THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

July 17, 2012

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

Dear Mr. Speaker:

The enclosed 2012 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

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

July 17, 2012

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

Dear Mr. President:

The enclosed 2012 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 Speaker of the House of Representatives.

Sincerely yours,

Ray LaHood

Enclosure

TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT

2012 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 , 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 27 TIFIA commitments[1] described in this report, 10 are public-private partnerships (P3s), which include significant investments of equity on behalf of the private sponsors. The 27 projects are located in 12 States, the District of Columbia, and Puerto Rico.

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 directed 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 fifth 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/technical_resources/index.htm. 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 2012 report addresses recent issues that have arisen since the 2010 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.

II. Program Description and Funding

The TIFIA program is intended to fill market gaps and leverage substantial public or 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 presents projects to a Credit Council comprised of senior DOT officials for their review and recommendation for subsequent 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 by statute. 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 by statute 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 (FY) 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, the

[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.

FY 2012 Departments of Transportation, Housing and Urban Development, and Related Agencies Appropriations Act provides TIFIA with funding based on the previous year's appropriations.

Based on the letters of interest submitted in response to the FY 2012 Notice of Funding Availability (NOFA), demand for TIFIA credit assistance greatly exceeds program resources. For the third year, demand for TIFIA is more than 10 times greater than the funding level that current budgetary resources can support. These issues are detailed further in Section IV of this report.

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 state of the capital markets in the current economic downturn. Notably, when State and local governments use innovative financing and P3s, it is to reduce costs, accelerate project delivery, reduce public sector exposure, and supplement public revenue with private capital.

III. Financial Performance of Projects Receiving TIFIA Credit Assistance

A. Portfolio Overview

TIFIA Portfolio
($Millions)

TIFIA Number	Project	Project Type	Project Cost	Instrument Type	Credit Amount	Primary Revenue Pledge
Active Credit Agreements						
19991002B	Miami Intermodal Center	Intermodal	2,043	Direct Loan	270.000	User Charges
20011001	Central Texas Turnpike System	Highway	3,250	Direct Loan	900.000	User Charges
20031002 [a]	South Bay Expressway (formerly SR 125 South)	Highway	658	Direct Loan	140.000	User Charges
20051001	183-A Turnpike	Highway	305	Direct Loan	66.000	User Charges
20051002	LA 1 Improvements	Highway	372	Direct Loan	66.000	User Charges
20061001	Interlink (formerly Warwick Intermodal Station)	Intermodal	280	Direct Loan	40.060	User Charges
20061003A	Pocahontas Parkway / Richmond Airport Connector	Highway	597	Direct Loan	150.000	User Charges
20071004A	I-495 Capital Beltway HOT Lanes	Highway	1,938	Direct Loan	588.923	User Charges
20071002A	SH 130 (Segments 5-6)	Highway	1,328	Direct Loan	430.000	User Charges
20061002A	Intercounty Connector	Highway	2,566	Direct Loan	516.000	User Charges
20081002A	I-595 Corridor Roadway Improvements	Highway	1,834	Direct Loan	603.441	Availability Payments
20081004A	Triangle Expressway	Highway	1,172	Direct Loan	386.662	User Charges
20081008A	Port of Miami Tunnel	Highway	1,073	Direct Loan	341.038	Availability Payments
20081001A	North Tarrant Express	Highway	2,047	Direct Loan	650.000	User Charges
20081007A	Transbay Transit Center	Transit	1,189	Direct Loan	171.000	Real Estate Tax Increment
20071006A	IH 635 Managed Lanes	Highway	2,615	Direct Loan	850.000	User Charges
20101001A	Denver Union Station Project	Intermodal	519	Direct Loan	145.600	Sales Tax/Real Estate Tax Increment
20091001A	President George Bush Turnpike Western Extension (SH 161)	Highway	1,268	Direct Loan	418.405	User Charges
20111001A	U.S. 36 Managed Lane Project: Segments 1 and 2	Highway	307	Direct Loan	54.000	User Charges
20111003A	Eagle Project	Transit	2,047	Direct Loan	280.000	Tax Revenues
20111004A	Midtown Tunnel Project	Highway	2,089	Direct Loan	422.000	User Charges
20111002A	Presidio Parkway Project[b]	Highway	852	Direct Loan	150.000	Availability Payments
Total			**$30,348**		**$7,639.129**	
Retired Credit Agreements						
19991005	Washington Metro Capital Improvement Program	Transit	2,324	Guarantee	600.000	Interjurisdictional Funding Agreements
19991006	Tren Urbano (PR)	Transit	2,250	Direct Loan	300.000	Tax Revenues
20001003	Cooper River Bridge Replacement	Highway	675	Direct Loan	215.000	Infrastructure Bank Loan Repayments
20001004	Staten Island Ferries and Terminals	Transit	482	Direct Loan	159.225	Tobacco Settlement Revenues
20011002A	Reno Transportation Rail Access Corridor (ReTRAC)	Intermodal	280	Direct Loan	50.500	Room and Sales Tax
19991002A	Miami Intermodal Center	Intermodal	[c]	Direct Loan	269.000	Tax Revenues
Total			**$6,011**		**$1,593.725**	
Total Approved Categories			**$36,359**		**$9,232.854**	

As of 06/18/12

Footnotes

[a] SBX is in three notes: Tranche A in the amount of $59,100,809.63, Tranche B in the amount of $32,341,804.28, and Tranche D in the amount of $2,740,895.56

[b] Presidio project costs ($852 million) include Phases 1 and 2 and credit amount is based on two tranches of TIFIA debt

[c] Project Cost included in TIFIA Number 19991002b

The 27 projects receiving TIFIA credit commitments represent approximately $36.4 billion of infrastructure investment in the U.S. These commitments total more than $9.2 billion in Federal assistance with a budgetary cost of approximately $655 million in contract authority. To date, TIFIA has provided financing for 27 projects, including 4 intermodal projects, 18 highway projects, and 5 transit projects.

Totaling more than $1.3 billion in credit assistance and approximately $6.6 billion in total project costs, 5 of the 27 TIFIA projects have closed since publication of the 2010 Report to Congress. These projects include the President George Bush Turnpike Western Extension (SH 161), U.S. 36 Managed Lane Project: Segments 1 and 2, the Eagle Project, the Downtown Tunnel / Midtown Tunnel / MLK Extension Project and the Presidio Parkway Project.

As of June 15, 2012, borrowers had drawn approximately49 percent of their available TIFIA proceeds. No borrower has defaulted on a TIFIA loan payment. Since the publication of the 2010 Report to Congress, one project – the SR 125/South Bay Expressway project in

California (the SBX Project) emerged from bankruptcy (on April 28, 2011), concurrent with the financial close of restructured TIFIA and Bank Lender loans. Following emergence, TIFIA and the Bank Lenders entered into discussions with the San Diego Association of Governments (SANDAG) on its offer to purchase the toll road. On July 22, 2011, SANDAG and the Bank Lenders reached an agreement in principal for the purchase of the Toll Road for a price of $344.5 million in cash and debt plus excess cash on hand and non-core assets. The agreed upon terms included $247.5 million in cash, $92.5 million in reinstated TIFIA debt, and a subordinated note totaling $4.5 million. On December 21, 2011, the Purchase Agreement and related documents were executed, including the Amended and Restated TIFIA Loan Agreement between SANDAG and DOT.

Within the TIFIA portfolio, six borrowers have retired their TIFIA credit agreements, 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. As shown below, two projects – the Washington Metro Capital Improvement Program and Cooper River Bridge Replacement projects – never had a draw on their approved credit agreements.

Summaries of each TIFIA project are provided in Appendix A.

