
STATE OF MARYLAND
BOARD OF PUBLIC WORKS
GOVERNOR'S RECEPTION ROOM, SECOND FLOOR, STATE HOUSE
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PRESENT

HONORABLE LARRY HOGAN

Governor

HONORABLE NANCY KOPP

Treasurer

HONORABLE PETER FRANCHOT

Comptroller

SHEILA C. MCDONALD

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PROCEEDINGS

GOVERNOR HOGAN: Good morning, everyone.

ALL: Good morning.

GOVERNOR HOGAN: Welcome to the Board of Public Works.

This morning joining us is Jumary West. Last month, Jumary marked her 50th year working with the State of Maryland. She began her service as an auditor for the State's first Transportation Secretary, Governor Harry Hughes. And she has served under seven different Governors.

Throughout her career she has hired and mentored many others who have gone on to management roles of their own. Jumary is currently the CFO for the Emergency Number Systems Board, which governs the State's 911 operations, where she is helping to implement the 911 Next Gen process which is going to allow people in distress to be able to text or send photos in an emergency.

So if you will, please join me in giving her a huge round of applause as --

(Applause.)

GOVERNOR HOGAN: And if you don't mind, we'd love you to come forward so we can give you more applause as we present you with a Governor's Citation honoring your 50 years of service to the taxpayers.

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(Applause.)

(Laughter.)

GOVERNOR HOGAN: Congratulations. Thank you so much.

(Applause.)

GOVERNOR HOGAN: Madam Treasurer, any opening comments or remarks?

TREASURER KOPP: No, except it's a pleasure to be here. We have a very full Agenda, even though I hope it's a relatively focused one. And I look forward to a thorough discussion of very serious questions and I hope an answer that moves us along towards our ultimate goal with some discussion and thoughtfulness and collegiality among all representatives of government, both State and local. How about that?

GOVERNOR HOGAN: I agree with that. That's a very good way to start us off. Thank you.

TREASURER KOPP: It's a very high level --

GOVERNOR HOGAN: Very high level, but it sounded really nice. Thank you.

TREASURER KOPP: Yes.

GOVERNOR HOGAN: Mr. Comptroller?

COMPTROLLER FRANCHOT: Thank you, Governor, and good morning, Madam Treasurer. I agree with you that we have a lot on the Agenda

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today. I briefly wanted to say a few words about D-Day, as we commemorate the 75th Anniversary of that historic military operation in Normandy.

On June 6, 1944, more than 160,000 Allied troops invaded the Nazi controlled shores of Normandy and delivered ultimately a decisive victory against the Nazis. More than 9,000 Allied soldiers were killed or injured during that historic operation, but their heroism and their sacrifice paved the way for Allied forces to begin the long battle to liberate Europe from the stranglehold of Naziism.

These were men, actually many of them were boys, wearing uniforms adorned by flags of different nations united in the mission of delivering freedom to people they had never met. As a proud son of a World War II B-24 bomber pilot, my Dad, who is still with us at age 97, and my Mom, a Rosie Riveter in the Sikorsky aircraft factory in Connecticut, as I've mentioned before at the Board of Public Works, who is no longer with us, D-Day for me has a special meaning. And as our nation and the free world pays tribute to the heroes that we lost that day and remember the valor and sacrifice of so many others who played a role in defeating Hitler and his army of hate, may we never forget that the freedoms we enjoy are never guaranteed and we owe an immeasurable debt of gratitude to our veterans who have fought to defend those freedoms and values we cherish. And there aren't very many of them left, frankly. So when you run into one, you know, there are a couple that are at Dad's retirement community that I

pay a lot of attention to. But they are unbelievably humble. They deny they did anything great. But it sure makes a difference, I think, if we could reach out and give them a pat on the back and tell them that we continue to honor their sacrifice.

Governor, thank you.

GOVERNOR HOGAN: Thank you very much, Mr. Comptroller. We're going to start this morning with the Department of Transportation Agenda.

MR. RAHN: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is Pete Rahn, Secretary of the Maryland Department of Transportation. MDOT is presenting 19 items today and we have representatives available to answer any questions you may have.

GOVERNOR HOGAN: Thank you, Mr. Secretary. We have a number of people here for Item 19, the P3 designation for the traffic relief plan. So I'd just like to start by taking a moment to correct some of the misinformation that's been spread recently about this item.

