FHWA's
INNOVATIVE FINANCE
Quarterly

VOLUME 10, NUMBER 1 SPRING 2004

TIFIA TRAILBLAZERS

Landmark Loan for Alameda Corridor Repaid

A financial milestone was reached on May 6, 2004 when the Alameda Corridor Transportation Authority (ACTA) paid, in full, the balance of its groundbreaking 1997 loan with the U.S. Department of Transportation (DOT) for the Alameda Corridor project. The ACTA paid U.S. DOT nearly $573 million to retire the $400 million loan plus accrued interest – 28 years ahead of its scheduled final maturity in 2032.

Approved by Congress as part of U.S. DOT's 1997 appropriations, the loan provided critical support for the project's $2.4 billion financial plan. The subordinated nature of the Federal loan allowed the ACTA to sell $1.16 billion in project revenue bonds. Grant funds from the FHWA Federal-aid program contributed another $347 million to the project.

Opened on time and within budget in April 2002, the Alameda Corridor comprises railroad and highway investments that have significantly improved freight traffic access to the Ports of Los Angeles and Long Beach, California. The largest component of the Corridor is a 20-mile grade-separated rail expressway (including a 10-mile below-grade trench) that connects on-dock terminals to key transcontinental rail yards near downtown Los Angeles. By combining 90 miles of branch railroads into one high-speed rail line, the Alameda Corridor eliminated more than 200 railroad crossings where cars and trucks previously had to wait for long freight trains.

> *"In 1997, we invested in a project that had a strong vision for the future that included two compelling new concepts – intermodalism and innovative financing. Now, seven years later, we are seeing how much the Alameda Corridor is contributing to the local, national, and global economy. This, combined with effective use of taxpayer money, makes the Alameda Corridor a model project for the country."*
>
> *– Secretary of Transportation Norman Y. Mineta*

continued on page 2

REAUTHORIZATION

Innovative Finance Provisions in Reauthorization

May 14, 2004 marked the one-year anniversary of the unveiling by Secretary Mineta of the Bush Administration's reauthorization bill – the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003 (SAFETEA). This bill proposed fundamental changes in the way America invests in its transportation infrastructure and included provisions to better leverage transportation dollars by taking advantage of innovative financing and public-private partnership options. SAFETEA provided an excellent framework to tackle the surface transportation challenges that lie ahead, providing a blueprint for investment in the nation's surface transportation system. Now the Senate and House have both approved reauthorization measures. The next step is for a House-Senate conference committee to address the differences between the two bills. While there is no predicting the final outcome, the U.S. DOT is encouraged to see several innovative finance provisions in the approved Senate bill (S.1072, Safe, Accountable, Flexible, an Efficient Transportation Equity Act of 2004) and in the approved House bill (H.R. 3550, Transportation Equity Act: A Legacy for Users).

Both bills authorize State Infrastructure Banks (SIBs) for all states and territories. The Senate bill simply extends the TEA-21 provisions allowing banks to be capitalized with funds from the major Federal funding categories. The House version tracks more closely with the pilot program authorized in 1995 by establishing a 10 percent limit on funding from any category and creating separate accounts for highways, transit, and rail. The Senate bill, on the other hand, does not include a limit on Federal funds to capitalize a SIB. Both the Senate and House versions apply Federal requirements to all projects financed from the bank.

Both bills provide for the continuation of the Federal credit assistance program, TIFIA, and both lower the minimum project cost threshold allowing $50 million projects (down from $100 million) to qualify for TIFIA assistance. In addition the House bill lowers the threshold for Intelligent Transportation System (ITS) projects to $15 million from the $30 million level in current law. The Senate bill also makes certain private freight rail facilities that provide a public benefit eligible for TIFIA assistance and allows projects to be "bundled" for eligibility. The House bill retains existing

continued on page 11

Also in this issue…

Alameda Corridor, continued from page 1

The ACTA collects fees on each shipping container that moves between the ports and the rail yards, and has pledged this revenue as the principal source of repayment for the project bonds and the Federal loan. By taking the position of a subordinate lender and by deferring debt service repayments in the early years of project operation, the Federal loan made possible market access for the project's senior bonds at reasonable interest rate costs.

The ACTA repaid the Federal loan with proceeds from a new sale of subordinate lien taxable and tax-exempt revenue bonds, allowing it to reduce significantly the 6.79 percent interest rate cost of the Federal loan. The ACTA could sell these new bonds for two primary reasons: 1) two years of operational performance that confirmed traffic and revenue forecasts, and 2) a recent IRS ruling that confirmed the tax-exempt eligibility of a portion of the project bonds. Interest rates on the new tax-exempt bonds were more than 100 basis points less than the Federal loan interest rate.

The Ports of Los Angeles and Long Beach together comprise the largest shipping complex in the United States, handling more than 40 percent of the nation's imports by value. Studies estimate that more than two million jobs nationwide are associated with international trade moving through these ports. Building the Corridor created 10,000 construction jobs in the Los Angeles area.

The Alameda Corridor loan demonstrated the constructive role that direct Federal credit could play in meeting the financial needs of expensive, complex, and important transportation projects. The U.S. DOT's experience negotiating the Federal loan fundamentally shaped the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA), a credit program authorized in the Transportation Equity Act for the 21st Century (TEA-21) that establishes a systematic and consistent approach to evaluating and selecting projects for credit assistance.

The TIFIA credit program has provided credit assistance of more than $3.5 billion for 11 projects of national significance representing more than $15 billion in infrastructure investment. These TIFIA projects include highway toll roads, transit systems, rail stations, and intermodal facilities.

Contact:
Mark Sullivan, Chief
TIFIA JPO,
202/366-5785,
mark.sullivan,@fhwa.dot.gov

TIFIA UPDATE

New TIFIA Application and Letters of Interest Received

Since the publication of the last issue of ***IFQ***, the TIFIA Joint Program Office (JPO) has received a new application and four new Letters of Interest from sponsors considering the use of TIFIA credit assistance. Under the current extension of Federal surface transportation programs that runs through June 2004, the TIFIA program has approximately $1.95 billion in credit assistance available for FY 2004.

