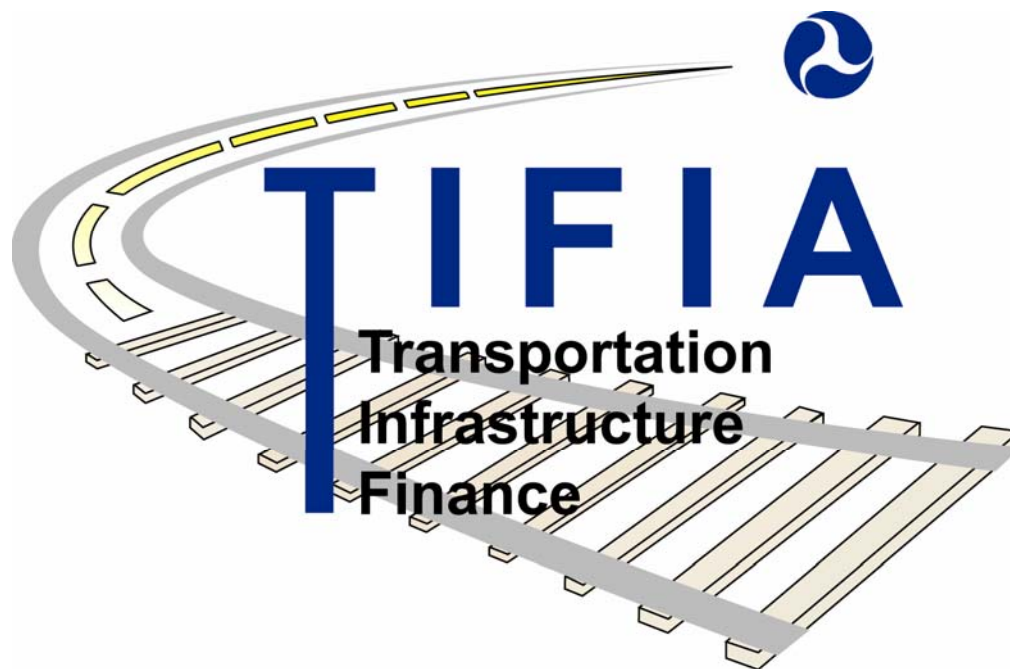


Credit Assistance for Emissions Reduction?



Mark Sullivan
Chief, TIFIA Credit Program, US DOT
January 22, 2006



Background on TIFIA

Transportation Infrastructure Finance and Innovation Act (TIFIA)

- **Strategic goal** – to leverage limited Federal resources and stimulate private capital investment in transportation infrastructure by **providing credit assistance in the form of direct loans, loan guarantees, and standby lines of credit** (rather than grants) to projects of national or regional significance.

- **Key objectives**
 - Facilitate projects with significant public benefits
 - Encourage new revenue streams and private participation
 - Fill capital market gaps for secondary/subordinate capital
 - Be a flexible, “patient” investor willing to take on investor concerns about investment horizon, liquidity, predictability and risk
 - Limit Federal exposure by relying on market discipline



Background on TIFIA (continued)

➤ **Major requirements**

- Large surface transportation projects (\$50M generally, \$15M for intelligent transportation systems – ITS)
- TIFIA contribution limited to 33 percent
- Senior debt must be rated investment grade
- Dedicated revenues for repayment
- Applicable Federal requirements (Civil Rights, NEPA, Uniform Relocation, Titles 23/49)
- Public or private highway, transit, rail and port projects are eligible to apply for TIFIA assistance

- **Application process** – project sponsors must submit proposals, including financial plans, to USDOT for consideration.