First, there has been a complaint that we have somehow been rushing this process, that we have not been seeking public input. That is complete nonsense. We announced this traffic relief plan two years ago after literally decades of inaction and public outcry regarding the horrific traffic congestion on I-270 and 495. Numerous public opinion polls have shown that relieving traffic congestion is the number one concern of Montgomery County residents, of far more concern to them than education, the environment, crime, or any other issue.

Since announcing our plan two years ago, we have held nearly 70 public outreach events, including public workshops, community association meetings, and briefings with citizens and local elected officials. We have actually gone far above and beyond what would be the normal process to solicit input from local officials, from interest groups, and local citizens.

Another misconception is that most people oppose this plan. That is again completely false. An overwhelming majority of Montgomery County residents strongly support this traffic relief plan.

We've heard it said that we should, we've heard this repeated a number of times, we should invest in transit instead of roads. The fact is that our administration has invested more in transit than any other administration in the history of the State of Maryland. We began construction on the Purple Line in Montgomery and Prince George's Counties. It is the largest P-3 public transit project in North America. And we were the first in the region to propose a real solution to provide dedicated funding to address Metro's half a billion dollar a year shortfall in order to save the Metro system.

The majority of our transportation operating budget goes to transit. But it is impossible, completely impossible, to relieve the horrendous traffic congestion without taking action to increase capacity on our roads as well. Rebuilding our transportation infrastructure and relieving congestion will require a balanced and multifaceted approach.

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Some have said that adding lane capacity is bad for the environment. But the science is actually very clear. Vehicles stuck in traffic, idling and traveling at low speeds, emit much higher carbon emissions than vehicles flowing at normal highway speeds. Countless studies have shown that getting cars moving more quickly and out of stop and go traffic will significantly cut down on emissions and wasted fuel. A study by the University of California found that increasing highway speeds by 20 miles per hour would cut carbon dioxide emissions by 23 tons. And a Washington Metropolitan Council of Governments study found that if you moved the peak hour speed from the current eight miles per hour to the posted 55 miles per hour, emissions would be cut in half.

The reality is that not addressing this problem and leaving the traffic congestion the way that it is would be the worst possible thing for the environment.

And let me clear up just one last very important misperception. No tolls will be charged for any current lanes on either I-270 or 495. What is currently free will continue to always remain free. Only additional new and optional express lanes, built at no cost to the taxpayers, will be tolled and they will remove much of the traffic from the existing roadways without billions of dollars of taxpayer money being spent and without billions of dollars in tax increases.

I fully understand that there are concerns and differences of opinion which we're going to have the opportunity to talk more about today. But one thing that cannot be disputed and that is absolutely crystal clear, and that is that Marylanders are fed up and sick and tired of spending their lives sitting in the second worst traffic congestion in America. After literally decades of inaction, and leaders continually failing to come up with any real solutions to this crisis, this plan will finally begin to address the number one concern of the citizens.

At this time to maybe have the experts address some of the real facts on this issue, we're going to have SHA Administrator Greg Slater, who will present the traffic congestion relief plan, and then we'll hear from those who have signed up to speak. Mr. Slater?

MR. SLATER: Good morning. Good morning, Governor Hogan, Comptroller Franchot, and Treasurer Kopp. It's great to be here this morning. For the record, my name is Greg Slater. I am the MDOT State Highway Administrator. With me, along with Secretary Rahn today, we have Jaclyn Hartman, who is the CFO for the department, who in her previous roles was the CFO for the Maryland Transportation Authority and actually worked in DLS as staff to the P3 committee when they formed the laws and worked through those processes; and Jeff Folden, who is our Deputy Director of our P3 Office, both working here with me today.

I'm here today to request the Public-Private Partnership, or P3, designation for the program to address the congestion along I-270 and 495. We are seeking approval of that program and approval to move forward with phase one of that program.

Just so there's no confusion, we're not here seeking approval for any contracts. We're simply looking for an approval to move forward to solicit the initial phase of this and start an innovative dialogue with the industry, with the private sector, to achieve a solution. Because there are many phases of this program, there are going to be many opportunities where we'll be back here in front of the Board of Public Works where we'll be presenting information on the various phases and looking for approval of the various phases as they come to fruition as we start that dialogue.

Last December, the Maryland Department of Transportation and the Maryland Transportation Authority jointly submitted the pre-solicitation report for legislative review as required under the P3 law for this designation. I will do my best to be brief today as I share details about this important program. Over the course of the last two years we have been in workshops meeting with county officials, municipalities, pop-up events, nine legislative hearings, and 17-plus community associations. We were in one last night and we will continue to keep that dialogue going.