In addition to applications received earlier in FY 2004 from IdleAire Technologies and Louisiana Transportation Authority, the TIFIA program has received an application from the Las Vegas Monorail Company (LVMC) for the **Las Vegas Corridor Downtown Extension** project. This project encompasses the design and construction of a 2.3-mile dual guideway monorail in downtown Las Vegas, which will extend the 3.7-mile first phase of the system scheduled to begin service in FY 2004. The combined system will include six miles of dual guideway, 11 stations, and operations, maintenance and storage facilities. Phase 1 of the monorail system has been completely financed and built with private funds. The total estimated cost of the downtown extension is $461 million of which $431 million are eligible TIFIA costs. The LVMC proposes to fund the downtown extension with the combination of a $144 million TIFIA loan, farebox-backed bonds, a Full Funding Grant Agreement (FFGA) from the Federal Transit Administration (FTA), and other grants and local monies.

New Letters of Interest

TIFIA kicked off the year by receiving Letters of Interest (LOIs) from two projects in California: the **Oceanside-Escondido Sprinter Rail** project and the **Transbay Terminal** project, and has now received four new Letters of Interest from projects stretching across the nation. Starting in the west, the Central Puget Sound Regional Transit Authority (Sound Transit) submitted a Letter of Interest for a direct loan of up to $700 million for the **Central Link light rail** program in Seattle. The Central Link project is currently divided into three segments: the Initial Segment will run 14 miles from Westlake Station, in downtown Seattle, to South 154th Street near SeaTac Airport; the North Link will extend seven to eight miles north of the Initial Segment through the University of Washington to the Northgate neighborhood; and the Airport Link will extend three miles south from the Initial Segment through the SeaTac International Airport to a terminal park-and-ride station in the City of SeaTac. The Initial Segment has a $500 million FFGA from the FTA and received an amended Record of Decision in May 2002. Sound Transit anticipates receiving final environmental clearances for the North Link and the Airport Link in 2005. The total estimated cost of the Initial Segment is $2.4 billion.

continued on page 3

TIFIA Team Welcomes Joanne McGowan

The TIFIA JPO is pleased to welcome aboard Joanne McGowan who joined the TIFIA team in February 2004. Joanne is detailed to the TIFIA office and brings invaluable transportation experience from the Federal Railroad Administration where she has worked closely with the TIFIA JPO on TIFIA projects and was instrumental in the implementation of the Railroad Rehabilitation Infrastructure Financing program (RRIF). Joanne can be reached at 202/493-2906 or joanne.mcgowan@fhwa.dot.gov.

New TIFIA Application and Letters of Interest Received, continued from page 2

The Central Texas Regional Mobility Authority (CTRMA) submitted a Letter of Interest for the **U.S. 183-A** project seeking $67 million in Federal credit assistance. The project encompasses highway improvements in the southwestern portion of Williamson County, through the cities of Austin, Cedar Park, and Leander, and extends from the future State Highway 45 to the South Fork of the San Gabriel River, approximately 11 miles in total length. The total cost for the project will be approximately $290 million and the facility will be a controlled access north-south tolled highway generally traversing parallel to and east of existing U.S. 183. The CTRMA intends that 183-A will be designed and constructed such that the ultimate expansion of the facility can be accommodated without substantial reconstruction. The Record of Decision for the project was issued in 2001.

The TIFIA JPO also received a Letter of Interest from the Chicago Transit Authority (CTA) for the **Downtown Intermodal Terminal** project. The project is a part of a mixed-use development currently planned at Block 37 in the heart of the Central Loop in downtown Chicago. The project is bounded on the west by CTA's existing Blue Line subway and on the east by CTA's existing Red Line subway. Stations on each of these two lines are located immediately adjacent to the site, and a pedestrian tunnel that connects the CTA stations currently bisects the site. The subsurface levels of the development at Block 37 would be used to build a Downtown Intermodal Terminal, comprising platforms, subway track connections, and station facilities. The overall development plan calls for retail, office, hotel, and/or residential space in addition to the transit facility. CTA is seeking a $47.8 million TIFIA direct loan for this $213.3 million project.

Finally, Safer Transport and Roadways (STAR) Solutions, a strategic collaboration of construction, engineering, design, and development companies, submitted a Letter of Interest for the **Interstate 81** project in Virginia as part of a public-private partnership under the Commonwealth of Virginia Public-Private Transportation Act. STAR Solutions, recently selected by the Virginia DOT to undertake the I-81 project, proposes to rebuild and increase the capacity along the 325 miles of I-81 in western Virginia that stretch from Bristol at the Tennessee border in the south, to the West Virginia border near Winchester in the north, and to create two dedicated truck lanes in both the north and south directions for heavy commercial vehicles. The total estimated cost of the project is $9.7 billion and STAR solutions would be seeking $1.3 billion in TIFIA credit assistance.

Contact:
Duane Callender,
TIFIA JPO,
202/366-9644,
duane.callender@fhwa.dot.gov

The Finer Points of TIFIA

The "Finer Points of TIFIA" box provides responses to questions posed by our readers and other observers. We hope you find this section useful and that you will submit questions to Mark Sullivan, Chief, TIFIA JPO, (202) 366-5785 or *mark.sullivan@fhwa.dot.gov.*

Question

In addition to the requirement for an investment grade rating, what basic conditions does U.S. DOT impose on a project's senior debt vis-à-vis a TIFIA loan?

Answer

The TIFIA Program intends to be a minority project investor who benefits, via the investment grade rating on the senior debt, from the discipline of the capital markets. If the senior debt is substantially less than the TIFIA loan, however, the senior debt could obtain its rating on the basis of a speculative revenue source unlikely to cover total debt service – and thus its investment grade rating would offer no benefit to the credit quality of the TIFIA loan. Therefore, in addition to the statutory maximum of 33 percent of reasonably anticipated eligible project costs, the U.S. DOT limits the size of a TIFIA loan to the amount of senior project obligations.

Similarly, the investment grade rating is meaningful to the U.S. DOT only if the same repayment source is pledged to both the senior debt obligations and the subordinate TIFIA credit instrument. Therefore, the U.S. DOT requires that TIFIA obtain a discrete security interest (albeit subordinate in cash flow), proportionate to the amount of senior debt, in each pledged revenue source. This prevents grouping revenues of disparate credit quality into a single pledged source, with the potential effect of securing the TIFIA debt with only the low quality revenues.

GARVEE ROUNDUP

Six New GARVEE Issues Brought to Market

Since January 2004, six new Grant Anticipation Revenue Vehicle (GARVEE) issues have been brought to market ranging from Oklahoma's $47.6 million issue to New Mexico's $700 million issue that was part of a $1.1 billion combined refunding/new money bond sale. These six new issues brought total GARVEE bond issuance since Ohio's first issue in May 1998 to over $5 billion as reflected in the table below.

