Ben Ross, Maryland Transit Opportunities Coalition

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As the procurement process for toll lanes on I-270 and the American Legion Bridge proceeds, red lights are flashing and sirens blaring with warnings of financial risks to the state government and to Maryland taxpayers.

Since Gov. Hogan first proposed the toll lane project in 2017, many have felt that Transurban, the giant Australian company that holds P3 contracts for the Beltway and I-95 toll lanes in Virginia, has the inside track. Last April 26, *The Australian*, one of that country's largest newspapers, described Transurban as "the clear favorite" for the Maryland contract.

Events since then have only confirmed that conclusion. Transurban has deployed cash, political pull, and economic muscle to shape the future toll lane contracts and the process by which they will be awarded. And these efforts, unmatched by any potential competitor, have borne fruit.

In September, the governor traveled to Australia, with Transurban's North American chief in his party. There he inspected a Transurban highway project and met with company leaders.

On Nov. 12, Gov. Hogan unveiled a toll lane "accord" with Virginia Gov. Ralph Northam. This announcement extended the initial phase of Maryland's toll lanes from I-270 onto the Beltway and across the American Legion Bridge, connecting them to Transurban's Beltway toll lanes near Tysons Corner, Va.

The segment from River Road into Virginia will be built jointly by the two states. This gives a clear leg up to Transurban, already chosen by Virginia as its contractor for this work. How can two separate companies build the northbound and southbound lanes of the same bridge?

Eight weeks after the regional compact was announced, Gov. Hogan's Director of Intergovernmental Affairs left state employment to become Transurban's Maryland Government Affairs Manager.

Three weeks later, in a classic 7 p.m. Friday bad-news dump, MDOT revealed a complete rework of its bidding process. This news was buried in the text of the Request for Qualifications (RFQ) that kicks off bidding on the contract.

Under the original plans, MDOT was going to issue a Request for Proposals for each roadway segment to several qualified teams. Each bidder would come up with its own design for the road, seeking innovations to cut costs and improve results. The bidders would estimate the cost of the road, line up financing, and offer payments to the state. MDOT would evaluate the proposals, negotiate, and sign a 50-year contract with the bidder that offered the best deal.

This has now been thrown out the window. Instead, MDOT will choose a “phase developer” to sign what other states call a “pre-development agreement” (PDA). After the PDA is signed, the phase developer will design each toll lane segment, determine construction costs, run the traffic and revenue models itself, and secure financing. The contractor is supposed to pay for all this work itself. Then it will negotiate the actual contract to operate and build the toll lanes with MDOT, on a sole-source basis with no competition.

A few days later, Transurban CEO Scott Charlton let the cat out of the bag. In a conference call with investors, he said flat-out that “Transurban would be the developer of that project with the two governments.” In answer to a later question about the accord, he added that “we’re working in partnership with the Maryland government and Virginian government to deliver that and we’ll go to tender on the construction.” (Later in the call, he tried unconvincingly to walk these statements back.)

What will happen in sole-source negotiations between the state and the governor’s favored contractor? If the governor fails to meet their demands, he faces the collapse of his signature transportation project. Transurban - known as a fierce negotiator - holds his political future hostage, and Maryland taxpayers will fork over the ransom.