I'm going to take a moment this morning and talk a little bit about the problem that we're trying to address, the operational, financial, environmental perspectives, and our vision of how a P3 can issue a solution for this problem. Whether we're talking about the safety of our travelers, congestion, or simply keeping our system in a state where we can be proud of it, it's just our needs far outweigh our resources. That's where a P3 comes in.

Public-private partnerships of all shapes and sizes allow us to partner with the private sector to meet those needs and continually work to match those dollars up and stretch every tax dollar that we're entrusted with.

I don't think I have to tell anyone in this room about the serious congestion that we see in the Capital Region. It's something everyone experiences. A recent community survey completed by our team showed that 88 percent of the respondents agreed that addressing congestion on that system is an important priority.

The National Capital Region, as the Governor had referenced, has the second longest commuting times in the nation. We've been number one before. We go back and forth between one and two, between the L.A. market and the Baltimore-Washington market. We need action now to address these problems because they are continuing to grow.

The traffic on 495 is 253,000 vehicles a day and it is higher on 270 with 259,000. By 2025, that traffic will be 263 on 495 and nearly 273 on 270.

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The population in the region is projected to grow another 1.2 million people with another 1 million jobs by 2040, pushing this traffic to 282 vehicles a day on 495 and nearly 300,000 vehicles a day on 270. Our travelers today experience around seven hours of congestion on 495, or I'm sorry, seven hours of congestion on 270 and ten hours of congestion on 495. The American Legion Bridge is backed up for four miles for four hours under ten miles an hour every day. That's the solution, that's the issue we're trying to address.

From a historical perspective, the traffic in this region has been studied for 30 years. Through the course of my 22-year career I've been involved in three to four different studies trying to find solutions there. Those solutions all come to the conclusion: neither highway nor transit can do it alone. We need a combined integrated solution to do that. We need to do that together.

In fact, the Visualize 2045 Plan, which the region approved, explicitly calls for a regional network of managed lanes on 495 and 270 as part of this plan. We are actively completing an ongoing environmental, or NEPA, study on the system to bring this regional managed lane network called on by Visualize 2045 to reality. Current NEPA efforts considered a wide range of alternatives.

We've heard from citizens and elected officials and stakeholders in both ends of the spectrum. We have citizens that want additional lanes but no tolls. We have citizens that want all transit solutions. We're trying to find

solutions that really meet the needs and provide our citizens with some choice, an integrated network.

So why a P3? Early on, we established several high level goals in the Public-Private Partnership Program based on the needs and the limitations not only of our funding but of our department. We wanted to reduce the significant traffic congestion along 495 and 270. We wanted to minimize impacts to Marylanders, and that's both with our process and solutions. We wanted to accelerate the overall delivery. 2025 is not that far off. It will be here before we know it. We wanted to be innovative in those solutions and harness the innovation from the private sector in that delivery. And we wanted to deliver solutions at no net cost to the State because we frankly just didn't have the resources to do it otherwise.

Providing this congestion price managed lane network on 495 and 270 would be transformative to the Maryland National Capital Region in addressing congestion, but also in improving the quality of life, establishing us for economic growth in the region. Not only would these lanes provide choice for vehicles, but they would provide opportunities to expand reliable and fast commuter bus service, moving people more efficiently and providing better access to jobs. The P3 Program would enhance transit mobility by building connectivity to existing and planned transit stations, transit oriented development sites throughout the corridor at Shady Grove, Greenbelt Metro, New Carrollton,

Largo, and Branch Avenue. Trying to move forward on projects like the CCT and 270 together, how we integrate that network. Together the improvements would address significant bottlenecks in the region.

In addition to the American Legion Bridge, I talk about that state of good repair, we will also address other important bridges and pavement needs. It is estimated that the P3 Program will replace up to 170 bridges on that interstate system. We've been systematically replacing them but we're going to replace 170 of them, and 70 miles of pavement will be reconstructed at no impact to the Transportation Trust Fund.

It's estimated that the needed bridge replacement and pavement rehabilitation needs along 270 and 495 would cost the Transportation Trust Fund \$1.7 billion over the next decade, and that comes with no relief to congestion. That's simply keeping the system in place.