This issue of ***IFQ*** highlights the recent GARVEE bond sales and features an article on New Mexico's latest bond initiative to fund a comprehensive program of highway projects across the state.

Arizona

The Arizona Department of Transportation (ADOT) in mid-May issued $51 million of Grant Anticipation Notes (GANs) to fund Arizona's share of the cost to construct the Hoover Dam Bypass Bridge. The construction project will be managed by the Central Federal Lands Highway Division with funding provided by ADOT and the Nevada DOT. The GANs have an average life of 6.8 years and a final maturity of July 1, 2014. The True Interest Cost (TIC) for this issue is 4.116 percent. The GANs are insured by AMBAC. ADOT expects to repay the GANs, which are Arizona's version of GARVEE bonds, with future Federal reimbursements.

California

On March 10, 2004 the State of California issued $615 million in Federal Highway Grant Anticipation Bonds Series 2004A. The bonds received underlying ratings of Aa3, AA-, and AA- from Moody's, Standard & Poor's, and Fitch Ratings, respectively. All but the 2005 series were also backed by bond insurance, which brought the ratings up to AAA.

The bonds will finance San Diego's I-15 managed lanes; Riverside's SR-60 and SR-91/I-215; three Santa Clara projects (I-880, and SR-87 North and South); and three Los Angeles projects (I-5 HOV Lanes, I-405 Auxiliary Lanes, and I-405/Highway 101 Gap Closure).

The bonds are structured with level debt service, with maturities ranging from 2004 through 2015. The maximum annual debt service is $73 million, in FY 2013.

continued on page 5

GARVEE Transactions *As of May 2004*

State	Date of Issue	Face Amount of Issue (in Millions)	Rating Moody's/S&P/Fitch	Projects Financed	Backstop
Alabama	Apr. 2002	$200.0	Aa3/A/na	County Bridge Program	All Federal construction reimbursements; also insured
Alaska	Apr. 2003	$102.8	Aa2/AA/AA	Eight road and bridge projects	Full faith and credit of state
Arizona*	Jun. 2000 May 2001 July 2003 May 2004	$39.4 $142.9 $125.2 $51.0	Aa3/AA-/AA- Aa3/AA-/AA- Aa3/AA-/AA- Aa3/AA-/AA	Maricopa Freeway Projects Hoover Dam Bypass Bridge	Certain sub-account transfers; only 2004 issue insured
Arkansas	Mar. 2000 July 2001 July 2002	$175.0 $185.0 $215.0	Aa2/AA/na Aa2/AA/na Aa2/AA/na	Interstate Highways	Full faith and credit of state, plus state motor fuel taxes
California	Mar 2004	$615.0	Aa3/AA-/AA-	Eight road projects	Insured except 2005 series
Colorado**	May 2000 Apr. 2001 Jun. 2001 Aug. 2003 May 2004	$537.0 $506.4 $208.3 $100.0 $134.6	Aa3/AA/AA Aa3/AA/AA Aa3/AA/AA Aa3/AA/AA Aa3/AA/AA	Any project financed wholly or in part by Federal funds	Highway users tax fund and other state funds
New Mexico***	Sep. 1998 Feb. 2001 Apr. 2004	$100.2 $18.5 $700.0	A3/A-/na A2/A/na Aa2/AA+/na	New Mexico SR 44 U.S. 70 Project Statewide projects	No backstop issues insured; issues insured
Ohio	May 1998 Aug. 1999 Sep. 2001 Sep. 2002 Dec. 2003	$70.0 $20.0 $100.0 $135.0 $113.8	Aa3/AA-/AA- Aa3/AA-/AA- Aa3/AA/AA- Aa3/AA/AA- Aa3/AA/AA-	Various projects including: Spring-Sandusky and Maumee River Improvements	Other available funds, including gas taxes, subject to appropriations
Oklahoma	Mar 2004	$47.6	Aa3/na/A	Projects in 12 corridors	None
Puerto Rico	Apr 2004	$136.0	A2/A/na	Various transportation projects	No backstop; debt service reserve
Rhode Island	Nov. 2003	$217.0	Aa3/A+/AA-	Freeway, bridge, and freight rail improvement projects	None
Virgin Islands	Oct. 2002	$20.8	na/na/AAA	Enighed Pond Port Project and Red Hook Passenger Terminal Building	Insured
Total		**$5,016.5**			

* $23.8 million of outstanding June 2000 bonds were refunded.
** Colorado DOT issued $400.2 million in June 2002 to refund prior bonds.
*** New Mexico refunded all prior GARVEEs as part of the 2004 bond sale.

GARVEE Issues, continued from page 4

California's enabling legislation permits GARVEEs to be issued only if the combined debt service on all outstanding issues does not exceed 30 percent of the state's historical annual deposits of Federal funding into its highway trust fund. In the Master Trust Indenture for this bond issuance, the California Transportation Commission further strengthened the security by reducing this test to 25 percent (legally) and 15 percent as a matter of policy. Using these tests under varying market conditions, an April 2004 analysis of the State Treasurer shows that the state has total capacity ranging from a low of $2.8 billion to a high of $8.0 billion.

Oklahoma

Oklahoma also issued its first of a series of planned GARVEE bonds this March in the amount of $47.575 million. With the premium, Oklahoma realized $50 million in net proceeds that will be used on projects located on 12 transportation corridors of economic significance across the state. The proceeds will be used for right-of-way acquisition, utility relocation, and construction. The state Supreme Court's decision that permitted issuance of the bonds prohibited the state from seeking bond insurance, so the bonds were not insured.

The stand-alone bonds, which will run for a term of 15 years, achieved ratings of Aa3 and A+ from Moody's and Fitch, respectively. The issue was priced on March 4, 2004 and closed on March 24 with an average cost of 3.59 percent. The state anticipates a second issuance to occur in March 2005 for a similar amount – $50 million. These proceeds will be used for additional work within the 12 transportation corridors.

Colorado

On May 17, the State of Colorado completed its final new money issuance of TRANs (Transportation Revenue Anticipation Notes) bonds totaling $134.6 million. This is the culmination of the state's multibillion-dollar GARVEE program. Additionally, the Colorado DOT sold $280.2 million of refunding, noncallable revenue anticipation notes. The refunding will save the state $9.8 million.

