



NEWS from the T&I Committee
Committee on Transportation and Infrastructure
U.S. House of Representatives, 2165 Rayburn HOB,
Washington, DC 20515
www.house.gov/transportation
Hon. James L. Oberstar (Minn.), Chairman

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Oberstar, DeFazio Caution States on PPPs
Letter warns governors not to rush into partnerships that
can undermine the national highway system

WASHINGTON—The Chairmen of the House Committee on Transportation and Infrastructure and the Subcommittee on Highways and Transit are warning states against rushing into public-private partnerships involving national highways.

In a letter sent to governors, state legislators, and state transportation officials on Friday, Committee Chairman James L. Oberstar (Minn.) and Subcommittee Chairman Peter A. DeFazio (Ore.) said many such arrangements, also called PPPs, do not protect the public interest.

“Although we invite all financing options to be on the table as we evaluate opportunities to increase investment in our nation’s infrastructure, we strongly caution you against rushing into PPPs that do not fully protect the public interest, the integrity of the national system, and which do not constitute a sustainable national system of transportation financing,” the Chairmen wrote.

The letter expressed strong concerns over states and local authorities leasing toll facilities to private operators.

“These deals make good business sense to the companies that are investing in the projects, but we have serious concerns about whether these transactions offer a net balance of benefits for the American public,” it read.

The letter further cited the Bush Administration’s efforts to promote highway PPPs, to the point of drafting model legislation for states to adopt. The Committee is preparing a discussion paper to present its concerns in more detail and answer the Administration’s claims.

The Chairmen advised the states that the Committee could take action against some PPPs in the next surface transportation bill, due in 2009.

“The Committee will work to undo any state PPP agreements that do not fully protect the public interest and the integrity of the national system,” the letter read.

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