So how can a P3 deliver this significant congestion relief without cost to the Transportation Trust Fund? Let me talk through that. Maryland is looking to work with industry in a completely new way. No other state in the country is doing it this way. Our innovative approach will drive competition and value to get the best deal for the State. Harnessing the innovation in industry, the competition will be based on quantifiable, objectively defined metrics. How well are the outputs tied to objectives of congestion, reducing impacts, accelerated delivery, and at no net cost to the State. We're looking for the industry to bring

forward proposals that will prioritize innovative solutions and minimize the overall project footprint.

Under the P3 the integrated team known as the developer would be selected and be responsible to design, build, operate, and maintain new congested price lanes over the term of an agreement. At the end of the P3 agreement, each facility would be handed back to the State in a state of good repair that we would predefine in the beginning of our project. The P3 Program has been strategically divided into five sections: the 495 top side; we have 270; the southern section to 370; we have 270, the northern section above 370; we have 495 from 95 around to Maryland 5; and then we have Maryland 5 across the Woodrow Wilson Bridge. Just to reiterate, as each of these sections advance, we will bring them back to the Board of Public Works individually.

In addition to the improvement of 70-plus lane miles, the program includes a broad spectrum of elements: replacement of 170 bridges that I talked about previously, including large assets, valuable regional assets like the American Legion Bridge; improvements to interchanges and local roadways; improvements in connectivity for bicycles and pedestrians where interstates are current blockages and impediments; new sound abatement for communities and resources along the corridor; environmental improvements, including stream restoration and improved stormwater management system.

The entire system of 270 and 495 was built in the sixties, prior to the Clean Water Act. As we reconstruct that we will bring that all up to today's stormwater management regulations and standards.

From a financial perspective, the needs of the system far outweigh the revenues that we have coming in. To reiterate a point I noted earlier, just to maintain this system over the next decade will cost us \$1.7 billion. We need to bring those resources to the State just for a state of good repair.

It's imperative that we look both to rebuild our critical infrastructure and address our congestion at the same time. Under the current public financing constraints, we would have to build this program in significantly smaller phases and not be completed under well after 2045, continuing the gridlock. Under a P3 a developer would borrow from lenders at no recourse to the State. The developer would fill the gap in funding from a separate financing commitment referred to as equity from private investors seeking long term return on a cash investment, long term investment for them. The equity is also non-recourse to the State and can be invested in addition to debt because equity investors are willing to take a backseat to bond holders and they can wait for their return on investment. A P3 approach enables the State to transfer a significant risk to the developer. The risks of whether traffic and revenue meet or they don't meet, forecast, that's all transferred to the developer.

With a P3, let me talk a little bit about the outcome, as I close out. With a P3, we would be able to deliver significant relief and transformation to this region, quality of life, economic prosperity for our citizens, our businesses, our visitors, and the State. And you're going to hear from many of those today. By upgrading the entire system to today's environmental regulatory standards, improving the management of stormwater treatment quality feeding into the Chesapeake Bay watershed.

The P3 delivers 70-plus lane miles of pavement, 170 bridges, with no impact to the Trust Fund. The new system of price managed lanes would provide options for travelers when they are needed. It's options and choice. Managed lanes will give them time back in their day. Even those who use the price, who don't use the price managed lanes, will benefit from this program, will see reduced travel times. That's what's been demonstrated in Miami, in Dallas, in Northern Virginia, and right here in Maryland and Baltimore. The traffic that chooses to get on the price managed lanes benefits those that are in the free lanes today.

We're going to build on Secretary Rahn's success in the Missouri model and build an Opportunity MDOT Program. I had a chance last week to speak to the organization COMTO about a program that we're building with them called Opportunity MDOT, where we're going to empower, engage, and ignite minority and disadvantaged businesses and individuals seeking to grow their

careers and opportunities in the region. We're going to partner with a community for stakeholders, a preferred training partner network, to foster inclusion and targeted workforce development. An estimated \$9 billion to \$11 billion construction cost will support approximately 13,000 jobs per year.

All agreements will include numerous requirements for job training, fair hiring practices and wages, as well as goals for minority and disadvantaged small businesses. We are working hard every day to maximize every tax dollar.