The bond proceeds and savings will allow a critical project to proceed in Colorado Springs pending approval of an Environmental Assessment. The project includes major reconstruction and widening of I-25 through the heart of the city, which follows on the success of the widening of I-25 through Denver known as the T-REX project. The Colorado Springs I-25 project could start in spring of 2005 and is estimated to cost approximately $140 million.

Puerto Rico

On April 6, 2004, the Puerto Rico Highway and Transportation Authority priced its first series of GARVEEs as part of a $621 million transportation issue that also included new money transportation bonds and refunding bonds. A total of $136.0 million in GARVEE bonds was sold, secured only by Federal highway reimbursements. The maturities range from 2005 to 2021. The bonds were rated A2 by Moody's and A by Standard and Poor's. A portion of the bond proceeds will be used to fully fund a debt service reserve fund.

Contact:
Jennifer Mayer, FHWA
National Resource Center,
415/744-2634,
jennifer.mayer@fhwa.dot.gov

The Finer Points of GARVEEs

Each issue of ***IFQ*** features questions and answers on the GARVEE program. This issue focuses on whether regular Federal-aid funds and GARVEE proceeds can be used on the same project.

Note that answers to these questions are not regulatory or legislative, but represent FHWA's current administrative interpretations. If you have questions or want to confirm any of this information, please contact your local FHWA Division office. GARVEE guidance is also available at: *http://www.fhwa.dot.gov/innovativefinance/garvee.htm*

Can Regular Federal-Aid Funds and GARVEE Proceeds Be Used on the Same Project?

The initial GARVEE guidance required states to choose between being reimbursed for debt service costs on a project, or being reimbursed for construction costs. That provision was intended to prevent "double dipping" – states seeking reimbursement for both construction and for the debt service for bond proceeds that financed the construction.

The revised guidance issued by FHWA in March 2004 clarifies that both types of financing could be used on the same project, as long as there is only one type of reimbursement for each expenditure.

"At the time the project agreement is signed, the state will make an election to seek reimbursement for debt service and/or related issuance costs in lieu of reimbursement for construction costs. FHWA prefers that each project be reimbursed either on the basis of debt-related costs or on invoice costs (not both). However, FHWA will consider exceptions to this either/or provision, if the state provides assurance that the project costs being reimbursed from the bond proceeds can be identified and tracked. For example, the bond proceeds may used to fund a project phase or a specific activity, or be limited to a dollar amount per project."

New Mexico Launches Strategic Transportation Initiative

In 2003, the New Mexico State Highway and Transportation Department became the New Mexico Department of Transportation (NMDOT), a name that more accurately reflects the increasingly diverse range of transportation services required by the State of New Mexico. In the spirit of this new strategic directive, Governor Richardson's Investment Partnership, or GRIP, was born – a $1.5 billion program of highway and mobility projects throughout the state.

The recent sale of $1.137 billion of fixed and variable rate bonds by the New Mexico Finance Authority (NMFA) on behalf of NMDOT marks an historical event in New Mexico, representing the largest bond transaction in the history of the state. Approximately $737 million of the bond proceeds (par amount of $700 million plus premiums) will be used to fund the first phase of GRIP with the balance used to restructure a portion of the New Mexico State Transportation Commission's outstanding debt. GRIP will be fully funded with the proceeds from subsequent sales, currently planned for 2006 and 2010.

Meeting Finance Challenges

NMDOT is a familiar name in the world of innovative finance, having completed the first GARVEE transaction secured solely by Federal revenues, being the first state to take advantage of program match provisions under TE-045, and the first to pledge Federal Forest Highway funds (PLH-FH) to a bond issue. Since 1996, NMDOT has issued over $1 billion of bonds to finance the Citizens Highway Assessment Task Force (CHAT), GARVEE, Waste Isolation Pilot Plant (WIPP), and Highway Infrastructure Fund (HIF) projects. Several years ago, NMDOT decided to minimize the use of state road fund revenues to pay debt service in order to preserve scarce state dollars for operations and maintenance. Declining gas tax revenues, which comprise approximately 60 percent of road fund revenues, and a reluctance by the then-current Governor to implement any tax increases put a severe strain on the limited resources available to the state and reinforced the need for alternative revenue streams. The result is that debt service has been paid from a combination of PLH-FH funds, a Department of Energy grant, revenues dedicated to the HIF, and Federal revenues. Of the total annual debt service amount of approximately $122 million, $94 million has been paid with Federal highway funds, representing 35 percent of the approximately $270 million per year New Mexico receives in obligation authority. While NMDOT legally had capacity available to issue additional debt, its conservative approach to debt management and commitment to fund operations and maintenance meant that additional debt would not be issued without new revenues.

GRIP Funding Plan

It was within these parameters that NMDOT was challenged to fund GRIP. Authority for GRIP was provided by the legislature in its 2003 special session. The legislation provided the financial platform for funding GRIP and created a new mechanism for the issuance of NMDOT debt. The legislation provided that upon the direction of the Transportation Commission, all debt would be issued through the NMFA, a strategy designed to allow each participant in the transaction to stay within its core competencies, namely NMDOT to manage the projects and NMFA to manage the debt. In addition to providing authority for NMDOT to issue up to $350 million in bonds per year, the legislation also provided the much-needed new revenues to the state road fund. These new revenues are estimated to bolster the road fund by approximately $60 million per year, effectively increasing state road fund revenues by almost 20 percent after phasing in of all new fees. However, NMDOT decided to use only a portion of these new revenues for debt service, preferring to keep some new revenues to help meet the increasing demand for operating and maintenance funds. Accordingly, NMDOT charged its finance team to come up with a plan to implement the $1.5 billion GRIP program by 2010 with only $40 million of new revenues.

The solution was to restructure a portion of the outstanding debt and to use an appropriate amount of "synthetic" debt to lower interest costs. Annual debt service is capped at a maximum of $162 million ($122 million currently being paid, plus $40 million of new revenue).

GRIP Funding Features

- A new Indenture of Trust was created in which all state and Federal funds paid into the state road fund are pledged to bondholders;
- Over $202.2 million of outstanding CHAT Bonds have been restructured;
- All of the 1998 and 2001 GARVEE Bonds have been refunded;
- Nearly $28.2 million of outstanding HIF Bonds have been restructured;
- The program will consist of a combination of fixed rate, natural variable rate, and synthetic fixed rate debt; and
- Subsequent bond issues are anticipated in 2006 and 2010.

The restructuring and refunding of outstanding debt accomplished two goals – it created the additional capacity required to implement GRIP and it removed the lien on Federal revenues created by the 1998 and 2001 GARVEE bonds. Removing prior liens on Federal revenues allowed these revenues to be pledged solely to the GRIP program.