Eligible TIFIA Sponsors and Projects

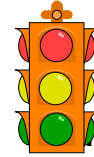
State Governments

Private Firms

Special Authorities

Local Governments

**Transportation
Improvement Districts**



Highways and Bridges

Intelligent Transportation Systems

Intermodal Connectors

Transit Vehicles and Facilities

Intercity Buses and Facilities



Freight Transfer Facilities

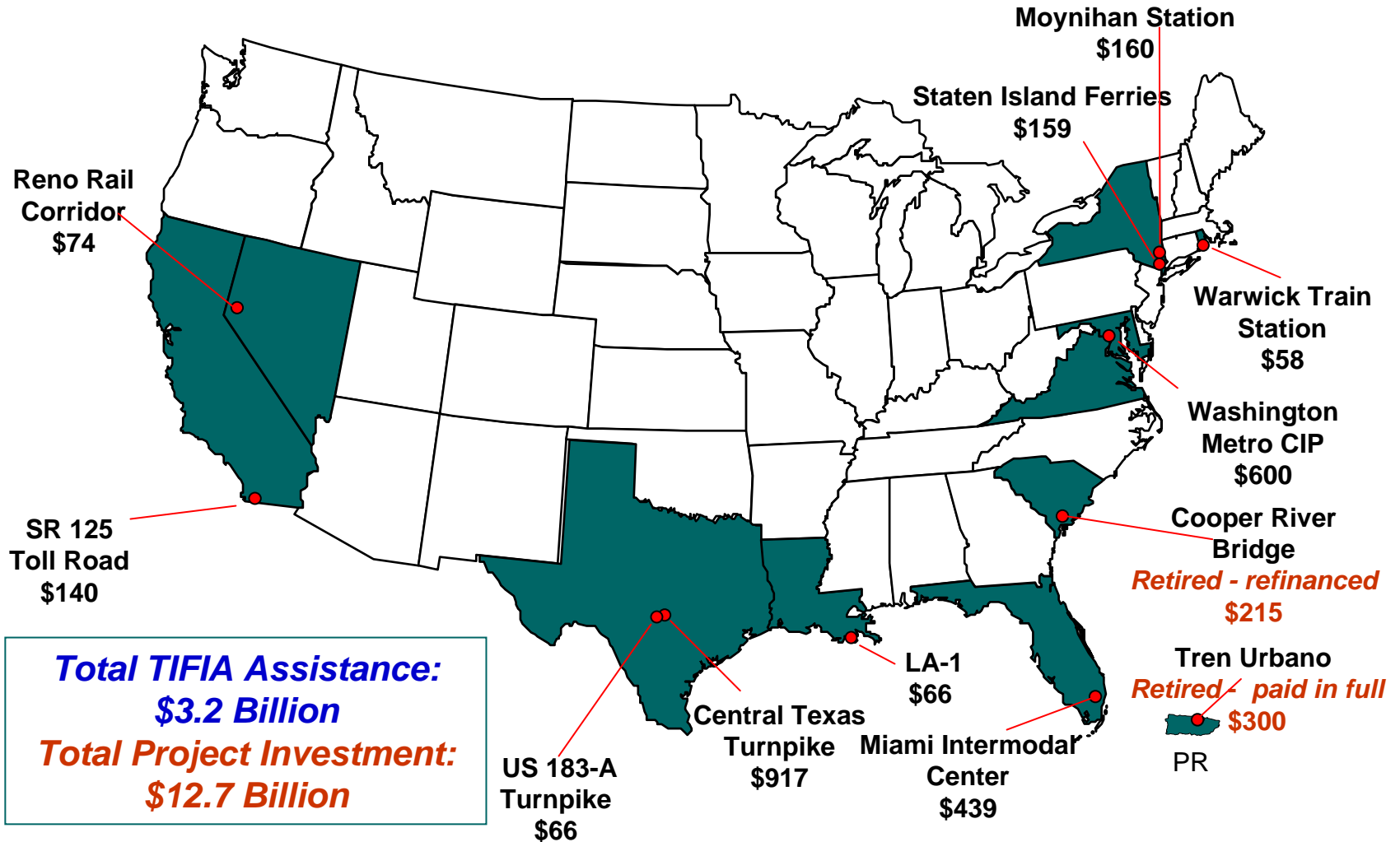
Passenger Rail Vehicles and
Facilities





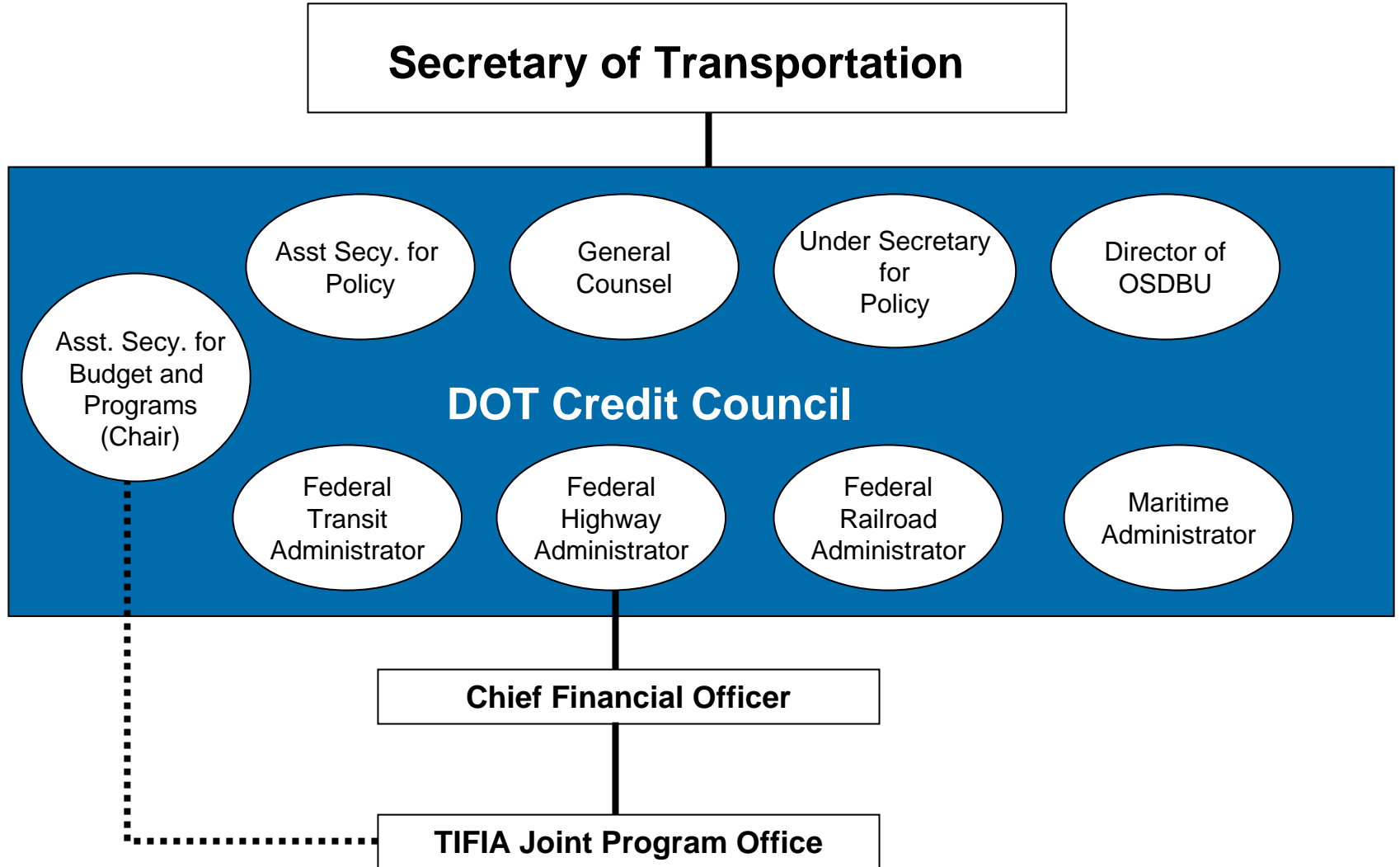
TIFIA Projects

(TIFIA Instruments in Millions)