As I conclude, I'll make a few points. First, what we are seeking today is a P3 designation. It does not approve any agreement, sign any contract, or commit us to moving forward with any specific improvement. Over the last year and a half we have reached out to the market and we know there is strong interest. We need your approval to move forward to formally engage the private sector through a solicitation process to find that viable deal for Maryland. Early involvement will help us deliver transportation improvements of greater value. With this designation, it doesn't mean the project is approved. We are independently concurrently seeking the first of three environmental studies in the program corridor. Moving forward with concurrent environmental studies is becoming a national practice. It's being done all over the country for large P3 programs today in both Alabama, Colorado, New York, Texas, and Virginia. To stress a point I made earlier, every phase will be brought back to the Board of

Public Works. Regardless of the environmental study, the private sector will have no decision making authority in this process.

Another separate process is the toll setting process. By law, MDTA is the only agency that can set toll rates and that will be no different here. MDTA will follow the public toll setting process, including public hearings, and establish a range of tolls for the corridors. We have been working with MDTA and plan to engage in this process over the next year.

So our plan after a record of decision, after any approval, would be to come back to the Board of Public Works with a viable first phase. Upon your approval, we will execute the agreement and move forward with solicitation for the following phases. Each of these phases and all subsequent phases will be subject to legislative review and will be brought back to the Board of Public Works for approval.

We are confident in this P3 model. We are confident that it's going to provide traffic relief. We are confident that it's going to provide an integrated network of highway and transit.

Thank you for allowing me to speak today. I respectfully ask that you designate I-495 and 270 as a Public-Private Partnership, allow us to move forward with the solicitation process so that we can advance this much needed congestion relief. Sir, thank you.

GOVERNOR HOGAN: Thank you, Mr. Slater. Mr. Comptroller?

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COMPTROLLER FRANCHOT: Thank you, Governor, and thank you, Administrator Slater, and Secretary Rahn for the briefings that you have given me and my staff. I'd also like to thank the many citizens of the State, residents, stakeholders, colleagues in government in Prince George's and Montgomery County that have reached out to me through letters, emails, tweets, calls, and text messages. I want to thank each of you and them for taking the time to express their views on this subject.

I live and have lived for 40 years in the People's Republic of Takoma Park. Trust me, my friends and my neighbors are not bashful. And but I certainly appreciate the fact that they are paying a lot of attention to this particular project. Today, the Country Executive early, early, early this morning called me, of Montgomery County, and went into great length with his views about the situation.

This being the largest P3 project in North American history, obviously it's extremely important and highly consequential and it's going to have a lasting impact on our State. I appreciate the involvement and participation.

Obviously I can personally speak, as the Treasurer also I think will note, about the absolute complete personal misery experienced by people in Montgomery County and Prince George's County and Frederick County, frankly, on a daily basis as they attempt to in a timely manner get to their places of work, get to their medical appointments, or see loved ones.

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GOVERNOR HOGAN: The Comptroller is usually late for the Board of Public Works --

(Laughter.)

COMPTROLLER FRANCHOT: Yeah.

TREASURER KOPP: That's what he said.

COMPTROLLER FRANCHOT: Yeah. From my --

GOVERNOR HOGAN: Somehow the Treasurer makes it, though.

COMPTROLLER FRANCHOT: Yeah.

(Laughter.)

COMPTROLLER FRANCHOT: Someday I'm going to have my own little drone that I can fly down here, perhaps, but seriously, it's a huge accumulation of nightmare commutes and impossible choices caused by the gridlock on the Capital Beltway and I-270. I've not heard from a single person, however, over the last month, not a single person has come up to me and said, you know, we don't need to do anything. They all have ideas. I personally believe that any traffic relief solution must be comprehensive and multimodal. One of the proudest moments of my career came as a member of this Board in 2016 when we voted to approve the P3 agreement for the Purple Line Project, a project that was much like this, somewhat bounced around and it was unclear whether the Governor was going to support it or the necessary support was there. Both the Purple Line and the ICC, I believe, are crucial to ending our regional

transportation paralysis. But that being said I strongly believe that more improvements will be necessary to fix this problem in the long run.

I listened very closely to what you said, Administrator Slater. I'm going to listen very closely to the insights of people that are going to follow you that may not share your views on the proposed P3. But if we, before we get to the public comment, which I'm very interested in, I'd like to follow up just with a few questions, some of it from the outreach that has come to my office. If we could discuss the specific financial components of this project as we understand them. In no particular order, I'd like to begin with the toll rate setting process. It's my understanding this is the first time in Maryland history a private firm would have control over the amount of tolls being charged to Maryland residents to travel on our highways. How can you say with certainty that Marylanders would not be subjected to exorbitant amounts of tolls in order to travel on these new roads?