The combined pledge of state and Federal funds and the resulting high coverage levels provided the framework for the bonds to achieve the same high ratings of Aa2/AA+ by Moody's and Standard & Poor's, respectively, for the Senior Lien Bonds and ratings of Aa3/AA- for the Subordinate Lien Bonds, a notch higher than the previously issued subordinate lien bonds. These high underlying ratings made the use of insurance extremely affordable and the Senior Lien Bonds were insured by MBIA, while the Subordinate Lien Bonds were insured by AMBAC.

continued on page 7

New Mexico GRIP, continued from page 6

A summary of each series of the 2004 transaction is shown below. The average all-in interest cost for all three series of bonds is approximately 4.64 percent.

Series	Lien	Par Amount (in Millions)	Mode	Purpose	Final Maturity
Series 2004A	Senior	$700	Fixed	GRIP Projects	2024
Series 2004B	Subordinate	$237	Fixed	Refunding	2014
Series 2004C	Subordinate	$200	Synthetic Fixed	Refunding	2024

The long-term finance plan has been structured to maximize debt service at the senior lien level. Any variable rate or refunding bonds will be issued at the subordinate lien level, while maintaining maximum annual debt service at less than $162 million.

The use of Federal highway revenues for debt service for the new GRIP program will be continued and was approved through a new Memorandum of Understanding (MOU) with FHWA. The MOU permits NMDOT to continue the use of present value methodology for calculating state match on the refunded bonds as had previously been approved through a TE-045 project, and lays the framework for future management of GRIP.

The GRIP program will fund the Governor's transportation initiatives in a prudent and fiscally responsible manner that has been recognized by the rating agencies in their assignment of high double-A category ratings. The assignment of such ratings was based on a review of the entire program as well as the fact that the pledged state and Federal revenues provide coverage in excess of four times annual debt service. This level of coverage provides a high degree of liquidity for the Department to manage other areas of operations and maintenance.

Contacts:

Larry Viarreal,
New Mexico Department of Transportation,
505/827-5195,
larry.viarreal@nmshtd.state.nm.us

Carlos Rey Romera,
New Mexico Finance Authority,
505/984-1454,
cromero@nmfa.net

EVENTS

TRB Joint Summer Meeting

Park City, Utah will be the venue for several transportation financing-related events in July 2004 sponsored by the American Association of State Highway and Transportation Officials (AASHTO) and the Transportation Research Board's (TRB) Committee on Taxation and Finance. These events are being held in conjunction with the TRB Joint Summer Meeting of the Planning, Economics, Environmental, Finance, Freight and Management Committees. TRB's Summer Meeting in Park City is from July 25 through 27, 2004 at the Grand Summit Hotel and Conference Center. For more information, visit TRB's web site at *http://www.trb.org/Conferences/Midyear/.*

AASHTO Project Finance Institute Workshop: Assembling a Plan of Finance

Thursday and Friday, July 22 and 23, 2004

This practical-focused workshop will provide participants with a blueprint of the essential elements of a project finance plan. The workshop will be of significant value for an organization looking beyond pay-as-you-go funding for capital infrastructure projects and, in particular, for sponsors of projects that may fall into the Federal "mega-project" designation requiring finance plans for projects valued at $100 million or more under TEA-21 reauthorization proposals. The workshop is open to any project sponsor; however, registration is limited to 25 participants. Online registration is available at *http://transportation.org/aashto/calendar.nsf.*

AASHTO Subcommittee on Financial Management

Saturday and Sunday, July 24 and 25, 2004

The AASHTO Subcommittee on Financial Management will meet on Saturday, July 24, 2004, and then continue its meeting in a joint session with the TRB Committee on Taxation and Finance the morning of Sunday, July 25th. Topics to be discussed include the U.S. DOT Inspector General's report on inactive obligations ("project closeouts"), funding and financing research agendas, the *innovativefinance.org* web site, FHWA-state DOT relationships and key issues in financial management from the FHWA perspective, and TEA-21 reauthorization.

For more information on the AASHTO events, contact Janet Kavinoky, AASHTO Project Director for Transportation Finance and Business Development, (202) 624-5818 or jkavinoky@aashto.org.

TRB Committee on Taxation and Finance

Sunday, July 25, 2004, 8:00 a.m. to 12:00 p.m. / Monday, July 26, 2004, 10:15 a.m. to 12:00 p.m.

On Sunday, the Committee on Taxation and Finance will hold its first joint meeting with AASHTO's Subcommittee on Financial Management to address key financing issues, reauthorization, and other areas of mutual interest, including future research needs.

On Monday, the Committee will hold its regular summer meeting, focusing on the Committee's strategic initiatives, plans for the Annual Meeting, and future finance workshops and conferences.

SIB HIGHLIGHTS

States Increase SIB Activity

The first half of the Federal fiscal year brought continued growth in the SIB program. As of March 2004, 32 states have entered into 373 loan agreements with a total value of just under $4.8 billion. This activity, which is shown in the table to the right, represents 22 new loan agreements valued at nearly $300 million since September 2003.

As evidenced by the increased loan activity, states continue to become more adept at using and expanding their SIBs to advance needed infrastructure projects. This issue of ***IFQ*** features three articles on current SIB activity. First, a new aviation loan program has been added to the already active Pennsylvania Infrastructure Bank, with a new rail freight loan program planned for the summer. Next, although not part of the Federal SIB program, Kansas has modeled its new Transportation Revolving Fund after similar programs already established in the state. Finally, SIB credit assistance is helping meet transit funding needs across the country.