Information as of June 15, 2012

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	$ 3,250,000,000	$ 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%	Dec-11
Interlink (formerly Warwick Intermodal Station)	Rhode Island	Intermodal	Jun-06	$ 280,000,000	$ 40,060,000	$ 40,058,775	100.0%	5.26%	Oct-10
Pocahontas Parkway / Richmond Airport Connector	Virginia	Highway	Jul-07	$ 597,400,000	$ 150,000,000	$ 146,107,161	97.4%	5.16%	Jan-11
1-495 Capital Beltway HOT Lanes	Virginia	Highway	Dec-07	$ 1,938,000,000	$ 588,922,875	$ 535,773,902	91.0%	4.45%	Expected 2013
SH-130 (Segments 5-6)	Texas	Highway	Mar-08	$ 1,327,900,000	$ 430,000,000	$ 409,370,285	95.2%	4.46%	Expected 2012
Intercounty Connector	Maryland	Highway	Dec-08	$ 2,566,000,000	$ 516,000,000	$ 383,977,732	74.4%	2.56%	Expected 2013
* Miami Intermodal Center RCF 2	Florida	Intermodal	Apr-05	$ 2,043,000,000	$ 270,000,000	$ 170,000,000	63.0%	4.65%	Jul-10
I-595 Corridor Roadway Improvements	Florida	Highway	Mar-09	$ 1,833,600,000	$ 603,441,466	$ 392,500,000	65.0%	3.64%	Expected 2014
Triangle Expressway	North Carolina	Highway	Jul-09	$ 1,171,700,000	$ 386,662,363	$ 283,508,357	73.3%	4.25%	Expected 2012
Port of Miami Tunnel	Florida	Highway	Oct-09	$ 1,072,900,000	$ 341,037,601	$ 225,628,766	66.2%	4.31%	Expected 2014
North Tarrant Express	Texas	Highway	Dec-09	$ 2,047,000,000	$ 650,000,000	$ 63,314,083	9.7%	4.52%	Expected 2015
Transbay Transit Center	California	Transit	Jan-09	$ 1,189,000,000	$ 171,000,000	$ -	0.0%	4.57%	Expected 2016
IH 635 Managed Lanes	Texas	Highway	Jun-10	$ 2,615,000,000	$ 850,000,000	$ 82,924,177	9.8%	4.22%	Expected 2015
Denver Union Station	Colorado	Intermodal	N/A	$ 519,000,000	$ 145,600,000	$ 80,769,638	55.5%	3.99%	Expected 2014
SH 161	Texas	Highway	Apr-11	$ 1,268,000,000	$ 418,405,000	$ -	0.0%	4.51%	Expected 2012
U.S. 36 Managed Lanes	Colorado	Highway	Sep-11	$ 307,000,000	$ 54,000,000	$ -	0.0%	3.58%	Expected 2015
Eagle	Colorado	Transit	Dec-11	$ 2,047,000,000	$ 280,000,000	$ -	0.0%	3.14%	Expected 2016
Downtown Tunnel/Midtown Tunnel/MLK Freeway	Virginia	Highway	Apr-12	$ 2,089,000,000	$ 422,000,000	$ -	0.0%	3.18%	Expected 2018
** Presidio Parkway	California	Highway	Jun-12	$ 851,600,000	$ 149,999,931	$ -	0.00%	N/A	Expected 2015
Total				**$ 30,347,400,000**	**$ 7,639,129,236**	**$ 3,985,932,877**	**52.18%**		
II. 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	$ 159,225,000	$ 159,161,429	99.96%	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**	**$ 1,593,725,000**	**$ 524,661,429**	**32.92%**		
Total Credit Agreements				**$ 36,358,700,000**	**$ 9,232,854,236**	**$ 4,510,594,306**	**49%**		

* 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

** Presidio project costs ($787 million) include Phases 1 and 2 and loan amount is based on two tranches of TIFIA debt

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

B. 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 the California Department of Transportation (Caltrans) and South Bay Expressway LP (SBX LP), pursuant to a Development Franchise Agreement that granted SBX a 35-year concession for the SBX Project. In May 2003, SBX LP received a $140 million TIFIA loan. 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 2010.

On March 22, 2010, SBX LP, filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. The first bankruptcy in the history of the TIFIA program, the filing was the immediate result of the burden of claims by the contractor that built the SBX Project, particularly the ongoing litigation costs. The project's financial prospects, however, were also 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 was due to the overall economic downturn, especially in the San Diego region. The initial TIFIA debt repayments were not scheduled to begin until 2012. As part of the plan of reorganization (the Plan) under the bankruptcy, the loan was restructured. Pursuant to TIFIA's statutory requirements, TIFIA's debt became on par with that of the senior banks' upon SBX's bankruptcy filing.

The DOT worked with the Bank Lenders and SBX on the restructuring of the debt so that the company could emerge from bankruptcy as quickly and efficiently as possible. The Department of Justice represented DOT in all legal matters related to the bankruptcy.

On December 30, 2010, SBX LP filed the Plan with the U.S. Bankruptcy Court, pursuant to which SBX LP was converted to a Delaware limited liability company (LLC), South Bay Expressway, LLC, and the debt of the Bank Lenders and TIFIA was restructured. The Bankruptcy Court confirmed the Plan on April 14, 2011.

Under the Plan, TIFIA's secured claim was $99 million, of which approximately $93 million was debt (the new loan amount) and $6 million was equity. The unsecured claim was $73 million, or 42 percent of the $172 million outstanding balance. All future revenues were to be shared pro rata between TIFIA (32 percent) and the Bank Lenders (68 percent). The Bank Lenders and TIFIA held 100 percent of the restructured debt and owned all of the equity in the reorganized company. The reorganized company, South Bay Expressway, LLC (SBX LLC), emerged from bankruptcy on April 28, 2011, concurrent with the financial close of the restructured loans.

On July 22, 2011, SANDAG, the Bank Lenders, and TIFIA reached an agreement in principle for the purchase of the SBX Project for $344.5 million in cash and debt (excluding cash on hand and non-core assets). On December 21, 2011, SANDAG purchased the SBX Project from TIFIA and the Bank Lenders, with SANDAG issuing a note to TIFIA for a restated loan in the amount of $94.1 million. In addition, as consideration for the sale of the

Project, TIFIA received a cash distribution of $15.4 million and holds a subordinated note from SANDAG in the amount of $1.4 million. The basis for allocations between the Bank Lenders (68 percent) and TIFIA (32 percent) was the pro rata share of the outstanding debt as of the bankruptcy filing.

The TIFIA note now has a senior lien on the SBX Project revenues and is structured into three Tranches that will bear interest at the same rates as in the Plan. The Tranche A rate is 6 percent with periodic step-ups; Tranche B is 9 percent; and Tranche C is 10 percent, each of which are substantially higher than the 4.46 percent rate for TIFIA's original loan for the SBX Project. The TIFIA program also has a separate subordinate note, which compensates TIFIA in part for its equity portion and has a rate of 14 percent.

Fitch Ratings has assigned an investment grade rating to the TIFIA debt. Now that substantially all of the assets (i.e., the SBX Project) of SBX LLC have been sold to SANDAG, TIFIA and the Bank Lenders are in the process of liquidating and winding down SBX LLC.

The bankruptcy was the first time the TIFIA non-subordination clause was tested and the clause was never challenged by senior lenders or the Bankruptcy Court. In this regard, the SBX bankruptcy establishes a strong precedent for future restructurings. The ultimate recoveries associated with the TIFIA loan default will depend on ongoing performance of the toll road. However, the credit quality of the cash flow stream has been improved significantly through the sale of the toll road to SANDAG. Although the principal amount of the original DOT loan was reduced, based on the credit attributes of the restructured loan and the higher interest rates (compared to the 4.46 percent rate in the original loan), the TIFIA program is positioned to fully recover the principal balance of the original loan

Additionally, the toll road has at all times remained open to traffic, operating as an important segment of the San Diego freeway network.

IV. <u>FY 2012 Program Funding</u>

A. TIFIA Letters of Interest – 2012 Solicitation

In the past several years, there has been an unprecedented level of interest in TIFIA credit assistance due to the growing need for additional infrastructure investment relative to other existing sources of transportation funding, including fuel tax receipts and municipal borrowing. The economic downturn has further increased the demand for TIFIA credit assistance.

In each of the 3 years that DOT has issued a NOFA seeking letters of interest, the program has been oversubscribed by a ratio of more than 10 to 1. The TIFIA demand between FY 2010 and FY 2012 is summarized in the table below.

TIFIA Letters of Interest: Demand from FY 2010 through FY 2012			
NOFA Deadline	Mar. 1, 2010	Mar. 1, 2011	Dec. 30, 2011
Number of LOIs	39	34	26
Credit Support Requested	$12.5 billion	$14 billion	$13 billion
Total Investment	$41 billion	$48 billion	$36 billion

As detailed in the table on the following page, letters of interest for FY 2012 funding were submitted by 26 applicants on or before the December 30, 2011 deadline. The funding demand represented by these projects greatly exceeds the amount that can be paid for with the contract authority provided for FY 2012. Total funding demand represented by these projects is approximately $13 billion.