MR. RAHN: Okay.

COMPTROLLER FRANCHOT: Mr. Secretary, or --

MR. RAHN: Yes.

MR. SLATER: He pulled his mike forward so I figured he --

COMPTROLLER FRANCHOT: Yeah. It's such an easy question you're giving it to him.

MR. RAHN: We can both answer this, but I think there's a number of good answers to that and I'll make them as concise as possible. But first, the private sector will not control what the toll is. They will have to have a toll within a range of an algorithm that must be approved by the Board of the Maryland Transportation Authority. They will have to approve that formula and it will have to go through a hearing process prior to that adoption. And so it will put constraints on what the tolls could be actually assessed to the public. I do know that behind that question a number of people are looking at the I-66 in Virginia as this example of exorbitant tolls. And I think what's important to understand is that the I-66 in Virginia was a project in which they added no capacity. They were simply tolling for those single occupant drivers the opportunity for them to use I-66 during those peak hours, a very unique circumstance. It is not applicable to what we hope to do here in Maryland, which is to add capacity and to then price that capacity to ensure that there is free flowing travel within those lanes.

COMPTROLLER FRANCHOT: Okay. Would the private developer's financial condition, good, bad, or ugly, be grounds for revisiting or adjusting the toll rate range contained in the RFP?

MR. RAHN: No, I, that's a fairly complex question. But the answer would be no. The toll setting will be part of the process that will be agreed to through the solicitation and then that will be the conditions under which

the operator, the concessionaire, will have to operate the systems ongoing during the 50-year period.

COMPTROLLER FRANCHOT: Okay. You mentioned the review by the Transportation --

MR. RAHN: Authority Board. Mm-hmm.

COMPTROLLER FRANCHOT: -- Authority Board. Will that toll rate ceiling be brought before the Board of Public Works?

MR. RAHN: No, it would not unless it were to go beyond what was within the contract and constitute an amendment to that contract.

TREASURER KOPP: Could I interrupt just --

COMPTROLLER FRANCHOT: Sure. Thank you.

TREASURER KOPP: -- so you're -- I was not clear on this. I thought in the contract the MDTA Board was given the authority to set a range.

GOVERNOR HOGAN: Yes.

MR. RAHN: That is correct.

TREASURER KOPP: Right. The range itself was not in the contract, the authority to set it was in the contract, is that right?

MR. RAHN: Well of course we don't have a contract yet.

TREASURER KOPP: No, what --

MR. RAHN: But there will be, there will be a process within that contract. That would be correct.

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TREASURER KOPP: Because things change over time.

MR. RAHN: Over a 50-year period, they would.

TREASURER KOPP: So it would be like what? Ten cents a mile up to \$100 a mile? I mean, is that the sort of range that you're talking about?

MR. RAHN: Well I think the --

GOVERNOR HOGAN: It's whatever the State determines.

TREASURER KOPP: Yeah, I'm just --

GOVERNOR HOGAN: It's not up to the private sector.

TREASURER KOPP: I mean, is it a certain amount? That's why I'm asking the Secretary.

MR. RAHN: Right.

TREASURER KOPP: I'm not asking the private sector that.

MR. RAHN: Understood.

GOVERNOR HOGAN: The misperception is that the private sector --

TREASURER KOPP: No I'm --

GOVERNOR HOGAN: -- is going to set whatever rates they want and charge --

TREASURER KOPP: Within the constraints --

GOVERNOR HOGAN: -- exorbitant tolls like they did in Virginia. That's never going to happen in Maryland. MDTA, who sets the tolls for all of our existing roadways, would be the one that would set the range.

TREASURER KOPP: The range --

GOVERNOR HOGAN: It would go up and down based on the traffic and how --

TREASURER KOPP: That's what I'm --

GOVERNOR HOGAN: -- fast, but we would decide how much. So --

TREASURER KOPP: But that's what I'm trying to --

GOVERNOR HOGAN: -- if we want to encourage as much --

TREASURER KOPP: -- we can set the range and then --

GOVERNOR HOGAN: We want to encourage people to use the roads --

TREASURER KOPP: -- the tolls can go up and down. Yes --

GOVERNOR HOGAN: -- like we did on the ICC --

TREASURER KOPP: -- like the ICC --

GOVERNOR HOGAN: -- when we lowered the tolls we got more people to drive on them.

TREASURER KOPP: I drive on the ICC. I get it. But the State sets a range?