Contact:
Phyllis Jones, FHWA,
202/366-2854,
phyllis.jones@fhwa.dot.gov

State Infrastructure Bank Loan Agreements by State
As of March 31, 2004

State	Number of Agreements	Loan Agreement Amount ($000)	Disbursements to Date ($000)
Alaska	1	$2,737	$2,737
Arizona	45	521,442	406,849
Arkansas	1	31	31
Colorado	4	4,400	1,900
Delaware	1	6,000	6,000
Florida	45	747,210	246,861
Indiana	2	5,715	5,715
Iowa	2	2,879	2,879
Maine	23	1,635	1,635
Michigan	33	22,207	22,207
Minnesota	15	95,719	77,013
Missouri	15	92,057	72,854
Nebraska	2	6,792	6,792
New Mexico	2	14,600	14,600
New York	10	27,700	27,700
North Carolina	2	1,713	1,713
North Dakota	2	3,891	3,891
Ohio	41	185,095	138,050
Oregon	15	19,846	18,396
Pennsylvania	36	24,364	22,756
Puerto Rico	1	15,000	15,000
Rhode Island	1	1,311	1,311
South Carolina	8	2,605,000	1,765,000
South Dakota	3	28,776	28,776
Tennessee	1	1,875	1,875
Texas	44	257,860	250,683
Utah	1	2,888	2,888
Vermont	2	800	800
Virginia	1	18,000	17,985
Washington	3	2,376	487
Wisconsin	3	1,813	1,813
Wyoming	8	77,977	42,441
TOTAL	**373**	**$4,799,709**	**$3,209,638**

Pennsylvania Creates Two New Modal State Infrastructure Banks

The success of Pennsylvania's highway/bridge and transit State Infrastructure Bank has not gone unnoticed by the other transportation modes in the Commonwealth. Pennsylvania's airports and rail freight providers also have tremendous financial needs. Responding to their financial needs, the Pennsylvania Department of Transportation (PENNDOT) recently established an aviation loan program. The rail freight loan program will be available after July 1, 2004. All of these modal loan programs are managed under the umbrella of the Pennsylvania Infrastructure Bank (PIB) which is operated by PENNDOT.

The aviation bank, capitalized with state aviation funds, is available to all of Pennsylvania's 134 public use airports. The money may be loaned for improvements such as hangar construction, runway extensions, and other airport amenities. This new program will greatly enhance the Commonwealth's ability to foster needed economic development and will help ensure the vitality of Pennsylvania's aviation system.

During the very first month of the aviation bank's operation, six applications were received. The applicants are using the bank to provide the necessary local match for approved Federal and state grants. Loan application amounts ranged from $11,250 to $250,000. The loans will assist the Bradford County Airport Authority, Clearfield-Lawrence Airport Authority, and the Saint Marys Municipal Airport Authority in making needed improvements.

Because of the instant success of the Aviation Bank, all of the initial seed money has been loaned. Additional seed money will be deposited into the bank with the passage of the next state budget. This capitalization will continue until the program becomes a self-sustaining revolving loan program.

Much of the growing success of the PIB can be credited to a marketing effort that began in earnest in 2000. An initial study of methods to market the bank was completed and many of the study's recommendations have been implemented. Brochures and a Pennsylvania Infrastructure Bank Handbook were developed. These documents and other information about the PIB may be viewed at PENNDOT's web site at *www.dot.state.pa.us.*

When the rail freight bank becomes operational this summer, the Commonwealth of Pennsylvania will have a truly multimodal loan program.

Contact:
James Smedley,
Pennsylvania Department of Transportation,
717/772-1772,
jsmedley@state.pa.us.

Kansas Transportation Revolving Fund Offers New Financing Option

There's a new option when it comes to paying for local transportation projects in Kansas. The Kansas Department of Transportation (KDOT) has established a Transportation Revolving Fund. The fund offers flexible, low-cost financial assistance for qualified transportation projects.

"This fund has the potential to become an important component of transportation financing for Kansas communities," said KDOT Secretary Deb Miller. "We are glad to offer this program to our local partners."

All cities, counties, and other political subdivisions of the State of Kansas are eligible to borrow from the Transportation Revolving Fund. In addition, private enterprises are eligible if they have a governmental unit as a partner.

Local communities identify their transportation needs. Each local community decides its own priorities for transportation projects. The fund may finance city streets and rural roads on or off the state highway system. Local governments can also borrow their portion of a KDOT-sponsored project. This allows local governments to move forward on construction of projects scheduled for the future and to take advantage of other KDOT programs such as KLINK (Kansas Connecting Links), Geometric Improvement, and Economic Development. Should Federal funds be involved, a project is subject to all Federal rules.

Enthusiastic Welcome

The fund received an enthusiastic welcome from the cities and counties as it was marketed around the state. KDOT's marketing strategy is to provide speakers and presentations at meetings for city and county officials. KDOT sent a letter to all city mayors, county commission chairpersons, and public works directors in the state announcing that the fund was ready to accept applications. KDOT's web site, *www.ksdot.org*, will soon have information about the fund.

KDOT received 16 applications covering 20 projects for a total $23.1 million in loans in the first four months of the fund's operation. Project costs range from $50,000 to $6 million. Projects include bridges, reconstruction of streets and roads, right-of-way acquisitions, and a railroad grade separation. The first applicant, Franklin County, will be able to accelerate the County Highway Improvement Plan (CHIP) by 15 years. "With this loan, it will let us take the 15-year CHIP plan and move it all forward and get the roads paved now," said Ed Taylor, Franklin County Commission Chairman. "And it won't cost us any more money because we'll still have the future CHIP allotments, but we'll have the roads now."

Fund Structure

Funds for the Transportation Revolving Fund were authorized as part of KDOT's Comprehensive Transportation Program. The statute does not limit the amount of capitalization for the fund and there is no sunset provision.

The Transportation Revolving Fund is patterned after existing state water revolving funds. Local governmental units can repay loans with various revenues including the local share of motor fuel tax or locally raised revenues such as sales taxes.

The Transportation Revolving Fund currently uses only state funds. Initial capitalization of the Transportation Revolving Fund will be $25 million from the state highway fund. The fund will be able to lend up to $30 million per year to local governments by leveraging its assets. The fund is projected to reach a size of approximately $100 to $120 million without additional capitalization. The fund will issue bonds through the Kansas Development Finance Authority using its loans receivable as security. The term of a loan is limited to the lesser of 20 years or the design life of the project, including the construction period. There is no penalty for early prepayment of a loan.

Currently, the fund limits loans to $6 million to any one borrower for the fiscal year. This policy may be revised as the fund gains experience and economic conditions change. The initial interest rate is set at 80 percent of the 90-day average of the Bond Buyer Index. At no time will the interest rate exceed current market rates. The interest rate will be set on the date of the loan agreement.

Application Process

Eligible projects must be either a bridge, culvert, road, street, or highway. All phases of a project are eligible for financing, including preliminary engineering, rights-of-way acquisition, design, planning, construction, and construction engineering. Transit, aviation, railroad, and trail projects are not eligible for financing by statutory restriction. Projects must be consistent with the state highway system, as it exists now or in the future. KDOT will not inspect purely local projects off the state highway system. Instead, KDOT is relying on the assurances of the licensed professional engineer contracted by the local government to design and inspect the project.