2012 TIFIA Letters of Interest (LOI) Summary

($Millions)

Project Applicant	Project Name	Locaton	Project Type	Estimated Project Cost	TIFIA Credit Request	Percent of Total	Credit Instrument Type
Pod Train Superhighway LLC	Pod Train Superhighway	San Diego, CA	Intermodal	$2,950	$2,950	100%	Direct Loan
Port of Long Beach	Port of Long Beach	Long Beach, CA	Intermodal	$960	$200	21%	Direct Loan
San Diego Association of Governments	Otay Mesa	San Diego, CA	Intermodal	$755	$250	33%	Direct Loan
Washington State Department of Transportation (WSDOT)	Columbia River Corridor	Vancouver, WA	Intermodal	$3,245	$1,000	31%	Direct Loan
Alamo Regional Mobility Authority (Alamo RMA)	Loop 1604	San Antonio, TX	Highway	$469	$155	33%	Direct Loan or Loan Guarantee
Cameron County Regional Mobility Authority	SH 550	Cameron County, TX	Highway	$100	$20	20%	Direct Loan
Central Texas Regional Mobility Authority (CTRMA)	MoPac	Austin, TX	Highway	$222	$72	32%	Direct Loan
City of Chesapeake	Dominion Boulevard	Chesapeake, VA	Highway	$468	$155	33%	Direct Loan
Colorado High Performance Transportation Enterprise (HPTE)	US 36 Phase 2	Denver / Boulder, CO	Highway	$140	$94	67%	Direct Loan
Delaware Transportation Authority (DTA)	US 301	Delaware	Highway	$622	$154	25%	Direct Loan
Florida Department of Transportation (FDOT)	I-75 Managed Lanes	Broward County, FL	Highway	$470	$155	33%	Direct Loan
Kentucky Transportation Cabinet, Indiana Department of Transportation and the Louisville and Southern Indiana Bridges Authority	Ohio River Bridges	Louisville, KY	Highway	$2,900	$1,000	34%	Direct Loan
Knik Arm Bridge and Toll Authority (KABATA)	Knik Arm Crossing	Anchorage and Mat-Su, AK	Highway	$1,086	$308	28%	Direct Loan
New York State Thruway Authority	Tappan Zee Bridge	New York, NY	Highway	$6,000	$2,000	33%	Direct Loan
North Carolina DOT and North Carolina Turnpike Authority (NCTA)	Garden Parkway (Gaston Connector)	Gaston County, NC	Highway	$901	$287	32%	Direct Loan
North Carolina DOT and North Carolina Turnpike Authority (NCTA)	Mid Currituck Bridge	Currituck County, NC	Highway	$778	$120	15%	Direct Loan
North Central Texas Council of Governments	IH 35E	Denton / Dallas County, TX	Highway	$2,273	$200	9%	Direct Loan
Ohio Department of Transportation (ODOT)	Portsmouth Bypass	Portsmouth, OH	Highway	$605	$200	33%	Direct Loan
Riverside County Transportation Commission (RCTC)	SR 91	Riverside County, CA	Highway	$1,345	$444	33%	Direct Loan
Santa Clara Valley Transportation Authority	SR 85	Santa Clara County, CA	Highway	$201	$43	21%	Direct Loan
Texas Department of Transportation (TxDOT)	Interstate 35W: NTE Segments 3A & 3B	Tarrant County, TX	Highway	$1,499	$537	36%	Direct Loan
Transurban Fluor Special Purpose Vehicle	I-95 HOT Lanes	Northern Virginia	Highway	$927	$350	38%	Direct Loan
City of Kansas City, Missouri	Kansas City Streetcars	Kansas City, MO	Transit	$100	$33	33%	Direct Loan
Dallas Area Rapid Transit (DART)	DART Orange Line	Dallas, TX	Transit	$334	$130	39%	Direct Loan
Foothill Extension Construction Authority	Metro Gold Line Foothill Extension	Los Angeles, CA	Transit	$600	$200	33%	Direct Loan
Metropolitan Washington Airports Authority with Fairfax and Loudon Counties	Dulles Metrorail	Northern Virginia	Transit	$5,894	$1,950	33%	Direct Loan
			Totals	$35,844	$13,007		

B. Alternative TIFIA Funding Sources

Since the implementation of the American Recovery and Reinvestment Act in 2009 (ARRA), DOT has received appropriations for discretionary grants for capital investments in surface transportation infrastructure called, ''Grants for Transportation Investment Generating Economic Recovery'' or ''TIGER Discretionary Grants.'' Funds have been awarded on a competitive basis in three separate solicitations to projects that have a significant impact on the Nation, a metropolitan area, or a region; a fourth solicitation process is underway. Appropriations for this program have ranged between $500 million and $1.5 billion, of which a portion was set aside for TIFIA TIGER Payments.

Under TIGER I, two projects were awarded funding under this ARRA program – the Texas State Highway 161 Project received a $20 million TIGER TIFIA Payment and the U.S 36 Managed Lanes Project received a $10 million TIGER Challenge Grant – in this first round of the TIGER program. Both projects have closed their TIFIA loan agreements. Under TIGER II, one project (Crenshaw/LAX Transit Corridor) received a TIGER II TIFIA Payment of $20 million. Under TIGER III, three projects – California SR 91 ($20 million), I-95 Hot Lanes ($20 million), and the Dallas Area Rapid Transit (DART) Orange Line Project ($5 million) – were awarded TIGER III TIFIA Payments, totaling $45 million. In June 2012, DOT completed a fourth round of the TIGER grant program, awarding a TIGER IV TIFIA Payment to the Chicago Transit Authority (CTA) 95th Street Terminal Project ($20 million).

Currently, seven projects have received TIGER funding, totaling $115 million. These projects are summarized in the table below.

TIGER TIFIA Project Summary
($Millions)

Project Applicant	Project Name	Location	Project Type	Estimated Project Cost	TIFIA Credit Request	Percent of Total	TIGER Award Amount	Credit Instrument Type
TIGER I								
North Texas Tollway Authority*	Texas State Highway 161	Dallas County, TX	Highway	$1,268	$418	33%	$20	Direct Loan
Colorado High Performance Enterprise (HPTE)*	U.S. 36 Managed Lanes (Segments 1 and 2)	Denver, CO	Highway	$307	$54	18%	$10	Direct Loan
TIGER II								
Los Angeles County Metropolitan Transportation Authority (LACMTA)	Crenshaw/LAX Transit Corridor	Los Angeles, CA	Transit	$1,715	$546	32%	$20	Direct Loan
TIGER III								
Riverside County Transportation Commission (RCTC)	California SR 91	Riverside County, CA	Highway	$1,345	$444	33%	$20	Direct Loan
Transurban Fluor Special Purpose Vehicle**	I-95 HOT Lanes	Northern Virginia	Highway	$927	$350	38%	$20	Direct Loan
Dallas Area Rapid Transit **	DART Orange Line	Dallas, TX	Transit	$334	$130	39%	$5	Direct Loan
TIGER IV								
Chicago Transit Authority (CTA)	95th Street Terminal	Chicago, IL	Transit	$140	$46	33%	$20	Direct Loan