TIFIA JPO Organizational Framework

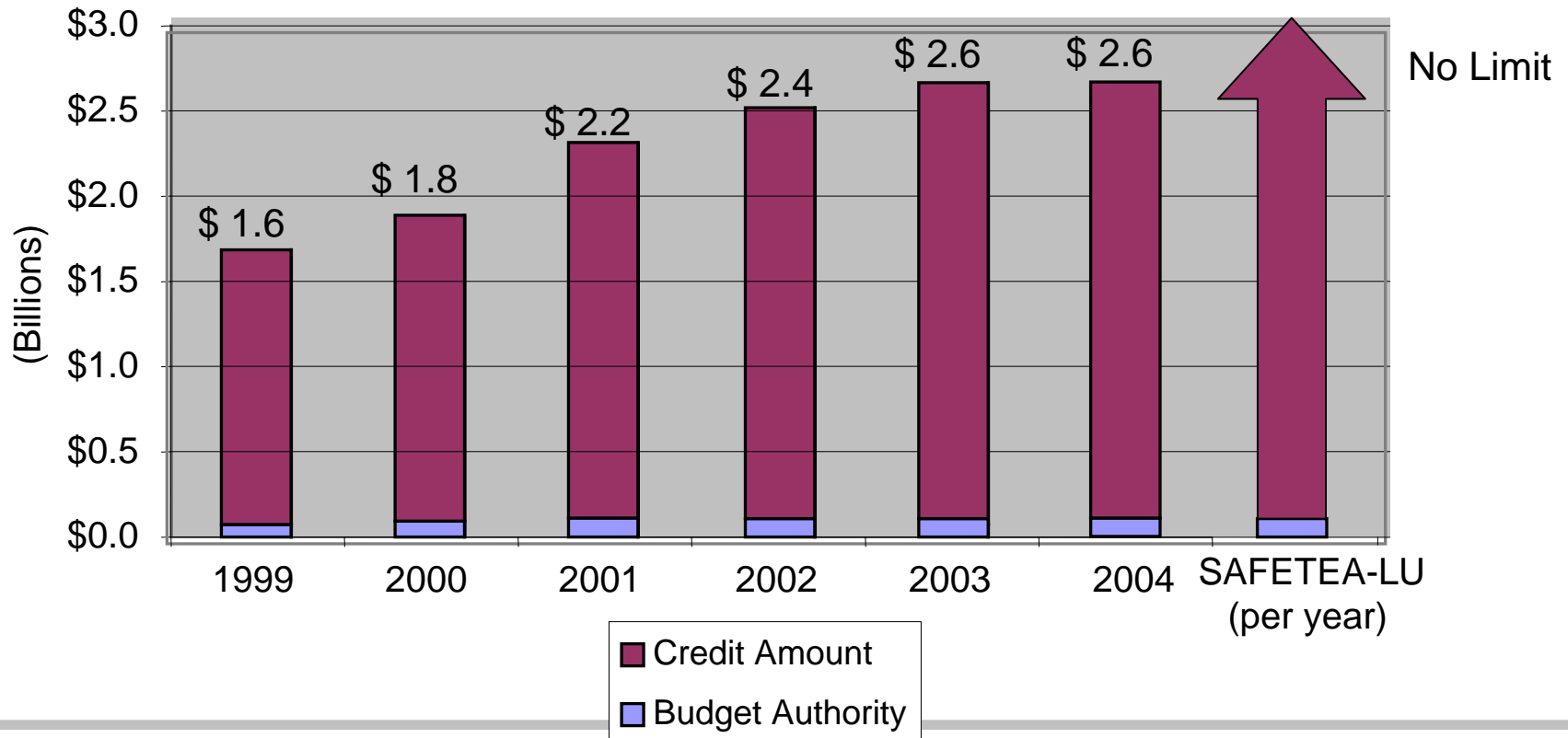




Funding Levels

Annual Authorizations: 2005 - 2009

Maximum Credit Amount: No limit
Maximum Budgetary Cost: \$122 Million





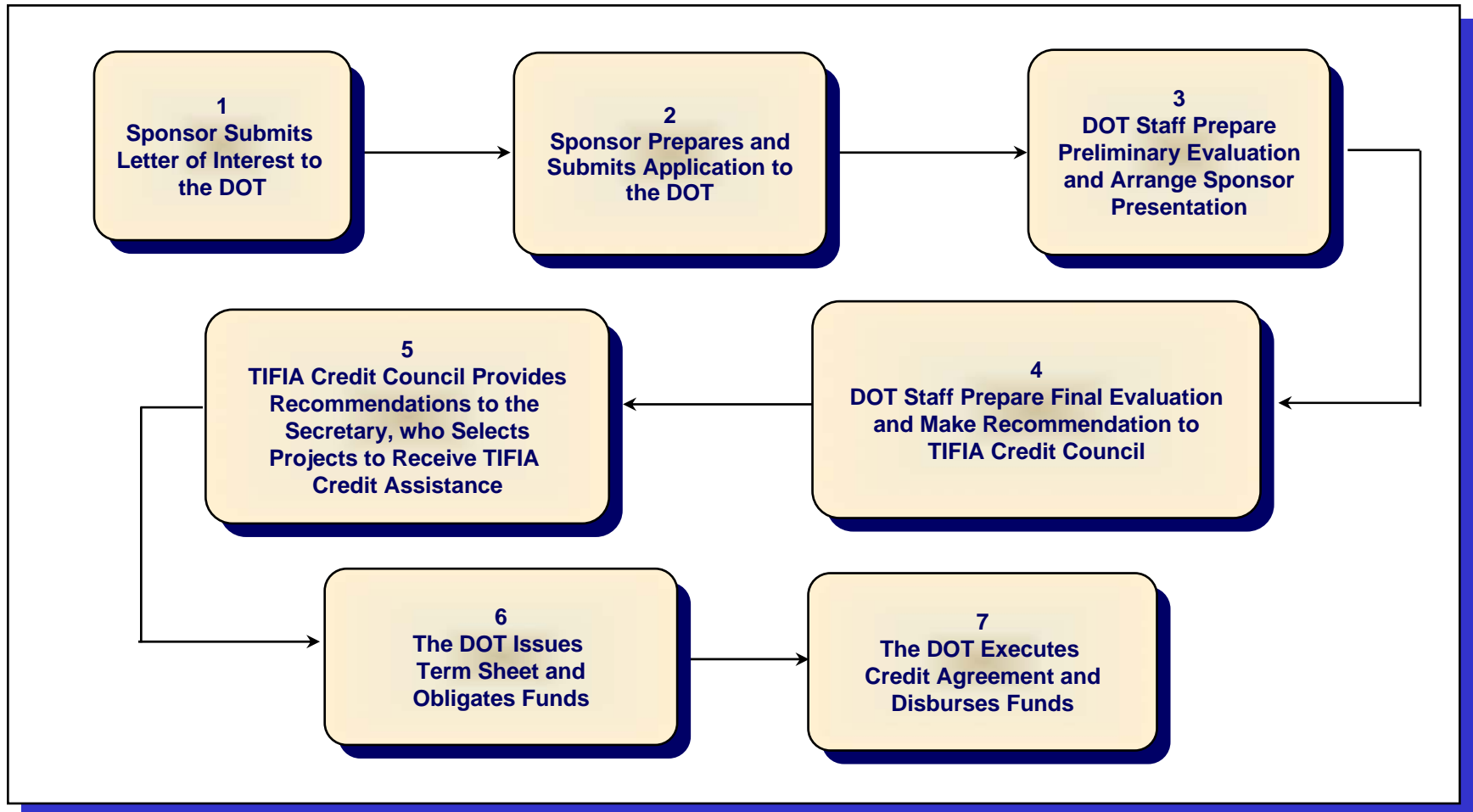
Statutory Selection Criteria Weighting

(percentage amounts)

Private Participation	20.0%
Environmental Impact	20.0%
National or Regional Significance	20.0%
Project Acceleration	12.5%
Credit Worthiness	12.5%
Use of New Technologies	5.0%
Reduced Federal Grant Assistance	5.0%
Consumption of Budget Authority	5.0%

