



Minnesota Department of Transportation

395 John Ireland Boulevard
Saint Paul, MN 55155

Date: October 7, 2013

U.S. Department of Transportation
Dockets Management Facility, Room W12-140
1200 New Jersey Avenue SE
Washington, DC 20590

Comments submitted electronically: <http://www.regulations.gov>

RE: Docket FHWA-2013-0042, September 6, 2013 (Volume 78, Number 173); Major Project Financial Plan Guidance

Dear Administrator Mendez:

The Minnesota Department of Transportation appreciates the opportunity to provide public comments on the draft Major Project Financial Plan Guidance [FHWA-2013-0042]: Notice and request for comments. As requested the page number of the Guidance for which each specific comment is made is provided for reference.

Page 2, (1) IN GENERAL...

Determination and identification of projects requiring a Financial Plan under "other projects as may be identified by the Secretary" should be identified at the time of the NEPA decision and should include a written explanation as to characteristics that exist which create a need for such plan. This requirement provides the project sponsor with notice and transparency on the determination of the need for all Financial Plans.

Page 2, (3) FINANCIAL PLAN (B)...

A standardized process should be implemented to ensure "updates to the Secretary that are based on reasonable assumptions, as determined by the Secretary" are applied consistently by FHWA.

Page 2, (i) OTHER PROJECTS...

23 U.S.C. 106(h) requires recipients of Federal financial assistance for a Title 23 project with a minimum of \$500 million or a project that has been otherwise identified by the Secretary as a major project submit an Initial Financial Plan and annual updates to the Secretary. However, a recipient of Federal financial assistance for a project under this title

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with an estimated total cost of \$100 million but less than \$500 million shall prepare an annual financial plan. Guidance should clarify and differentiate between the requirements for financial plans described as Major Projects and Other Projects.

Page 3, Major Projects...

Projects "otherwise identified by the Secretary as a major project" should be identified as such at the time of NEPA decision and include a written explanation as to characteristics that exist which create a need for such plan. This requirement provides the project sponsor with notice and transparency on the determination of the need for all Financial Plans.

Page 4, Projects between \$100 Million and \$500 Million...

Clarification is requested for projects in this category. Page 2 states annual financial plans are required for projects in this range not identified as a major project. Page 4 states an Initial Financial Plan and Annual Updates are required. Clarification of differences between major and other projects is needed. Guidance is silent on if an approval process for these projects occurs.

Page 6, FHWA Review and Approval...

Submission of the Initial Financial Plan and each Annual Update submitted to the FHWA Division Office by the Project Sponsor for review and approval should be made by the Financial Manager. This provides the Project Sponsor one designated contact to ensure uniformity across plans.

Page 10, Cash Flow...

"A discussion of the overall impact on the project sponsor's ability to deliver the State transportation capital program during the period of analysis should be included" duplicates and questions the effort and validity of the State Transportation Improvement Plan developed by many states on an annual basis. A project sponsor should be allowed the opportunity to refer the FHWA to a current annual STIP Financial Report.

Page 11, Public Private Partnership (P3) Assessment...

Consideration of a Public Private Partnership during the development and delivery of an Initial Financial Plan for major projects occurs immediately prior to the start of the construction phase. An analysis for P3 in the Financial Plan would be based on historic consideration versus recent consideration.

Management at the Minnesota Department of Transportation views its role in providing a world class multi-modal transportation system with fiscal integrity and is backed by the full

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faith and credit of the State of Minnesota. We fully participate with financial credit rating agencies and recommend the FHWA consider drawing on the expertise of these leaders when assessing the credibility of a project sponsor for major projects.

We appreciate the opportunity to comment on this topic. Should you have any questions regarding these comments, please contact Duane Leurquin, Controller, at 651-366-3165.

Sincerely,



Tracy Hatch
Deputy Commissioner
Chief Operating Officer
Chief Financial Officer

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