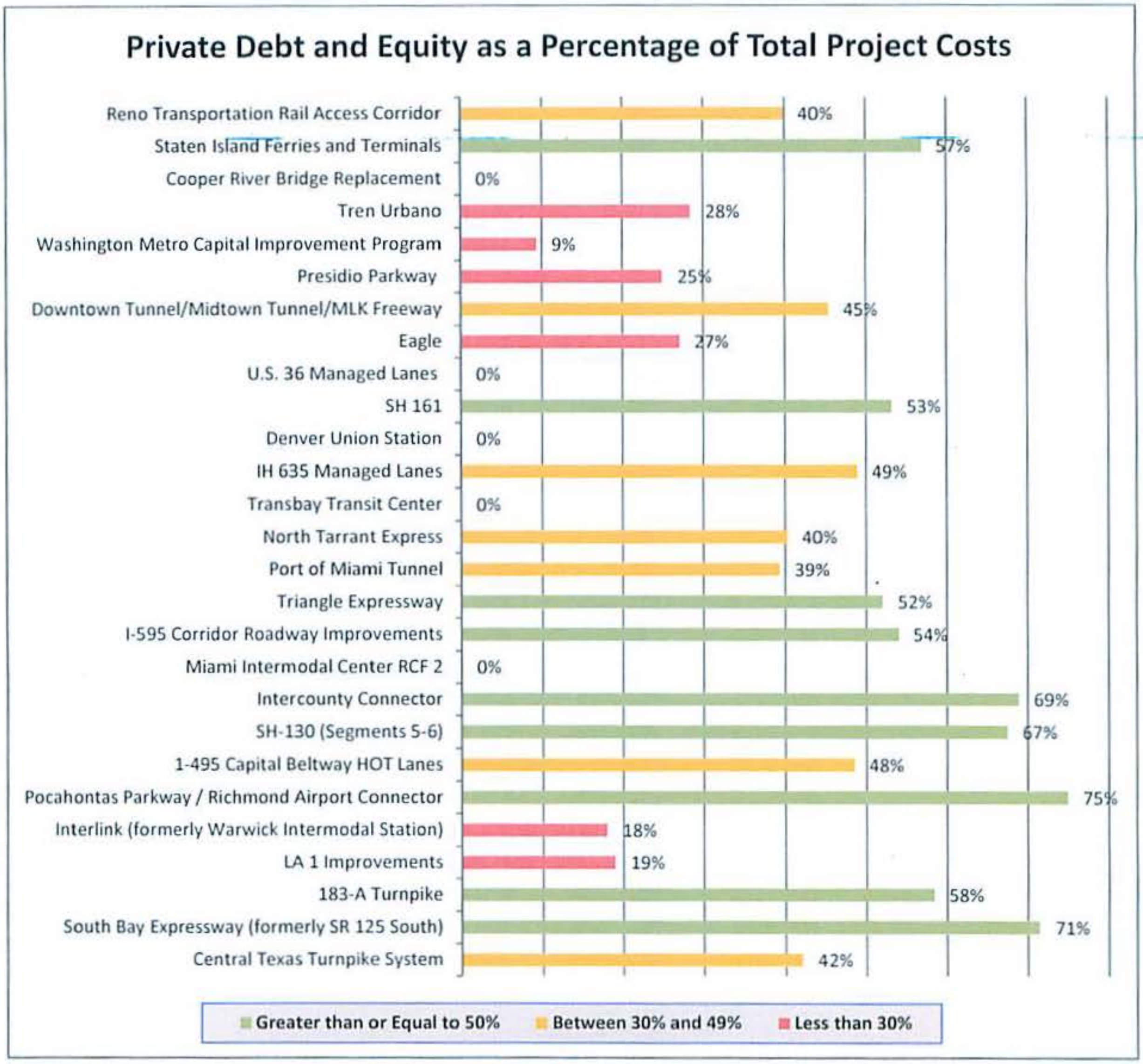
* TIFIA loans have closed

** Project applications are under review ; current request exceeds the TIFIA limit

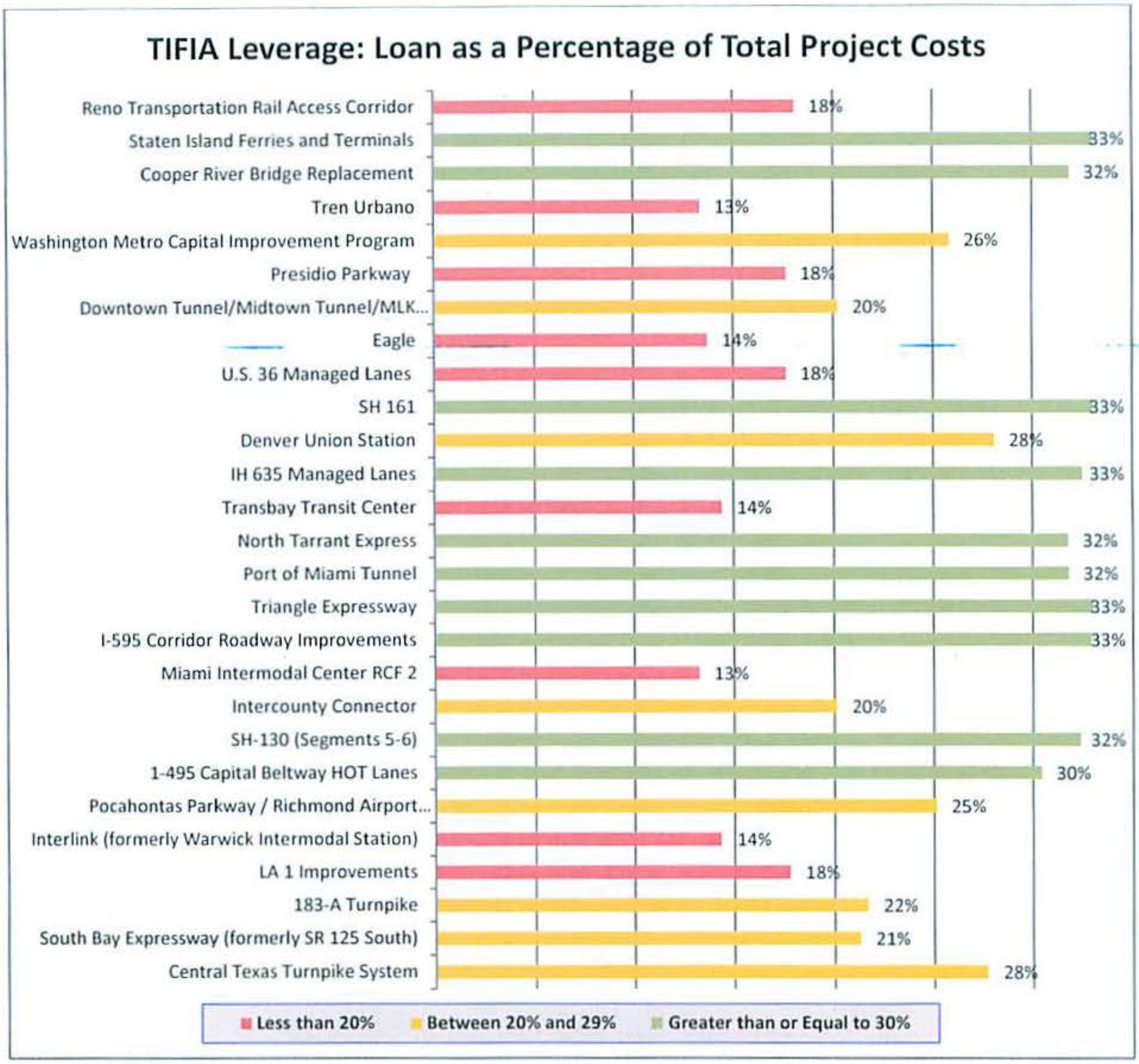
V. Attainment of Key Program Goals

Measuring the performance of the TIFIA program entails three key assessments:
(a) reviewing the financial objectives of the TIFIA program, (b) identifying ways in which the selected projects benefit from TIFIA assistance, and (c) calculating the extent to which TIFIA assistance leverages investment by other parties in transportation infrastructure.

An explicit goal of the TIFIA program is to induce private investment in transportation infrastructure. In addition to offering another funding source, joint investment of private capital brings independent financial discipline from other sophisticated investors. A key program measure, therefore, is the extent to which TIFIA projects include private co-investment in the form of debt or equity capital. This measure is depicted in the chart below.



The TIFIA program promotes cost-effective use of Federal resources to encourage co-investment in transportation infrastructure. Federal grant funds that otherwise might be required to support these large projects can then be redirected toward smaller but critical infrastructure investments. Another key measure of program performance is the leverage each dollar of TIFIA financing produces. The chart below highlights TIFIA leverage as a percentage of total infrastructure investment.



The broad project eligibilities and flexible financial provisions in TIFIA have enabled the DOT to assist projects in meaningful ways other than facilitating market access. Projects with higher-rated credits have found that TIFIA assistance can reduce costs, coalesce support, and help remove other barriers in advancing projects.

A number of general factors have been identified in the course of discussions with the projects as well as reviews of TIFIA applications, credit agreements, and project updates.

- ***Revenue Leverage***. TIFIA can help the project leverage a new or untested revenue stream that otherwise might not be marketable. This factor often benefits user-backed financings that involve start-up facilities with uncertain revenues expected to grow over time.

- ***Senior Debt Enhancement***. TIFIA can be structured as junior-lien financing in order to enhance the creditworthiness of senior-lien capital markets financing through greater debt service coverage. This factor is highly correlated with revenue leverage, as projects often utilize subordinate debt to maximize the leveraging of project revenues that secure the debt financing.

