

Senate Bill 843:

I-495 and I-270 Public-Private Partnership - Partnership Agreement - Requirements (Maryland Department of Transportation Promises Act of 2021)

It has been my understanding that P3 Partnerships are intended to facilitate infrastructure construction by utilizing private corporation expertise to plan, develop and construct public facilities. The presumption is that this would achieve a better output more quickly and at reduced cost than having a government agency assume responsibility for planning and managing an entire project including hiring various sub-contractors to build the infrastructure.

The experience in other states has not lived up to this promise, resulting in incomplete projects, exorbitant toll rates and increased traffic congestion. Witness the current cost overruns and disruption of the Purple Line construction in Montgomery County.

Constructing more highways has not often solved the problems for which they were built. We are still focused on moving CARS, when we should be addressing the problem of moving PEOPLE. In light of that concept I note that one of the contract requirements calls for MDTA and MDOT to complete a monorail feasibility study. Have these agencies initiated such a study?

MDOT and MDTA are still in the planning stages of the traffic relief plan and, as such, the details of the proposed P3 to construct toll lanes on I-270 and I-495 have not yet been finalized. I note that preliminary contracts have already been let for the public-private partnership (P3) agreement to construct toll lanes on Interstate 495 (I-495) or Interstate 270 (I-270). It is a recipe for fiscal disaster to allow the project to be broken into a number of sub-contracts which may be given preliminary approval before earlier phases are complete, especially before the completion of a final environmental impact statement in compliance with national policy. This seems clearly to be an attempt to circumvent this requirement.

It is imperative that we examine the entire contract to insure that promises made are promises kept.

Here are some highlights of the agreement:

- prohibits MDOT from submitting a contract to BPW for review until a final environmental impact statement that complies with the National Environmental Policy Act is available;
- provides that at least 10% of the toll revenue remaining after construction costs from the toll lanes be deposited into a special fund to be used only for transit projects in the counties where the toll facilities are located.
- prohibits MDOT from using State funds to acquire land for the project before BPW approves the P3 agreement, except for option payments for the reservation of the purchase of land;
- prohibits MDOT from awarding a contract to a bidder unless the bidder agrees to initiate a community benefit agreement that demonstrates positive net economic, environmental, and health benefits to the State;
- requires the State to undertake efforts to engage with Virginia to conduct a transit study of the American Legion Bridge corridor; and
- requires MDTA and MDOT to complete a monorail feasibility study.

I urge passage of the legislation.

Sincerely,

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