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May 4, 2020

The Honorable Harley Rouda
United States House of Representatives
2300 Rayburn House Office Building
Washington, D.C. 20515

**RE: Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan
Modification Requests to Assist Economic Relief**

Dear Representative Rouda:

On behalf of the Orange County Transportation Authority (OCTA) Board of Directors, I write to recommend legislative changes to the TIFIA loan program that will provide temporary flexibilities to achieve significant cost-savings for transportation agencies, helping to stabilize ongoing infrastructure investment. Specifically, OCTA requests that TIFIA loan holders be allowed to request a one-time interest rate reset to take advantage of current rates during these difficult times.

With people traveling significantly less to stop the spread of the coronavirus, transportation agencies across the country are preparing for dramatic decreases in state and federal gas tax revenues, as well as declines in local sales tax revenues that fund transportation improvements. The result is an uncertain financial future for transportation agencies like OCTA. In discussions about the appropriate federal response, OCTA seeks to maintain its commitment to a fiscally-responsible, innovative approach to transportation financing. Orange County taxpayers already benefit from a \$629 million TIFIA loan on the Interstate 405 Improvement Project. OCTA has committed nearly \$1.2 billion of funds from its sales tax to the project, leveraging these local funds with a TIFIA loan that is already expected to save taxpayers more than \$300 million.

OCTA's experience with its TIFIA loan leaves the agency well-positioned to understand exactly how the program can be improved to best respond to these current circumstances. OCTA respectfully requests that the TIFIA program be modified to allow current loan holders to take advantage of a one-time interest rate reset based on the interest rates for current TIFIA loan issuances. OCTA estimates that such a reset could allow the agency to take advantage of current financial conditions, specifically the sharp decreases in interest rates as a result of this crisis, to save taxpayers an additional \$200 million, that could otherwise be directed towards additional infrastructure investment. This request is a narrowly-tailored approach to economic recovery, avoiding the type of sweeping

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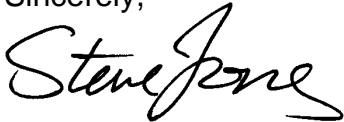
policy changes that might undermine the integrity of the TIFIA loan program. Furthermore, an interest rate reset avoids the lengthy refinancing process and helps maintain the terms of carefully negotiated loan agreements.

Given OCTA's leadership on TIFIA loan issues, I hope that this letter is the beginning of a productive dialogue on additional administrative actions that could take place to refine the TIFIA program temporarily to help further assist in economic recovery efforts. Such actions could include allowing a borrower in good standing to amend their TIFIA loan agreement to borrow up to 49 percent of eligible project costs, as currently authorized under statute, removing the 33 percent administrative cap that currently exists. For OCTA, such action could free up an additional \$305 million.

OCTA looks forward to discussing proposals, including those the agency has previously shared with Congress, in hopes that these ideas can be incorporated into future stimulus or surface transportation legislation.

Thank you for your consideration. Please do not hesitate to contact Kristin Jacinto, Manager of State and Federal Relations, at kjacinto@octa.net or 714-560-5754, to discuss this matter further.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Jones", with a stylized, cursive script.

Steve Jones
Chairman

c: Darrell E. Johnson, Chief Executive Officer, OCTA
Potomac Partners, LLC

SJ:djs