- ***Coverage Benefit***. TIFIA can increase leveraging potential and improve financing efficiency by accepting lower ratios of projected revenues to total debt service. This factor, relating to the required coverage levels on combined senior and junior debt service, is closely associated with senior debt enhancement. If the TIFIA coverage requirement is lower than that for conventional funding sources, it enables the project to raise more proceeds.

- ***Public Co-investment***. TIFIA can attract or accompany public co-investment in the form of governmental grants or loans. TIFIA assistance can be a cost-effective way for the Federal Government to help a project complete its plan of finance (in lieu of more grants).

- ***Private Co-investment***. TIFIA can attract or accompany private co-investment in the form of debt or equity financing. The participation of at-risk private investors is a key objective of the TIFIA program. Six TIFIA financings include private co-investment exceeding 15 percent of their capital costs. Three of the financings receive the majority of their funding from private sources, while two have significant equity contributions.

- ***Interest Cost Savings***. TIFIA's interest rate can result in cost savings compared to the likely rates on alternative financing instruments. For projects that must access the taxable debt markets, borrowing rates are based on a credit spread above the benchmark U.S. Treasury yield curve. TIFIA financing clearly will be attractive because the DOT lends its funds at the U.S. Treasury's borrowing rate. Even for projects able to access the tax-exempt municipal market, TIFIA direct loans may prove cost-effective.

- ***Transaction Cost Savings***. TIFIA can help the project avoid significant transaction costs that otherwise would be incurred. These include underwriter fees, bond counsel expenses, and other "soft costs" associated with issuing project debt, as well as the "negative carry" (excess of borrowing cost over investment return) of bond proceeds during construction. While typically not prohibitive, these costs can be significant for large transactions involving debt financing. Many projects find TIFIA to be a relatively efficient, cost-effective financing vehicle since the DOT does not charge significant fees for its credit instruments.

- ***Payment Flexibility***. TIFIA can significantly benefit the project financing through its flexible payment features. TIFIA provisions aim to facilitate user-backed financings by allowing debt service to be structured according to project cash flows. Often this entails deferral of interest not only during construction but also during the project's ramp-up of operations, which private investors may be hesitant to accept. In addition, the TIFIA program allows borrowers to prepay at any time without penalty. To obtain this same flexibility through the municipal bond market could add as much as ½ percent to the borrowing cost, depending on market conditions.

- ***Political Support***. TIFIA can solidify political support for the project by helping induce other public or private investors to participate. In some cases, Federal financial support for the project can ease the way in securing commitments from other funding partners. Also, a Federal credit commitment can help assure other potential investors that the project will benefit from appropriate oversight.

- ***Project Acceleration***. TIFIA can expedite the financing and accelerate the public benefits flowing from a completed facility. This factor essentially reflects the cumulative effects of the other factors. In some cases, TIFIA assistance is viewed as essential in advancing the project in its current form. In others, while the project likely would have been financed eventually, TIFIA assistance helps advance the project more quickly and at a lower cost.

VI. Meeting the Objectives of TIFIA: Three Options

Each TIFIA Report to Congress must recommend the governance structure that best serves the objectives of TIFIA by either (i) continuing the program under the authority of the Secretary, (ii) establishing a government corporation or a GSE to administer the program, or (iii) 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."[4] 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 FHWA, the Federal Transit Administration, the Federal Railroad Administration, the Maritime Administration, and other senior officials from the Office of the Secretary. The TIFIA JPO, 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

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

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.

TIFIA's current governance structure within DOT provides policymakers discretion to adapt Federal credit assistance to the demands of new and traditional transportation infrastructure owners and investors, while subjecting the program to congressional and executive oversight. The projects outlined in this report demonstrate positive transportation outcomes that would not have taken place without TIFIA, and, as such there seems no compelling reason to provide TIFIA assistance via an alternate governance structure such as a government corporation or a GSE. Working in conjunction with other DOT grant programs, TIFIA assistance helps fulfill national transportation objectives while ensuring private sector engagement in infrastructure financing.

Appendix A: TIFIA Portfolio Project Summaries

TIFIA Portfolio
($Millions)

TIFIA Number	Project	Project Type	Project Cost	Instrument Type	Credit Amount	Primary Revenue Pledge
Active Credit Agreements						
19991002B	Miami Intermodal Center	Intermodal	2,043	Direct Loan	270.000	User Charges
20011001	Central Texas Turnpike System	Highway	3,250	Direct Loan	900.000	User Charges
20031002[a]	South Bay Expressway (formerly SR 125 South)	Highway	658	Direct Loan	140.000	User Charges
20051001	183-A Turnpike	Highway	305	Direct Loan	66.000	User Charges
20051002	LA 1 Improvements	Highway	372	Direct Loan	66.000	User Charges
20061001	Interlink (formerly Warwick Intermodal Station)	Intermodal	280	Direct Loan	40.060	User Charges
20061003A	Pocahontas Parkway / Richmond Airport Connector	Highway	597	Direct Loan	150.000	User Charges
20071004A	I-495 Capital Beltway HOT Lanes	Highway	1,938	Direct Loan	588.923	User Charges
20071002A	SH 130 (Segments 5-6)	Highway	1,328	Direct Loan	430.000	User Charges
20061002A	Intercounty Connector	Highway	2,566	Direct Loan	516.000	User Charges
20081002A	I-595 Corridor Roadway Improvements	Highway	1,834	Direct Loan	603.441	Availability Payments
20081004A	Triangle Expressway	Highway	1,172	Direct Loan	386.662	User Charges
20081008A	Port of Miami Tunnel	Highway	1,073	Direct Loan	341.038	Availability Payments
20081001A	North Tarrant Express	Highway	2,047	Direct Loan	650.000	User Charges
20081007A	Transbay Transit Center	Transit	1,189	Direct Loan	171.000	Real Estate Tax Increment
20071006A	IH 635 Managed Lanes	Highway	2,615	Direct Loan	850.000	User Charges
20101001A	Denver Union Station Project	Intermodal	519	Direct Loan	145.600	Sales Tax/Real Estate Tax Increment
20091001A	President George Bush Turnpike Western Extension (SH 161)	Highway	1,268	Direct Loan	418.405	User Charges
20111001A	U.S. 36 Managed Lane Project: Segments 1 and 2	Highway	307	Direct Loan	54.000	User Charges
20111003A	Eagle Project	Transit	2,047	Direct Loan	280.000	Tax Revenues
20111004A	Midtown Tunnel Project	Highway	2,089	Direct Loan	422.000	User Charges
20111002A	Presidio Parkway Project[b]	Highway	852	Direct Loan	150.000	Availability Payments
Total			**$30,348**		**$7,639.129**	
Retired Credit Agreements						
19991005	Washington Metro Capital Improvement Program	Transit	2,324	Guarantee	600.000	Interjurisdictional Funding Agreements
19991006	Tren Urbano (PR)	Transit	2,250	Direct Loan	300.000	Tax Revenues
20001003	Cooper River Bridge Replacement	Highway	675	Direct Loan	215.000	Infrastructure Bank Loan Repayments
20001004	Staten Island Ferries and Terminals	Transit	482	Direct Loan	159.225	Tobacco Settlement Revenues
20011002A	Reno Transportation Rail Access Corridor (ReTRAC)	Intermodal	280	Direct Loan	50.500	Room and Sales Tax
19991002A	Miami Intermodal Center	Intermodal	[c]	Direct Loan	269.000	Tax Revenues
Total			**$6,011**		**$1,593.725**	
Total Approved Categories			**$36,359**		**$9,232.854**	

As of 06/18/12

Footnotes

[a] SBX is in three notes: Tranche A in the amount of $59,100,809.63, Tranche B in the amount of $32,341,804.28, and Tranche D in the amount of $2,740,895.56

[b] Presidio project costs ($852 million) include Phases 1 and 2 and credit amount is based on two tranches of TIFIA debt

[c] 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 $2.0 billion 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. The project employs an innovative Construction Management at Risk project delivery method that 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 for the MIC is in-place to capture the economic development potential in the area and enhance the functionality of the MIC by encouraging use of public transit. Construction of the RCF began in July 2007, and reached substantial completion in July 2011. Construction of the Miami Mover component began in 2009 and this portion of the project opened in December 2011. The MCS is expected to be completed in September 2013, though this segment is not funded with TIFIA proceeds.