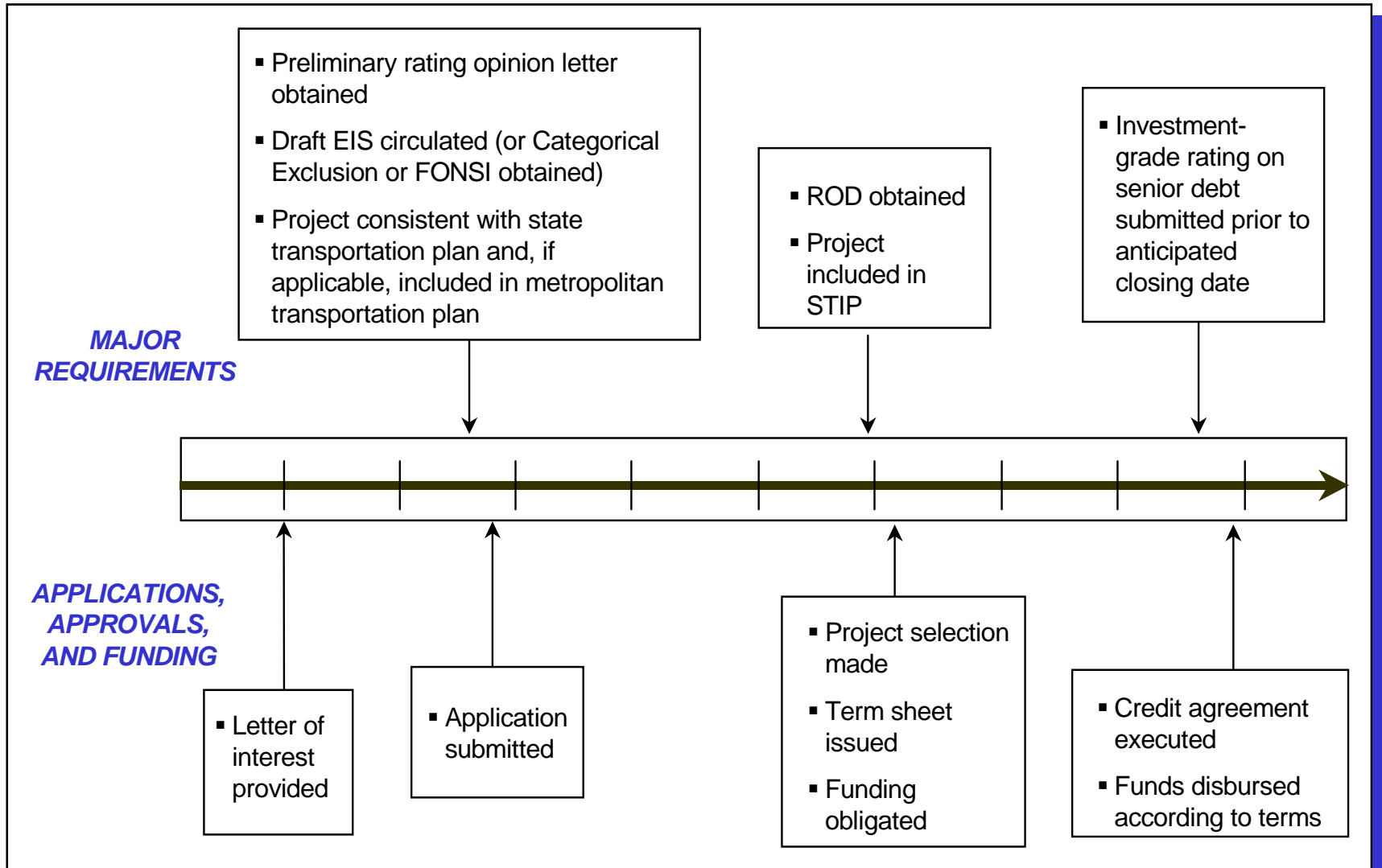


Program Implementation: Selection & Funding of a TIFIA Project





TIFIA Documentation Requirements





TIFIA Program Fees

- **The TIFIA JPO will require each applicant to pay a non-refundable application fee of \$30,000.**
- **In addition each borrower will be required to pay a credit processing fee equal to a portion of the costs incurred by the TIFIA JPO in negotiating the credit agreement. This fee will typically range from \$100,000- \$300,000.**
- **Borrowers will also be required to pay a \$11,000 loan servicing fee annually.**



