scored from a budgetary point of view, there shouldn't be any changes in that.

My only issue, was there any role for the project finance group within that given they're kind of looking at market standards and other things? That was where I was wondering if there was an interface.

I'm not sure I understand.

I think -- sorry -- there's been a sense that it's changed a bit over time and I just wondered if that was, you know, due to changes or whether there was any kind of role for setting standards. That was all.

You know, as Duane indicated in his presentation, I think the rule of thumb is that on average across all of our projects, the credit subsidy ends up being around 10%. Riskier projects are higher and others that are backed by more stable revenue sources like local sales tax or gas tax are lower, but it's still a project-by-project analysis that's done by the independent financial adviser and then finally scored by us. So there should be no change in that.

Great. Thanks.

If there are no more questions, I just want to review next steps. There is a docket open, I posted it at the beginning, but the number is DOT-OST-2012- 0130.

If you go to regulation.gov and you put that number in, it is at the top of the chat room and we will get that back out to everyone. We are very interested in additional comments. This has been very insightful to help us think forward in the implementation, so we're going to leave the chat function open for another ten or 15 minutes so you can continue to give us thoughts here. You can find additional information and Letters of Interest on the FHWA TIFIA site at www.fhwa.dot.gov/ipd/tifia. You can send additional questions to TIFIA credit at dot.gov. And if you have other questions outside of TIFIA related to MAP-21, you can send them to MAP-21@dot.gov. Transcripts from the webinar, everything will be posted to the docket. You'll be able to see it there. Chris, I'm going to turn it back over to you.

Like I said, I want to thank everyone for participating in this. This is just really a first step. We will have another webinar this Friday. If you take a look at the NOFA and have additional questions, please get them to us. Part of the NOFA, I believe it's section VII, specifically asks for comments or thoughts on implementation of the new provisions in MAP-21, so take a look at those and, like I said, we are really looking for good, high-quality, well thought out Letters of Interest. It's a lot easier for us to sort of evaluate those and invite people to come in based on that as opposed to something that's incomplete that would require a lot of back and forth. So please don't feel like you have to rush in. We're going to do a webinar again this Friday. I think we're going to try to have people with strong TIFIA backgrounds at various conferences, association conferences this fall. I know we're trying to get to Seattle where we can specifically talk about existing transit projects that have been done using TIFIA, what the opportunities are and we're always here. We're always available to answer your questions and either get a hold of Duane or Bryna or myself. So, like I said, this was really sort of a first step in starting to implement this very exciting program. Duane, do you have anything?

We have a couple of more questions that have popped up. We're summarizing, so people would like to understand the opportunities regarding multiple projects and project funding and how that works?

Yeah, there was one question about whether if a Letter of Interest is submitted, can a sponsor then add on additional phases after that fact? I think this goes back to Chris' comment that we're looking for projects that are kind of well-fleshed out and at the time that they come in, the Department is looking to make a decision on what that project is and understand what the parameters are. So I think that if there is a project that's submitted in LOI that then subsequently had other phases they wanted to talk about, they probably have to resubmit something as opposed to being able to just add that on to the original evaluation. There was also a question about ratings. There's no requirement that there be other debt in a project. We have many projects where TIFIA is combined with other defendant debt, but we also have projects where -- other debt, but we also have projects where TIFIA is the only debt. In that case, we'll have to get a rating on a TIFIA credit. But that's perfectly acceptable.

I think that that concludes our session today. Again, we're going to leave the chat function open, so continue to submit your thoughts and insights and questions. The federal docket is officially open until September 1. So for 30 days, and that's official, we'll be looking at all of those. We are very excited about working across the country and looking forward to your partnership. So everybody have a great day. Thank you.

Thank you.