The original TIFIA commitment includes up to $539 million in two separate obligations. First, the $269 million FDOT Program Elements has been repaid and retired as detailed below. The second obligation is 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 is being repaid from fees levied on rental car users. Repayment of the TIFIA loan begins in October 2012. The final maturity of the TIFIA loan is October 2044. In addition to the $270 million TIFIA loan (and $46 million in capitalized interest), this project is funded with Federal grants ($6 million), a State Transportation Trust Fund loan ($245 million), a Florida State Infrastructure Bank loan ($70 million), other State funds totaling $1 billion, MDAD funding ($155 million), toll revenue ($86 million), and dedicated and ancillary revenues that include customer facility charges, rent, etc. ($117 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) State Highway (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. The 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) 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 $3.3 billion project include $1.4 billion in proceeds from first tier revenue bonds/notes, $520.1 million in State funding, $286.5 million in local contributions/commission funds for right of way, $185.2 million in interest earnings.

The 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 is in the form of 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 $77.15 million in 2008 BANs with a second draw of TIFIA loan proceeds in June 2008. The TIFIA program has been collecting payments since February 2010. The final maturity of the TIFIA instrument is August 2042. By using innovative financing and a fixed-price, lump-sum design-build contract for SH 130 Segments 1-4, the project was completed 25 years sooner than conventional pay-as-you-go financing would have allowed and the final cost is less than the original 2002 cost estimate.

South Bay Expressway – San Diego, California

The SBX Project (formerly SR 125 South in San Diego, California) is a privately developed, 9-mile toll road advanced through a partnership between the California Department of Transportation (Caltrans) and South Bay Expressway LP (SBX LP), pursuant to a Development Franchise Agreement that granted SBX a 35-year concession for the SBX Project. The SBX LP 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 2010.

On March 22, 2010, SBX LP, filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code. The first bankruptcy in the history of the TIFIA program, the filing was the immediate result of the burden of claims by the contractor that built the SBX Project, particularly the ongoing litigation costs. The project's financial prospects, however, were also 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 was due to the overall economic downturn, especially in the San Diego region. As part of the plan of reorganization (the Plan) under the bankruptcy, the loan was restructured. Pursuant to TIFIA's statutory requirements, TIFIA's debt became on par with that of the senior banks' upon SBX LP's bankruptcy filing. The DOT worked with the Bank Lenders and SBX LP on the restructuring of the debt so that the company could emerge from bankruptcy as quickly and efficiently as possible. The Department of Justice represented DOT in all legal matters related to the bankruptcy.

On December 30, 2010, SBX LP filed the Plan with the U.S. Bankruptcy Court, pursuant to which SBX LP was converted to a Delaware limited liability company, South Bay Expressway, LLC, (SBX LLC) and the debt of the Bank Lenders and TIFIA was restructured. The Bankruptcy Court confirmed the Plan on April 14, 2011. Under the Plan, TIFIA's secured claim was $99 million, of which approximately $93 million was debt (the new loan amount) and $6 million was equity. The unsecured claim was $73 million, or 42 percent of the $172 million outstanding balance. All future revenues were to be shared pro rata between TIFIA (32 percent) and the Bank Lenders (68 percent). The Bank Lenders and TIFIA held 100 percent of the restructured debt and owned all of the equity in the reorganized company. The reorganized company, SBX LLC, emerged from bankruptcy on April 28, 2011, concurrent with the financial close of the restructured loans. The TIFIA program has been collecting interest payments since the project emerged from bankruptcy in April 2011.

On July 22, 2011, the San Diego Association of Governments (SANDAG) , the Bank Lenders and TIFIA reached an agreement in principle for the purchase of the SBX Project for $344.5 million in cash and debt (excluding cash on hand and non-core assets). On December 21, 2011, SANDAG purchased the SBX Project from TIFIA and the Bank Lenders, with TIFIA issuing a note to SANDAG for a restated loan in the amount of $94.1 million. In addition, as consideration for the sale of the project, TIFIA received a cash distribution of $15.4 million and holds a subordinated note from SANDAG in the amount of $1.4 million. The basis for allocations between the Bank Lenders (68 percent) and TIFIA (32 percent) was the pro rata share of the outstanding debt as of the bankruptcy filing.

The TIFIA note has a senior lien on the SBX Project revenues and is structured into three tranches that will bear interest at the same rates as in the Plan. The Tranche A rate is 6 percent with periodic step-ups; Tranche B is 9 percent; and Tranche C is 10 percent, each of which are substantially higher than the 4.46 percent rate for TIFIA's original loan for the SBX Project. The TIFIA program also has a separate subordinate note, which compensates TIFIA in part for its equity portion and has a rate of 14 percent. Fitch Ratings has assigned an investment grade rating to the TIFIA debt. Now that substantially all of the assets (i.e., the SBX Project) of SBX LLC have been sold to SANDAG, TIFIA and the Bank Lenders are in the process of liquidating and winding down SBX LLC.

The bankruptcy was the first time the TIFIA non-subordination clause was tested and the clause and was never challenged by senior lenders or the Bankruptcy Court. In this regard, the SBX bankruptcy establishes a strong precedent for future restructurings. The ultimate recoveries associated with the TIFIA loan default depend on ongoing performance of the toll road. However, the credit quality of the cash flow stream has been improved significantly through the sale of the toll road to SANDAG. Although the principal amount of the original DOT loan was reduced, based on the credit attributes of the restructured loan and the higher interest rates (compared to the 4.46 percent rate in the original loan), the TIFIA program is positioned to realize 100 percent of the original loan balance.

Additionally, the toll road has at all times remained open to traffic, operating 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 secure the loan; the Federal Government has a subordinate lien on these revenues that to date, have been higher than originally projected. Principal and interest payments began on the TIFIA note in January 2012. The final maturity date of the 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, 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 7 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*); Phase 2: Two-lane, elevated highway from Leeville to Golden Meadow – approximately 9 miles *(preliminary engineering and right-of-way have been purchased).*

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 is being repaid from toll revenues. The TIFIA debt service payments are scheduled to begin in December 2013. The final maturity date of the loan is December 2040. All of Phase 1 reached substantial completion in December 2011. 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 State Transportation Trust Funds. 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.

Interlink (formerly Warwick Intermodal Station) –Warwick, Rhode Island

The Interlink (formerly Warwick Intermodal Station) project is a $280.2 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 serves Massachusetts Bay Transportation Authority commuter trains traveling between

Warwick, Providence, and Boston, utilizing Amtrak rails and Wickford Junction in North Kingstown, Rhode Island. The rail platform is integrated with a consolidated rental car facility that houses all airport rental car operations. The six-level parking garage includes up to 1,800 spaces for rental car operators and up to 700 for rail commuters. This garage includes the first elevated fueling platforms in the country. A 1,200-foot, elevated and enclosed walkway with moving sidewalks connects passengers to and from the airport terminal. Additionally, the station incorporates opportunities for local and intercity bus service connections. The station is located on a chemical distribution Brownfield site and the clean-up efforts are substantially complete for transportation use. The Station is the closest rail connection to a major airport terminal in the country.

The Rhode Island Airport Corporation (RIAC) and Rhode Island Department of Transportation closed the TIFIA loan of $40.1 million in 2006. The TIFIA loan is 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 includes $124.3 million in Federal grants, $50.3 million in special facility revenue bond proceeds, $29.5 million in proceeds from customer facility charges, $31.1 million in State grants, and $4.9 million from interest earnings on bond proceeds. Construction of the project began in fall 2007 and substantial completion of the project was reached in October 2010. The project had up to 1 year, post substantial completion, to draw down the full amount of the TIFIA loan; however, they decided to draw down only 95 percent of the loan. The first TIFIA payment was made in January 2012. The final maturity date of the loan is July 2042.

Pocahontas Parkway/Richmond Airport Connector – Greater Richmond, Virginia

The Pocahontas Parkway (Route 895) is an 8.8-mile tolled highway, 7 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 (ETC) system. Transurban, a private Australian toll road operator with subsidiaries in the U.S., has 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 is the first construction project implemented under Virginia's Public-Private Transportation Act of 1995. This innovative financing allowed the Pocahontas Parkway to be built 15 years earlier than using traditional procurement methods. The project reached substantial completion in January 2011.

