An FHWA Perspective on Public Private Partnerships

AASHTO Subcommittee on Construction
Biloxi, Mississippi
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Agenda (for George Raymond)

- USDOT / FHWA position on PPPs
  - TIFIA, PABS, ISCTP, ISRRPP, SEP15
- SAFETEA-LU S. 1503
  - Release RFP before NEPA (CE, FONSI, ROD), PD, but not FD or construction
  - NRPM 5/25/2006,
  - FRM delayed, HCC coordination OST, OMB, CEQ
- FRM publication
Agenda

- USDOT / FHWA position on Public-Private-Partnerships
- SAFETEA-LU Section 1503
- Status of rule making
“Attracting private sector participation and deploying market-based solutions to our transportation problems is not simply a laudable objective; it’s a necessity. And it requires us in the Federal Highway Administration to adjust the way we approach our Federal-aid mission.”

--Mary Peters, former FHWA Administrator, current Secretary of Transportation
States with Significant PPP Authority - 1995

[Map showing states with significant PPP authority: California, Delaware, and Puerto Rico highlighted.]
States with Significant PPP Authority - 2006
USDOT / FHWA PPP Support

- TIFIA
- Private Activity Bonds
- Interstate System Construction Toll Pilot Program
- Interstate System Reconstruction and Rehabilitation Pilot Program
- PPP Report to Congress
- Model PPP legislation
- SEP-15 (waivers for: contracting, compliance with environmental requirements, right-of-way acquisition, project finance)

http://www.fhwa.dot.gov/ppp
Design-Build Policy Significant Dates

- February 1990 - FHWA establishes SEP-14
- June 1998 - TEA-21, Section 1307, requires:
  - FHWA to issue design-build regulations
  - Report to Congress on DB effectiveness
- Final Rule Published 12/10/2002;
- August 10, 2005 – SAFETEA-LU enacted
- NPRM 5/25/2006 for S. 1503
Enactment of SAFETEA-LU 8/10/2005

An excerpt from SAFETEA-LU Section 1503*

“... Not later than 90 days after the date of enactment of the SAFETEA-LU, the Secretary shall issue revised regulations... that—

(i) **do not preclude** a State transportation department or local transportation agency, prior to compliance with section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332), from—
   (I) issuing requests for proposals;
   (II) proceeding with awards of design-build contracts; or
   (III) issuing notices to proceed with preliminary design work under design-build contracts;

(ii) require that the State transportation department or local transportation agency **receive concurrence** from the Secretary before carrying out an activity under clause (i); and

(iii) **preclude** the design-build contractor from proceeding with **final design or construction of any permanent improvement** prior to completion of the process under such section 102.”.

*bold and underlining added for emphasis*
NEPA / Project Development

NEPA

DEIS  EIS  ROD / FONSI

Design-Bid-Build

Prelim Design  Final Design.  Construction

PS&E Approval
Constr Auth.
Obig $

Bid Opening
Status of Rule Making

- Received 36 comments:
  - 1 Federal Agency, Governor of Indiana, 18 State DOTs, 3 local public agencies,

- Draft final January 2007

- Publication of final rule ?????????????????????
Questions?