TIFIA Oversight: Credit Instrument Life Cycle

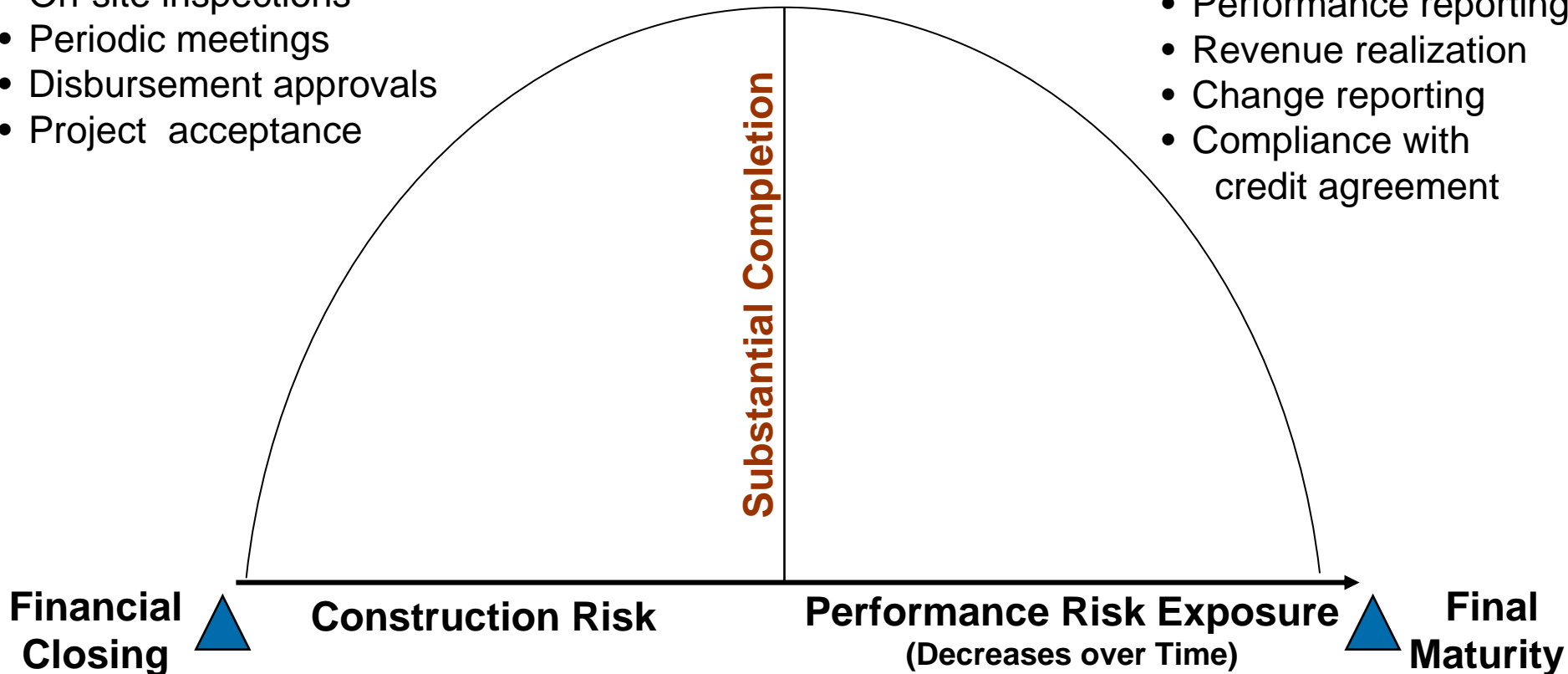
Construction Oversight and Performance Monitoring

Design / Construction

- On-site inspections
- Periodic meetings
- Disbursement approvals
- Project acceptance

Operations/Post Construction

- Performance reporting
- Revenue realization
- Change reporting
- Compliance with credit agreement





Contact: TIFIA Joint Program Office (HCF-50)
U.S. Department of Transportation
Room 4310
400 Seventh Street, SW
Washington, DC 20590

fax: (202) 366-2908

<http://tifa.fhwa.dot.gov>

Mark Sullivan, Chief (202) 366-5785

mark.sullivan@fhwa.dot.gov

Robert C. Brown, Capital Markets Advisor (202) 366-6813

robert.c.brown@fhwa.dot.gov

Duane Callender, Project Finance Coordinator (202) 366-9644

duane.callender@fhwa.dot.gov

Lisa Floyd, Budget Analyst (202) 366-9649

lisa.floyd@fhwa.dot.gov

Cheryl Jones, Project Finance Advisor (202) 366-0317

cheryl.jones@fhwa.dot.gov

Suzanne Sale, Senior Financial Advisor (602) 379-4014

suzanne.sale@fhwa.dot.gov