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 debt repayment begins in December 2012. The final maturity date of the loan is June 2042. 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, VDOT was approved for a $589 million TIFIA direct loan to help fund the $1.9 billion 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 debt repayments are scheduled to begin in 2018. The final maturity date of the loan is December 2047. These dates are tied to substantial completion and are subject to change. The TIFIA loan is structured with 5 years of capitalized interest during construction, followed by 5 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 (5 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 is the first 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 for transportation infrastructure project.

SH 130 (Segments 5-6) – Austin, Texas

On March 7, 2008, TIFIA executed a credit agreement with the SH 130 Concession Company, LLC for a TIFIA direct loan of $430 million to support financing of SH 130 (Segments 5-6) in Austin, Texas. The Texas Department of Transportation signed a Comprehensive Development Agreement – a form of public-private partnerships used by the State of Texas – with the SH 130 Concession Company in March 2007 to finance, design, construct, operate, and maintain this 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 project has a total cost of $1.3 billion 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 is secured by a lien on project revenues subordinate to the lien securing the bank loans, and is senior to the equity provided by investors. The TIFIA debt repayments are scheduled to begin in 2017. The final maturity date of the TIFIA instrument is December 2046. These dates are tied to substantial completion and are subject to change. A bank liquidity facility and contingent equity is available to meet senior and TIFIA debt service obligations in the first 5 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. The concession company will share excess toll revenues with both the State and TIFIA.

When fully completed, SH 130 will be a four-lane, 91-mile toll road east and south of Austin designed to relieve congestion on Interstate Highway (IH)-35, the primary north-south route through Central Texas. The extension will follow the current US 183 alignment from north of Mustang Ridge to north of Lockhart and extend southwest to IH-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 $2.6 billion 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 started construction in 2007. A 7-mile initial section of the project opened in February 2011 (Contract A) and the remaining mainline road (Contracts B &C) opened to traffic in November 2011. Contracts D and E were combined and modified and are expected to open in 2014.

The TIFIA loan will be repaid using net toll revenues from the MdTA. The TIFIA debt repayments are scheduled to begin in 2014. The TIFIA loan matures in October 2044. These dates are tied to substantial completion and are subject to change. 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. Debt is 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 $1.8 billion 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 structured as a public-private partnership 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 ACS Infrastructure Development and TIAA College Retirement Equities Fund are the equity sponsors for the project and have split the equity portion equally. 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 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 U.S. Department of Transportation has a subordinate lien on availability payments made by FDOT to I-595 Express, LLC. The first TIFIA payment is scheduled for June 2014. The final maturity on the TIFIA instrument is December 2042. These dates are tied to substantial completion and are subject to change. A 6-month debt service reserve based on senior debt and TIFIA interest and principal is available until the final maturity of the TIFIA loan. Furthermore, a $9 million contingency reserve is available until 6 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 $1.2 billion Triangle Expressway project. The project is an 18.8-mile toll highway that provides 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 improves commuter mobility, accessibility, and connectivity to the RTP employment center. The tolled highway is comprised of three sections: (i) Triangle Expressway extends from NC 147 at I-40 south 3.4 miles and reached substantial completion in December 2011; (ii) Northern Wake Expressway (NC 540), a 2.8-mile segment, which opened to traffic in 2007 and was constructed by the North Carolina Department of Transportation with Surface Transportation Funds; and (iii) Western Wake Freeway, which connects with Northern Wake Expressway, covers a distance of 12.6 miles, and is expected to reach substantial completion in December 2012. When completed, the Northern Wake Expressway will enable Triangle Parkway and Western Wake Freeway to function as a contiguous toll facility.

The TIFIA loan was issued on a subordinate basis to the senior lien toll revenue bonds. The TIFIA debt payments are scheduled to begin in 2015. The final maturity date on the TIFIA loan is June 2043. These dates are tied to substantial completion and are subject to change. 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 include $266.1 million in toll revenue bond proceeds, $343.3 million in State-backed bond proceeds and $175.6 million in State and Federal 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 public-private partnership 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, FDOT will provide availability payments to the concessionaire that begin at the completion of construction and will occur annually for 30 years. The Maximum Availability Payment is nearly $32.5 million annually based on the availability of the road. The Tunnel Boring Machine commenced drilling in November 2011 and the project is expected to be completed in 2014. The TIFIA debt repayment is scheduled to begin in 2014. The final maturity date of the TIFIA loan is December 2043. These dates are tied to substantial completion and are subject to change.

The total cost of this project is $1.1 billion. 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 debt 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, the Texas Department of Transportation awarded two Comprehensive Development Agreements (CDAs) – a form of public-private partnerships used by the State of Texas – for the North Tarrant Express (NTE) project to NTE Mobility Partners. The 52-year, Phase I Concession CDA includes design, development, construction, finance, maintenance, and operation of 13 miles along IH 820 and 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 more than $2.0 billion; 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. The TIFIA debt repayment is scheduled to begin in 2015. The TIFIA loan matures in 2050. These dates are tied to substantial completion and are subject to change.

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 transportation 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 is a new multimodal transportation center, centralizing the region's transportation network by accommodating nine transportation systems under one roof. Located at First and Mission Streets, this project replaces the current Transbay Terminal that serves local, regional, and intercity bus transit with a modern, Leadership in Energy and Environmental Design 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. Phase 2 includes the remaining rail component. Demolition of the original bus terminal is completed and the project is currently operating at a temporary bus terminal. The project received $400 million in American Recovery and Reinvestment Act of 2009 funding via the Federal Railroad Administration for Phase 1 to build the train box below ground. Total project cost of Phase 1 is $1.189 billion and the substantial completion date is 2017.

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 Bay Area toll bridge revenue, $142 million from Regional Measure 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. The TIFIA debt repayment is scheduled to begin in 2016. The final maturity date of the TIFIA loan is February 2049.

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, 2010. 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 IH-35E to US 75 and four managed lanes west and east of that stretch, and the addition of six elevated managed lanes along IH-35E from Loop 12 to the IH-35E/IH-635 interchange. The $2.6 billion project is being built under a Comprehensive Development Agreement – a form of public-private partnerships used by the State of Texas – between TxDOT and the LBJ Infrastructure Group, which will operate and maintain the facility for 52 years. Construction is expected to take 5 years. The managed lanes will be dynamically priced after 6 months of an introductory fixed-price schedule. The 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. The TIFIA debt repayment is scheduled to begin in 2015. The TIFIA loan matures in 2050. These dates are tied to substantial completion and are subject to change.

Innovative financing used by this project includes PABs, in addition to TIFIA credit assistance. Once completed, this project will have one of the most comprehensive managed HOT 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. As the hub of the RTD FasTracks project, the Denver Union Station project involves a major expansion of the existing transit system.

The Denver Union Station project is another project that utilizes value capture to repay debt. The TIFIA loan for this project closed on July 23, 2010. 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). This is the first time the Department has used both of these programs to finance a single project. Other funding sources include 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 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. The TIFIA program began collecting interest payments in December 2010. The final maturity date of the TIFIA loan is June 2040.

President George Bush Turnpike Western Extension (SH 161) – Dallas, TX

In FY 2011, the North Texas Tollway Authority (NTTA) was approved for a TIFIA loan of $418.4 million for the President George Bush Turnpike Western Extension (SH 161) project in Dallas, Texas. In April 2008, TxDOT agreed to a concession with NTTA in perpetuity (with revenue and capital improvement cost sharing after 52 years) to own, operate, and complete the project's construction. The project has a total cost of $1.2 billion and provides an approximately 11.5 mile link between SH 183, I-30, and I-20 as part of a western loop around Dallas. This project proposes to reduce congestion along adjacent corridors and improve the travel experience in surrounding communities. The project is comprised of four phases: (i) Interchange with SH 183 and service roads from North Carrier Parkway to I-20 (opened August 2009); (ii) Two toll lanes in each direction from SH 183 to Egyptian Way (opened August 2009); (iii) Service roads and a third toll lane in each direction from Conflans Road to North Carrier Parkway (opened April 2010); and (iv) Two toll lanes in each direction from North Carrier Parkway to I-20 with interchanges at I-30 and I-20 (under construction, to open fourth quarter 2012).

