

**Statement by Citizens Against Beltway Expansion in Support of HB 1424
Regarding Public-Private Partnerships - Process and Oversight
Before the Environment and Transportation Committee**

March 5, 2020

Barbara Coufal, Co-Chair

P.O. Box 3593, Silver Spring, MD 20918

Chair Barve, Vice Chair Stein, members of the Environment and Transportation Committee, thank you for the opportunity to share the support of Citizens Against Beltway Expansion (CABE) for House Bill 1424. We are joined in these remarks by Don't Widen I-270.

This bill would provide the General Assembly a much-needed oversight role over future public-private partnership (P3) projects. It would require disclosure of financial and environmental information on all P3 projects, provide enhanced oversight for P3 projects that have a value exceeding \$500 million and allow the General Assembly to nullify the P3 designation of projects. House Bill 1424 would also prohibit contractual provisions that allow toll companies to demand compensation when a road or transit project funded by local government would reduce the number of drivers on toll lanes, similar to an existing prohibition applying to projects funded by the State.

This bill would not reverse the P3 designation of the I-495/I-270 proposal. But the experience with the I-495/I-270 proposal demonstrates why HB 1424 must be enacted. It is stunning that a highly controversial, \$9 to \$11 billion project, which legally binds the State for 50 years, can proceed without involvement of the General Assembly. Giant conglomerates that specialize in transportation infrastructure often design complex financial arrangements in P3 contracts that end up costing taxpayers and commuters more than traditional financing. The risk of a poorly planned project or poorly negotiated contract with a developer is high for Maryland taxpayers and commuters. It is critical that taxpayers be protected with the increased oversight that HB 1424 would provide.

In the case of the I-495/I-270 project, the absence of oversight has allowed the Maryland Department of Transportation to hide critical information from policymakers, denying the public a voice in shaping decisions about the project. This bill would increase transparency to ensure that legislators, local planners and the public have information they need to understand the impact of a project.

As noted above, the bill would prohibit compensation to a developer when road or transit projects funded by local government reduce toll revenues. These compensation guarantees are found in P3 contracts around the country, and they give developers effective veto power over

future steps to address congestion. It is important that future P3 agreements do not restrict the ability of local governments to address transportation needs for decades into the future. Legislative oversight is a fundamental check and balance in our democratic system. Given the stakes, it is critical that the General Assembly assert oversight of P3 transportation projects.

We urge the Committee to report House Bill 1424 favorably.