

June 7, 2012

The Honorable Barbara Boxer
United States Senate
Washington, DC 20510

The Honorable John L. Mica
United States House of Representatives
Washington, DC 20515

The Honorable James M. Inhofe
United States Senate
Washington, DC 20510

The Honorable Nick J. Rahall
United States House of Representatives
Washington, DC 20515

Dear Senators Boxer and Inhofe and Representatives Mica and Rahall:

As the Senate and House Conference Committee reconcile the Highway Reauthorization (S. 1813 and H.R. 4348), the undersigned respectfully oppose anti-taxpayer, anti-private sector provisions in the final bill.

An amendment (SA 1759) offered by Senator Bingaman of New Mexico and approved by the Senate, reduces levels of highway formula funding for states that utilize public-private partnerships (P3s).

Rather than removing privatized highways from consideration in apportioning highway funding, Congress should be encouraging, incentivizing and removing barriers to such innovative financing arrangements by the States.

It is well documented that America's infrastructure receives a grade of "D" in the report card of the American Society of Civil Engineers (ASCE), highways earn a grade of D-, and the estimated 5-year investment need is \$2.2 trillion. With a \$1.3 trillion annual deficit and a \$15 trillion national debt, we cannot afford to take the P3, private financing option off the table.

P3s reduce long-term public costs and the risk associated with construction (including cost overruns) and financing, all of which we believe to be taxpayer-friendly benefits. In the short-term, P3s inject immediate funds into state treasuries.

Provisions that prohibit, impede, interfere, obstruct, encumber, or delay the use of P3s, or other similar options to utilize private financing to help fund public transportation projects and/or improvements, should be kept out of the Highway Bill Reauthorization.

We believe Indiana Governor Mitch Daniels said it best in his May 10 OpEd published in *The Washington Post*:

"...senators should encourage innovation and more partnerships with the private sector, where tens of billions of dollars stand ready to be invested, ensuring our nation the strongest possible economic backbone."

We respectfully recommend that the final conference bill supports state authority and flexibility to utilize P3s and avoid restricting them.

Sincerely,

Peter S. Unger
President & CEO
American Association for Laboratory Accreditation



E. Colette Nelson
Executive Vice President
American Subcontractors Association



Grover Norquist
President
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cc:
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