Applications are processed as they are received on a first-come, first-served basis. If the entire $30 million is committed in a given fiscal year, KDOT will hold the application over for the next fiscal year. Applicants will be contacted at the beginning of the new fiscal year to determine if they still desire the loan. They will not have to submit a new application.

Applications are considered on the following basis.

- ❖ Is the applicant a political subdivision of the State of Kansas?
- ❖ What impact does the project have on the state highway system?
- ❖ Is the applicant creditworthy?
- ❖ Is the term of the loan equal to or less than the design life of the project?

"Because economic conditions have been tight, we see this revolving loan program as another way KDOT can help local communities leverage limited dollars to improve local transportation," said Secretary Miller.

Contact:
Evelyn Fitzpatrick,
Kansas Department of Transportation,
785/296-4782,
evelynf@ksdot.org

SIBs Assist Transit Projects

Nearly $45 million of low-interest loans provided by seven SIBs have assisted 12 transit projects valued in excess of $135 million. The loans have supported a diverse spectrum of projects, including bus purchases, rail modernization, intermodal facilities, an historic landmark rehabilitation, and rural transportation improvements.

Many of the loans have assisted communities with local project match requirements. This has enabled local governments to accelerate the implementation of transit infrastructure and services that might otherwise have been postponed due to a lack of available match funding.

Loan terms are tailored to the individual requirements of loan applicants. Repayment sources have included urban renewal revenues, various sales taxes, and state appropriations.

Lending Obstacles Overcome

Some transit loan applicants encounter legal obstacles that must be resolved prior to the conclusion of a loan. For example, loans used to support the installation of particular technology, such as buses equipped with traffic signal preemption devices, may require state legislative approvals.

In North Carolina, because many small towns have municipal debt limits, SIB loans have fulfilled a unique credit assistance niche by lending funds to accelerate project delivery in advance of the required project match.

Limited Federal funds have delayed the development of SIB programs in some states. To overcome this problem, some states have sought state appropriations for SIB capitalization. For example, in the future, North Carolina plans to capitalize its SIB with 100 percent state funds.

Selected State-by-State Activity

States assisting transit projects with SIB loans include the following:

- **Michigan's** SIB has supported four transit projects for a total of $3.3 million in loans and $6.9 million in total project costs. The projects have included bus purchases, a ferry boat replacement, a new transit system facility, and a garage for buses.
- **Minnesota** has executed the largest transit SIB loan to date. The loan supported 53 transit capital improvement projects in the seven-county Twin Cities Metropolitan area. The SIB leveraged $4 million of transit account funds by using this money to provide collateral for a $17 million bond issue for the Metropolitan Council. This resulted in a total of $21 million in transit project support. If the Council had issued bonds as an independent entity, they would have received an interest rate less favorable than the 2.71 percent made available through the SIB (a one percent discount from commercial rates was realized). Furthermore, the SIB was able to access the state's bond rating to obtain a competitive rate for the bonds. The SIB has loaned all available transit funds and is waiting for loan repayment money to accumulate to a sufficient level before soliciting more transit applications.
- **Missouri's** Transportation Finance Corporation issued a loan for $11.1 million to cover the local match required for the purchase of 217 transit buses for the Bi-State Development Agency.
- **North Carolina** has used SIB money primarily to cover transit local match requirements. Specifically, many small towns in North Carolina lack the funds to meet local match requirements and must borrow the funds in order to accelerate project delivery. Typical transit projects involve procurement of buses by public entities which are then used by communities to transport students and employees to their destinations. The city of Rocky Mount, NC is an example of a community that has completed a SIB loan for this purpose.
- **Ohio** currently has $1.8 million available for transit lending. Past Ohio SIB-sponsored transit projects have included a transit center extension for the City of Cincinnati, and the structural rehabilitation of the Cuyahoga River Viaduct. A recent Ohio SIB transit loan will be used to assist in the rehabilitation of a railroad line that will provide passenger service from Akron to Canton. The SIB is providing $1.5 million of the $12.3 million total project costs in order to support the project's local match requirement. Approximately 20 percent of SIB transit loan requests are used to support local match requirements.
- **Oregon** has used SIB money to support four transit projects. These projects have included the installation of a bus turnout in the City of Jacksonville, an intermodal center, and bus and traffic signal purchases.
- **Pennsylvania** has approved a loan to the Berks Area Reading Transportation Authority for $1.8 million to renovate and expand the Authority's main administrative and operating facility. The total project cost is valued at $4.4 million. This loan will deplete most of the available funds in the Pennsylvania SIB for transit project assistance.

Contact:
Robena Reid,
FTA,
202/366-1973,
robena.reid@fta.dot.gov

New GARVEE Guidance Available

In March, FHWA published new GARVEE guidance with minor changes. The changes include a clarification permitting use of regular Federal-aid funds and debt proceeds on the same Federal-aid project, provided the funds can be separately tracked; eliminating eligibility for reimbursement for arbitrage rebates; and revising conformity guidelines to conform with agency policy.

The new guidance can be found at: *http://www.fhwa.dot.gov/innovativefinance/garvee.htm.*

Innovative Finance Provisions in Reauthorization, continued from page 1

eligibility. In terms of funding, the House bill authorizes $900 million in contract authority to support $15.6 billion in credit assistance. In comparison, the Senate bill authorizes contract authority of $780 million, but has no limit on credit assistance.

Similar to the Administration's SAFETEA proposal, the Senate bill modifies the private activity bond provisions of the Internal Revenue Code by including highway facilities and surface freight transfer facilities as exempt facilities. This would allow more private activity on these projects without losing the authority to issue tax-exempt debt to finance the projects. Bonds are not subject to the annual volume cap for private activity bonds, but may not exceed $15 billion in aggregate. The Senate bill, however, adds a requirement that the project(s) funded with the bond proceeds must be receiving Federal assistance under Title 23. No comparable provision for private activity bonds is included in the House bill.

In the area of improved grant management, the Senate bill simplifies the calculation of the sliding scale Federal share and extends authority for transferring funds. States can receive a higher Federal share on projects based on the percentage of their land that is classified as public lands, Indian lands, national forests, or national parks or monuments. The Senate bill provides for a single calculation (currently three different rates are authorized) of this increased Federal share, known as sliding scale. The Senate bill also allows a state to request that its Federal funds be transferred to another state or to a Federal agency including the FHWA. This will simplify the administration of jointly funded projects.