In addition to the TIFIA loan, project funding sources included $674.3 million in Special Projects System Revenue Bonds, a TIGER I TIFIA payment of $9.1 million (for subsidy/administrative costs) and a $72.5 million equity contribution. The TIFIA credit agreement was executed on April 15, 2011 and the financial close for the Special Projects System Revenue Bonds occurred on April 21, 2011. Upon completion, this project will be part of the NTTA's Special Projects System, where the toll revenue bonds issued under the Special Project System Trust Agreement (including the TIFIA loan) is being secured additionally by the Toll Equity Loan Agreement (TELA) between NTTA and TxDOT. Under the TELA, TxDOT has agreed to lend to the project from the State Highway Fund 006 (motor fuel tax revenues) a negotiated amount each year if revenues are insufficient to cover operations and maintenance, including the debt service. The TIFIA debt payments are scheduled to begin in 2017. The loan matures in 2047. These dates are tied to substantial completion and are subject to change.

Eagle Project – Denver Metro Area, CO

The RTD was approved for a TIFIA loan of $280 million in FY 2011 for the Eagle Project in the Denver metropolitan area. The $2.0 billion Eagle Project is part of RTD's FasTracks initiative, a voter-approved program to expand rail and bus transit throughout the Denver metropolitan region. This project is being procured through a concession agreement between the RTD and Denver Transit Partners to design, build, finance, operate, and maintain the project's components for 34 years. The RTD will retain ownership of all assets at all times, set fares and fare policies, retain all project revenues, and make availability payments to the concessionaire based on established performance metrics. The project is comprised of three sections: (i) A 22.8-mile commuter rail line from Denver Union Station (DUS) east to Denver International Airport, with five intermediate stations; (ii) An 11.2 mile commuter rail line, the first 3.7 miles of which are shared with the Northwest Line (Segment 1) from DUS north and west to Wheat Ridge, with six intermediate stations; and (iii) A Commuter Rail Maintenance Facility located adjacent to the Gold and Northwest Lines.

In addition to the TIFIA loan, project funding sources include $396.1 million in PABs, FTA New Starts Full Funding Grant Agreement of $1.0 billion, other Federal grants of $62.1 million, $114.3 million in RTD sales tax revenue, revenue bond proceeds of $48.2 million, $40.3 million in local/Colorado Department of Transportation (CDOT)/other contributions, $91.7 million in equity, and $16.6 million in Net GARVEE proceeds. The RTD entered into a public-private partnership contract with Denver Transit Partners, Denver Transit Constructors, and other private partners to complete this project. The commercial and financial close with Denver Transit Partner occurred in August 2010 and the TIFIA credit agreement was executed on December 1, 2011. This project is expected to be completed during 2016. The TIFIA debt repayment begins in 2021, and the TIFIA loan matures in 2045.

U.S. 36 Managed Lanes Project: Segments 1 and 2 – Denver Metro Area, CO

In FY 2011, the Colorado High Performance Enterprise (HPTE) was approved for a TIFIA loan of $54 million for the US 36 Managed Lanes Project: Segments 1 and 2. The project is being developed by the HPTE in partnership with CDOT and the RTD. US 36 is a congested four-lane divided highway that connects the city of Boulder to Denver at its intersection with I-25. This $307 million project is the initial phase of approximately $1.3 billion of identified improvements along the 18 miles of roadways between Boulder and Denver. Project improvements include a managed HOT lane in each direction from Pecos Street to the Interlocken Loop interchange (approximately 10 miles), reconstruction of general purpose lanes, bridge replacements, and Bus Rapid Transit (BRT) accommodations at stations located on ramps and adjacent park-n-ride facilities.

In addition to the TIFIA loan, project funding sources included $38 million in CDOT Federal and State grants, $46 million in CDOT bridge enterprise funds, $44 million in regional Federal funds, $120 million in RTD sales tax revenue, and $4.8 million of the TIGER Challenge grant (the remaining portion of the $10 million TIGER TIFIA Challenge Grant funded the TIFIA subsidy cost). The TIFIA credit agreement was executed on September 1, 2011. The TIFIA loan was issued within a Master Trust Indenture that provides certain credit protections to mitigate project risk, including reserves, additional bonds test, and a rate covenant. Toll revenues collected on the project will secure the TIFIA loan. This phase of the of project is expected to be open to traffic by July 2015, and a future project (Segment 3) will extend the reconstruction and addition of HOT lanes to Table Mesa Drive in Boulder. The design-build was awarded on February 29, 2012. The TIFIA debt repayment is scheduled to begin in 2017. The final maturity date of the TIFIA loan is July 2049. These dates are tied to substantial completion and are subject to change.

Downtown Tunnel / Midtown Tunnel / MLK Extension

Elizabeth River Crossings Opco, LLC (ERC) was approved for a TIFIA direct loan of $422 million for the three facilities in the project: the Downtown Tunnel / Midtown Tunnel / MLK Extension project in the Cities of Norfolk and Portsmouth, Virginia. The TIFIA Loan Agreement was executed on April 12, 2012. The Midtown Tunnel portion consists of a new two-lane tolled tunnel under the Elizabeth River parallel to the existing Midtown Tunnel connecting the Cities of Norfolk and Portsmouth. Modifications to the Midtown Tunnel will provide increased capacity for east-west travel linking Route 58 and I-264 in Portsmouth to the interchange at Brambleton Avenue/Hampton Boulevard in Norfolk. Planned improvements to the Downtown Tunnel will make it compliant with current fire and life safety standards. The MLK Extension proposes an approximate 0.8 mile extension of U.S. Route 58 south from London Boulevard, to I-264 with an interchange at High Street. The $2.1 billion project will be built on a design, build, finance, operate, and maintain concession basis by ERC. ERC will operate the concession for 58 years and is comprised of Skanska Infrastructure Development and Macquarie Group.

In addition to the TIFIA loan, the project is funded from the following sources: $675 million in proceeds from Private Activity Bonds, equity contribution of $272 million, $309 million in public funds, $368 million in toll revenues, and $43 million in TIFIA capitalized interest. The TIFIA loan will be repaid with toll revenues derived from the existing Midtown and Downtown Tunnels. Toll revenues are expected to begin in late 2012. Construction is expected to begin in mid-2012 and is estimated to be over 90 percent completed by 2017, with the refurbishing improvements to the existing Downtown Tunnel completed in 2018. Innovative financing used by this project includes the Virginia Commonwealth Transportation Board's first issuance of GARVEE bonds under the Commonwealth of Virginia Federal Transportation Grant Anticipation Revenue Notes Act of 2011. These funds will provide the public subsidy to support the project's private financing structure.

Presidio Parkway – San Francisco, CA

Golden Link Concessionaire, LLC (GLC), a private developer selected by the California Department of Transportation (Caltrans), received $150 million in TIFIA credit assistance for Phase II of the Presidio Parkway project. The credit assistance is in the form of two direct loans (a short-term loan and a long-term loan). This $851.6 million project consists of a 1.6-mile, six-lane roadway connecting the Golden Gate Bridge and the City of San Francisco, replacing the existing Doyle Drive. The TIFIA loans will finance the $364.7 million Phase II project. The purpose of the project is to improve the seismic, structural, and traffic safety of the existing Doyle Drive, while being sensitive to the Presidio of San Francisco and its purpose as a National Park. This project is being advanced pursuant to a public-private partnership (P3) agreement between Caltrans and GLC. Commencement of Phase II construction is planned for August 2012 and substantial completion is scheduled for September 2015. GLC will design, finance, and construct Phase II of the project and operate and maintain the facility for 30 years upon substantial completion. The P3 agreement with GLC was executed on January 3, 2011 and the project's financial close was on June 14, 2012. Caltrans will provide GLC with milestone payments to be received approximately 45 days after Phase II substantial completion and quarterly availability payments commencing thereafter.

Given the different sources of funds for repayment and the limits of the state and local funding commitments, TIFIA credit assistance is separated into two tranches. The $89.8 million short-term loan (Tranche A) is to be repaid fully following substantial completion in the form of a milestone payment. The $60.2 million long-term loan (Tranche B) is to be repaid using the non-Federal portion of the quarterly availability payments to GLC during a 28 year period. In addition to the TIFIA loans, funding sources for this project include a $166.6 million bank loan, parent company contribution of $2.6 million, $43 million in equity/developer contribution, $2.4 million in capitalized interest, and interest earnings of $36,000.

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 $2.3 billion 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 include $1.5 billion 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 2010 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 $2.3 billion 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 include: 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 3 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 7 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 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 include $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, FDOT and MDAD were approved for a two-tranche TIFIA direct loan for the $2.0 billion MIC project. Major project elements include: the MCS – 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 State Transportation Trust Fund. 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.