



Brandon M. Scott
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HB 1424

March 5, 2020

TO: The Honorable Members of the House Environment and Transportation Committee

FROM: The Honorable Brandon M. Scott, President of the Baltimore City Council

RE: HOUSE BILL 1424 – Public-Private Partnerships – Process and Oversight

POSITION: SUPPORT

I write to you in **support** of House Bill 1424. This bill implements common-sense and necessary reforms for large transportation public-private partnerships, allowing Maryland to make informed decisions on environmental and financial risks of long-term partnerships with contractors.

As a state, we need to conserve and protect our natural resources. Once resources are gone, they are gone. We need to weigh the benefits and ensure that the work we are doing is worth the cost. One important way to do that is through the Environmental Impact Statement that this bill requires to be included in each pre-solicitation report. This is vital to ensure that the environmental impact will not be detrimental to the surrounding area.

The bill would also require an independent credit review of each contractor and their funding sources be completed prior to a pre-solicitation report submission for approval by the Board of Public Works. It will also specify a minimum credit rating to be maintained by the contractor and private funding sources. According to a December 2016 [U.S. Department of Transportation](#) study, during the past decade, many U.S. highway public-private partnerships (P3s) have experienced financial distress due to lower-than-expected revenue and their inability to manage risk. We want to make sure that for a project to move forward in Maryland, the contractor is financially stable and that the project will be financially successful.

As this bill will strengthen our P3 laws to better understand the financial and environmental costs of these projects, I urge you to move for a **favorable** report on House Bill 1424.