Questions have arisen about the need to reauthorize GARVEE bonds. Since the GARVEE bond program is codified in Title 23, United States Code, no new legislation is needed to continue the program.

For more information on the House and Senate bills, including information on other innovative approaches such as tolling, visit FHWA's reauthorization web site at *http://www.fhwa.dot.gov/reauthorization/index.htm*.

Contact:
Max Inman,
FHWA,
202-366-2853,
max.inman@fhwa.dot.gov

TECHNICAL CORNER

Minnesota's Transportation Finance Package Builds More, Faster, Better

In June 2003, the Minnesota State Legislature passed Governor Tim Pawlenty and Lieutenant Governor/Transportation Commissioner Carol Molnau's Transportation Finance Package. The largest transportation investment in state history, this package provides innovative financing and accelerated construction of over $900 million of highway and transit projects throughout the state.

The package consists of $400 million in bonds, $425 million in Federal advance construction (AC) financing, and $100 million in state funds, a significant increase over Minnesota's regular highway construction program. The $400 million in bonds will enable the Minnesota Department of Transportation (Mn/DOT) to leverage its Federal dollars. The 20-year bonds will be repaid with $36 million each year from internal Mn/DOT budget savings already identified. The $100 million in state funds will come from spending down the state's dedicated trunk highway fund balance over the next four years.

Of the $400 million in bonds, $36 million is targeted for transit improvements in the Twin Cities Metropolitan Area, such as bus shoulders and park-and-ride lots. The package also requires that an additional $5 million of flexible funds be transferred from FHWA to FTA for construction of transit capital investment projects in Greater Minnesota. The $100 million in state funds will be used to accelerate key projects that improve safety and help preserve existing roadways.

The Legislature required that approximately 50 percent of this package be spent on projects in the Twin Cities Metropolitan Area and approximately 50 percent elsewhere in the state. The projects were selected based on their ability to improve safety, relieve congestion, and enhance mobility. In addition, project readiness and appropriateness for debt financing were considered. This transportation package will enable Mn/DOT to advance 12 major highway construction projects by a total of more than 65 years. Individual project advancements ranged from one to nine years.

The $425 million of AC will be converted to regular Federal funds as actual project expenditures occur in order to minimize the impact on the state's cash balance. Expenditure estimates have been developed for each of the 12 projects in order to plan for the necessary AC conversions.

The finance package is expected to help pay for itself in terms of saved inflationary costs and earlier delivery of road user benefits compared to a traditional funding approach. Because the $825 million of bonds and Federal advance construction funds will accelerate projects by over five years on average, up to 20 percent of additional road user benefits are expected to be generated, valued at $300 million. Further, using conservative estimates of future inflation in the highway construction industry, it is estimated that approximately $140 million in construction inflation costs will be saved as a result of accelerated project construction. These savings, together with the road user benefits, will more than offset the $215 million interest cost over the life of the bonds.

Contacts:
Brad Larsen, Minnesota Department of Transportation,
651/282-2170,
brad.larsen@dot.state.mn.us

Rabinder Bains, Minnesota Department of Transportation,
651/296-1658,
rabinder.bains@dot.state.mn.us

FTA Finance Workshops

The Federal Transit Administration (FTA) will sponsor four finance-focused workshops this summer to be held throughout the country. These workshops will provide in-depth coverage of a range of topics, including:

- When a financing approach makes better sense than pay-as-you-go
- How to structure revenue bond financing with governmental and/or farebox revenue streams
- How to utilize SIBs as a source of low-cost financing
- How to advance capital investment through grant anticipation borrowing
- What the TIFIA program is and how it can help finance major capital projects
- How to achieve win-win situations with well-structured joint development and other public-private partnerships
- How to create joint development opportunities with New Start projects
- How to optimize development opportunities around existing transit stations

Each of these topics will be covered during the one and one-half-day workshop program. In addition to presentations by nationally recognized experts and FTA staff, the sessions will include presentations from system managers and practitioners involved in structuring financing and joint development programs in the region. There will be ample opportunity for questions and answers and breakout sessions to cover topics in a hands-on environment. The development of an audience identified case study will be encouraged and used to foster discussion.

The four workshops are being offered free of charge. Workshops will be capped at 90 participants, and registrations will be accepted on a first come, first served basis. The locations and dates are:

- Miami – June 9 and 10, 2004
- Minneapolis – August 26 and 27, 2004
- Denver – August 19 and 20, 2004
- Boston – September 13 and 14, 2004

More workshop information and online registration is available at: *http://webservices.camsys.com/ftaconf/index.htm.*

Contributors to Vol. 10, No. 1 of *IFQ* include:

Rabinder Bains, Minnesota Department of Transportation
Roger Berg, Cambridge Systematics, Inc.
Duane Callender, TIFIA JPO
Lisa Fenner, RBC Dain Rauscher
Evelyn Fitzpatrick, Kansas Department of Transportation
Dale Gray, FHWA
Max Inman, FHWA
Phyllis Jones, FHWA
Janet Kavinoky, AASHTO
Sheri Koch, FHWA Minnesota Division Office
Brad Larsen, Minnesota Department of Transportation
Jennifer Mayer, FHWA National Resource Center
Robena Reid, Federal Transit Administration
Suzanne H. Sale, TIFIA JPO
James Smedley, Pennsylvania Department of Transportation
Mark Sullivan, TIFIA JPO

FHWA's INNOVATIVE FINANCE Quarterly

Suzanne H. Sale, FHWA
Co-Managing Editor
602/379-4014
FAX: 602/379-3608
Suzanne.Sale@fhwa.dot.gov

Max Inman, FHWA
Co-Managing Editor
202/366-2853
FAX: 202/366-7493

Laurie L. Hussey, CS Managing Editor
Cambridge Systematics, Inc.
617/354-0167
FAX: 617/354-1542
lhussey@camsys.com

A REMINDER TO READERS

FHWA does not maintain a mailing list and does not distribute ***IFQ*** directly. ***IFQ*** is available as an insert to the ***AASHTO JOURNAL***, and is available electronically through FHWA's WWW Home Page:

http://www.fhwa.dot.gov/innovative finance/

IFQ is also provided to the following organizations for redistribution and/or as information for their membership:

- American Public Works Association (APWA)
- Surface Transportation Policy Project (STPP)
- National Governor's Association (NGA)
- National Association of State Treasurers (NAST)
- National Association of State Auditors, Controllers, and Treasurers (NASACT)
- National Association of Regional Council's (NARC's) Association of MPOs (AMPO)