That does conclude our conference for today. Thank you for your participation and for using AT&T teleconference service. You may now disconnect. [Event concluded]

Chat Room Comments for MAP-21 Webinar – August 1, 2012

Bryna Helfer: welcome to the DOT MAP21 TIFIA Webinar

Bryna Helfer: The Federal Register Notice is now public: DOT-OST-2012-0130

Bryna Helfer: To submit formal comments--please go to www.regulations.gov and search DOT-OST-2012-0130

Mike Riggs: high speed transit system along I-70 from Denver to west

Kimberly Koenig: Nothing new at this time, intend on continuing to pursue TIFIA loan for Express Lanes (toll lanes converted from existing HOV lanes)

Michael Boraks: TOD, in general

Charles Lutz: transportation interchange projects

Dee Brookshire: Double tracking Folsom line between Sacramento and Folsom California

Michael Wackerly: Construction of a Transit Garage, Offices, Maintenace

Anna Mosqueda: Will Positive Train control projects be eligible?

Indiana DOT: Bridge bundling

Joseph Shacter: 75th St. family of freight imporvement projects for CREATE in Chicago

Indiana DOT: I69 Section 5

Michael Boraks: Transit Oriented

victor saltao: Road projects

Andrew Walters: Airport express transit

PortMiami: bulkheads

Viktoria Badger: High

Carroll Johnson: construction of parking garage at metrorail station

Pete Sepulveda: second access to South Padre islane, Texas

Romm Doulton: traditional passenger rail

Lisa Wolterink (Sound Transit): Sound Transit - Expansion of light rail

Silvana V Croope: risk analysis incorporated not only for safety but for high frequency disaster related projects

MTC: Regional express lane network

David Manuel: commuter rail in Rio Grande Valley, Texas

SANDAG 2: new land port of entry

Kathryn Hansen: Park n. Ride Structures

Kevin Bewsey: High Cost Bridge Replacement

Kelly Doell: Light Rail Transit Extentions

William Millar: Can urban buses be purchased?

Cofiroute USA: National Interoperability projects

Birmingham - Jefferson County Transit Authority: Transit Maintenance Facilities, ITS

Dave Simpson: HOT lanes projects?

evelyn seal: Joint light rail / freeway improvement project along I-10 in west Phoenix

Gerald Daniel Sr, AICP: Fixed guideway from Durham , NC (RTP) to Downtown Raleigh, NC

Fred Ohene: Too roads

Dulles Corridor Rail Project: Infill Metrorail stations

Michael Boraks: Passenger Rail New Starts using branch lines

Richard Mendoza: streetcar

Anna Mosqueda: Economic Development projects around rail stations

Francisco Charvet: An earlier slide noted "International" bridges and tunnels. Is that a typo? Why international?

david tomzik: Arterial Bus Rapid Transit Corridors in suburban Chicago

Bill Newman: rail bypass

Mike:12 miles of new freeway from AZ/NV border to Las Vegas

Sarah Campbell: Cargo oriented development involving rail hub

MDOT: Major project without a P3

Rio Metro RTD: BRT & Rail Modifications

Joe Crnkovich: rail relocations

Fred Ohene: toll Roada under PPP

Viktoria Badger: High speed rail on Washington to Richmond VA - Main Street Station

Viktoria Badger: Downtown bus transfer center

Mike Riggs: if project connects two airports is that a plus?

Michael Boraks: Lower cost of financing

Earl Mahfuz: Does a project need to be entirely outside an urban area to qualify for rural eligibility?

Joseph Shacter: Are passenger rail projects also eligible for the 50% of t-bill interest rate?

Ben Singer: lower cost of financing, particularly for rural projects

Davis JAnice: Larger potential percentage

Richard Mendoza: Community improvement projects in terms of streetscapes, traffic calming, etc

Mort Downey: Increased $$s make large projects (not rural) more attractive.

Fred Kessler: Mr. Callender indicated that the LOI form related to the eligibility criteria in MAP-21. Yet the NOFA requires information on the "public benefits" of a project so that USDOT can decide whether a project is worthy of TIFIA credit assistance? Isn't this kind of discretionary decision exactly what the MAP-21 changes eliminated?

Jessica Monahan: Prospect of more projects getting loans/credit assistance - previously, the small number of projects supported was deterring

Kevin Bewsey: Can you use TIFIA Loan for match only on rural infrastructure?

Joseph Shacter: I thought passenger rail projects were also eligible for the 50% of T-bill rate?