MR. RAHN: It will establish a formula that will have a, I would anticipate it will have a soft cap.

TREASURER KOPP: That's my --

MR. RAHN: Yes. It would have a soft cap. This is what they do in Texas and the only time that that cap could be exceeded is if the congestion within those lanes need to be reduced for some period of time. But that its normal operating period --

TREASURER KOPP: So it's a range with a soft cap and the concessionaire sets the tolls within that range?

MR. RAHN: Within that, within that, the algorithm, yes.

COMPTROLLER FRANCHOT: Just in the interest of Kumbaya, could you think you could bring in addition to the Board, bring those changes that might happen back to the Board so at least we're apprised of what the Authority is doing?

MR. RAHN: So I think that the --

COMPTROLLER FRANCHOT: I don't want to -- yeah. Okay. I'm sorry I interrupted, Madam Treasurer --

TREASURER KOPP: No, I interrupted you. But I --

COMPTROLLER FRANCHOT: -- I was just looking for --

MR. RAHN: No, so I believe that informing the Board of Public Works of changes certainly would be workable and doable. But I think placing an

additional approval process here would discourage concessionaires from pursuing the project. So I don't believe frankly that that's a viable option.

COMPTROLLER FRANCHOT: Okay.

MR. SLATER: When we bring back the viable contract to the Board, that's all, that will all be known at that point.

COMPTROLLER FRANCHOT: Once again, I'm just channeling Kumbaya here, trying to get some extra layers of review should this all be approved. But could I just get to the point that I'm particularly concerned about, which is what financial protections for the State of Maryland would be included in the agreement with the private developer?

MR. SLATER: There are a number of protections that we build in as we negotiate our contract at no net cost to the State. We want to protect the taxpayer. So we transferred that risk to the developer. In terms of things like performance, those types of things, these will all have performance bonds. But also performance breaches that actually we build into our contract as we do it. So for instance, non-compliance points. So if a developer, for instance, starts to advance and defaults in any way, responsibilities are based on the terms that we would lay out. They can't, for instance, pay profit to their shareholders with any default. They are highly incentivized to perform. And then we also have surety bonds. We even have the right to go in. When we think there's an issue on the system that they are not addressing properly, we have the right to go in, address it

ourselves, and then send them a bill for that. So we build in those protections to make sure that we protect the taxpayers and that those risks are appropriate. But I could lean on Jackie a little bit. She may have some different financial perspectives or some additional perspectives as part of that.

MS. HARTMAN: Jaclyn Hartman, Chief Financial Officer for the Maryland Department of Transportation. I think Mr. Slater summarized well that there are going to be financial protections in place for the State. This includes, so if construction is projected to cost \$2 billion and it costs \$3 billion, we are transferring that entire financial risk to the private sector. So the State would not be on the hook for any additional construction costs. To the extent that the amount of traffic and revenue that comes in from the toll lanes is less than expected, that also all falls to the risk that we're transferring to the private sector. So those are two important financial protections that we have for the State. And then we'll be, throughout the document there's ways to protect the State.

COMPTROLLER FRANCHOT: Yeah. Congressman Brown called me and because he wrote the P3 legislation that is part of this project. And I reminded him of that. And he had some obvious concerns. But my concern is whether at the end of the day if something completely unforeseeable happens, are we going to have to pay the debt back of the private developer?

MR. SLATER: No, we built in protections, for instance, as some of these things, you know, public-private partnerships have really advanced across

the globe and really across the country in the last decade or so. But as these things start to evolve, you start to see what happens. So, what happens is, is you know, in most cases the bond holders come in, they take over operation, the lenders, they step in and operation. It gives us a number of protections and we're not on the hook in any way for that debt.

COMPTROLLER FRANCHOT: Okay. If I could just ask about the fact that you're going to compensate both successful and unsuccessful bidders. Was this type of compensation provided during the Purple Line procurement?

MR. SLATER: It was. Each of the unsuccessful bidders in the process of the Purple Line was compensated about \$2.5 million apiece.

COMPTROLLER FRANCHOT: And your, just to double back on the fact there may be a downturn in the economy, you don't, obviously you believe that the State is protected against something like the Indiana experience, where all of a sudden, you know, the private sector got swept aside and the, you know, it was not a good situation. I'm not suggesting that that will happen here. But I am asking that we're protected?