Anna Mosqueda: What is the $ threshold for total project cost to be eligible. I think previously it was $50million

Desiree Fragoso: Does the project's NEPA process must be completed upon submitting the letter of intent or required further on in the process?

AustinHardison: can you use TIFIA for local match on federally funded projects?

Philly: Could TIFF revneues be used to payback TIFIA loans?

Dusty Dickerson: Agree with Desiree we have questions on NEPA process as well.

Ben Singer: If TIFIA is rated investment grade, does there need to be any senior debt in the project?

Kathryn Hansen: Bank Like Deal Sheet

Al Engel: Is the TIFIA enhancement seen as a way to get more federal money to high speed rail projects such as California HSR?

Dan Hartinger: Some project examples/fact sheets explaining how typical projects are financed and funded (i.e. future formula funds, etc)

Mike Riggs: informal discussions about likelihood of a project being fundable

Kimberly Koenig: Perhaps some tips on how to make LOI more competitive

Earl Mahfuz: Can a portion of a project that is outside an urban area qualify for proportional rural eligibility?

Jessica Monahan: Examples of how past projects used loans/credit assistance in the past - including what the project acheived and how they financed with TIFIA and other sources

Michael Boraks: When in the project delivery schedule would you normally apply for and obtain loan proceeds?

Terry Bellamy: Full explanation of the program.

Rio Metro RTD: like to see examples of model projects

Anna Mosqueda: how is credit rating determined-- criteria if entity does not have a bond rating?

cdot: can you confirm that TIFIA can be used for local match?

Silvana V Croope: a forum with social media

Brian Cassidy: Can you explain the fee structure assocaited with TIFIA applications- when due, how much, etc.

Michael Boraks: Any excluded project costs?

Kevin Bewsey: The obligation of federal funds requires that the local match is funded. If pursuing other local funding sources that may decrease the amount needed for TIFIA, what is the flexibilty?

Dan Castle: Can TIFIA funds be used as match to attract foriegn investment?

MTC: Information about how DOT will prioritize projects considering that the program will still likely be oversubscribed. For instace, would projects seeking a lower share of total project cost be given priority over a project seeking the maximum 49%

Bill Bailey: Will we be getting the transcript from this webinar?

Josh Nickerson: Does DOT intend to update the TIFIA regulations in light of the MAP-21 changes?

Andrew Mendelson: Duane, can you please provide detail on the process from start to finish. After submission of an application, how will the negotiations work? Will there still be the need for a procurement process for outside counsel and FA, or will a pool be formed. Will you be expanding the size of the TIFIA Office? How will the Credit Committee approval process change? Etc...

Milo Nitschke, Alamo Regional Mobility Authority: What criteria are used to evaluate a TIFIA loan guarantee

SANDAG 2: Preparation of a side-by-side analysis of the old TIFIA rules versus the new TIFIA rules would be helpful

Michael Boraks: You say EIS, does TIFIA require EIS as NEPA class of action? Does EA work?

Pat Reilly: Does a transit capital project need to go through the New Starts process if it is not seeking Section 5309 funds but is seeking TIFIA financing?

barney allison: how will fhwa handle a new loi for a project that has already received a funding allocation from prior fys?

Richard Mendoza: Can the funding be used for improvements /installation of infrastructure for communication media such as fiber optic for traffic signals, cameras, signs,etc

Richard Mendoza: Will matches be required based on proposed project budget?

Beth Nachreiner: Did you say $100,000 fee at the LOI application?

barney allison: for projects that are in a competitive procurement will tifia allow the public sponsor to submit an loi? submit an application?

Jessica Monahan: What about small starts funding?

Mort Downey: Can you comment on the new rolling application process? How many applications will be in the queue? At what point in the process should the application be filed? When might it be approved?

Kevin Bewsey: Would the "80% plus sliding scale" for federal funds not apply per the 80% cap?

Brian Clark: Given the increased program and presumed increase in applications, once a project is accepted for TIFIA funding, how long do you expect the process from proponent selection (in competitive procurements) to financial close?

Gerald Daniel Sr, AICP: Can TIFIA funds be used for Planning, Project Development and Environmental, and ROW acquisition?

Alistair Sawers: While there is less of a capital/funding constraint, how will the JPO deal with the staff resource constraint and allocate loan officers to projects?

Kimberly Koenig: what is the expected time frame to produce additional documents after LOI submittal?

Ed Mortimer: Can you describe how the Project Finance Center will work and differences than from TIFIA office?

Pat Reilly: Is there a maximum period for loan repayment?

Ted Scahefer USR: if the project is for intercity passenger rail, one line or several lines i.e. regional system, will the requirements of FRA for the high speed and intercity rail program apply along with the TIFIA requirements?

Michael Wackerly: Did I hear you state that you cannot use future federal fund (for example formula funds) to repay a TIFIA loan.

Mort Downey: If a current applicant relinquishes funding and reapplies, will those funds be available for use by others under the old rules?

Dusty Dickerson: How do the NEPA requirements impact TIFIA funds used for planning and ROW acquisition?

Charles Nelson: Did I hear that there is a minimum project cost?

barney allison: according to the nofa project sponsors should provide info about the public benefits that the projects will achieve. is this intended to be a benefit-cost analysis?

George Lorente: Are FTA funds eligible to pay for $100k flat fee?

Gerald Daniel Sr, AICP: Is there an accelerated loan repayment time period or possibility of funds being rescinded if a project is not started within a certain time frame after fund obligation

Alistair Sawers: Will the term sheet option be retained for a programmatic approval of a multi-phase project (eg phased HSR)?

Kurt Shuman: Press releases have indicated that the ratings process has changed. Can you elaborate on this?

Kirt Clement 2: can MAP21 TIFIA be used to refinance existing TIFIA loans?

Sahan: As far as related projects that can be grouped together if there is a common pledge, what are examples of "related" vs. "unrelated?"

Beth Nachreiner: Didn't repayment period change? I thought it was 35 years and under MAP-21 it is life of asset. Is that correct?

barney allison: for a project that is considered one project for nepa purposes but is sponsored by two different states, should the states submit their loi jointly or can the loi be submitted separately?

Kimberly Koenig: can we submit an LOI, and if project is selected later add on to that with other phases of the project?

Ben Singer: If TIFIA is rated investment grade, does there need to be any senior debt in the project?

Francisco Charvet: Slide 2 notes "International bridges and tunnels" Is this correct?

Dusty Dickerson: can you address kimberly's question regarding multiple project phases?

reta busher: thought the payback period had an option over the life of the infrastructure

Pat Reilly: Can you answer Beth's question about life of asset (about ten up from this one)?

Francisco Charvet: Slide 2 notes "International bridges and tunnels" Is this correct?

James Burke: Thank you for this informative webinar. can some webinars be at a later time in the day. This webinar started at 6:00 a.m. in Hawaii .

Jesse Balleza: Will the questions submitted in the chat be answered, and if so, where can we see the responses?

Earl Mahfuz: If the majority of a project is outside an urban area, can that portion of the project be considered rural?

Kevin Bewsey: High cost rural infrastructure projects that are federally participating have difficulty in obtaining the local match. These federal participating projects typically use the "80% plus sliding scale". TIFIA seems to limit this to 80%. So using TIFIA funds for a portion of the local match does not seem possible. Is this correct?

Brian Clark: Regarding ratings, if there is senior debt, does that mean TIFIA will not seek a rating (even if the senior debt was placed without a rating itself)?

Circe Torruellas: I downloaded the slides from the presentation but would like a copy of the Q and A closed caption of the conversation. How can we obtain one of those?

Ted Scahefer USR: in order to take full advantage of this opportunity, especially regarding bundled or regional appraches to projects, does MAP 21 help facilitate environmental and other planning processes that are needed to be eligible? For example, perhaps one corridor of a regional passenger rail system is more fully planned and worked up regarding environment issues. But what about others that could be added to gain higher return on investment regionally? ways to facilitate the planning work that is being required for TIFIA?

Alistair Sawers: Will the early engagement of advisors allow for a more detailed project specific term sheet to be included in a Competitive (P3) process during the RfP or bidding stage?