MR. SLATER: Absolutely I am. And that's really at the forefront of all of us as we're going through trying to get a viable contract and really protecting the taxpayers. Because putting that no net cost to the State and that risk at the forefront of our goals.

COMPTROLLER FRANCHOT: Thank you. How would transfers of ownership from the winning bidder to someone else be handled under the agreement?

MR. SLATER: So, there would be no transfers of ownership. So, the State would still own all the land, own all the roadways. The contract would be to design, build, operate, and maintain. So, the State would retain ownership of that roadway the entire time. That's part of that protection. It gives us the ability to step in at any time and make sure, particularly useful in issues where you think there's maybe a safety issue and you're able to step in, alleviate the safety issue, but then send them a bill for anything we needed to do.

COMPTROLLER FRANCHOT: Okay. And should there be a default, why would we be on the hook for any amount, not just the debt but any amount, to compensate the developer? Is that normal contract language?

MR. SLATER: It's relatively normal. We wouldn't be on the hook for any kind of developer default. The only time that there would be any compensation even on the table would be if the State chose to terminate. So, I'll use an example of the American Legion Bridge. So, let's say we sign a contract. The developer comes in. They build us a brand new American Legion Bridge. Then we go back to them and say, never mind, we don't want to do this anymore, and we terminate. We have to compensate them for building that infrastructure.

COMPTROLLER FRANCHOT: Got it. And can you explain the financial impact of legal delays, which occurred with the Purple Line, etcetera, but how does that play into this?

MR. SLATER: Absolutely. So, we're working to build some safeguards into that in terms of the process. But also understanding and collaborating along the way to avoid that as much as possible. We're working hand in hand with our AG's office. But, you know, it's a matter of when you sign the contract and understanding if there are legal challenges and when they come about. But it's really about working to protect the best interests of the State if there's a schedule delay so that we know that there's no compensation.

COMPTROLLER FRANCHOT: But if there is a financial impact to the developer, I take it we're, we have to provide some compensation?

MR. SLATER: Yeah, I think you would, you'd have to negotiate what that would be, whether it's a schedule delay or whether it's a product delay or something along that line, whether it's a compensatable event as we negotiate the contract.

COMPTROLLER FRANCHOT: And I guess at a later meeting we're going to be asked to rule on what ownership interest there is that these private developers have in the actual toll lanes. Who is going to own them? Us or them?

MR. SLATER: The State will always own all of the new lanes that are priced and managed, as well all of the free lanes. There is no transfer of ownership at all that will ever take place.

COMPTROLLER FRANCHOT: Okay. And maybe I could ask the Secretary to just comment upon the relief that this is going to provide the I-495/270 corridor. I know you mentioned some of this in your presentation. But what beside highway expansion and the use of managed toll lanes, what other alternatives are you contemplating to partner with, I guess? What other congestion relief priorities do you have available?

MR. RAHN: So in conversations with the local governments and planning agencies, we have entered into a conversation with them about how we could share in revenue sharing options that we anticipate will be a part of the contract and we've also been approached by the proponents of a monorail as a possibility to be explored within that corridor as well.

COMPTROLLER FRANCHOT: Good. And is the opening of the Purple Line factored into your schedules on this?

MR. SLATER: Absolutely it is. So, as we modeled the traffic in the corridor, we modeled a fully operational Purple Line. So, all of that traffic is factored into not only the modeling that we have but understanding how the congestion will grow.

COMPTROLLER FRANCHOT: Right. And the opponents, who are good people and but they are, everybody is very charged up on this, one of the claims is that the private developer that we pick is going to be able to veto local governments who are coming up with their own transit solutions, perhaps, that somehow affect the Beltway. Is that something that, is that a legitimate concern?

MR. SLATER: That's absolutely not true. We're not sure where that assertion came from. But the private sector has absolutely no veto power on anything that we do or what the local governments do.

COMPTROLLER FRANCHOT: And your schedule right now is that the environmental impact statement that would be done is going to be presented to this Board before I think the next specific phase of the project, or am I wrong on that?

MR. SLATER: So, when we come back, the schedule today is that we will finish our environmental impact statement early in 2020 and then we'll come -- not early in 2020, late in 2020. Late in 2020, sorry. I missed by a couple of months there. But late in 2020. So that environmental impact statement approval, that record of decision, is required for the private sector to deliver this because they can't close financially without that environmental proposal, with that record of decision. They are also going to be using a federal pot of money, low interest money called TIFIA, on the federal side. So, all of that NEPA approval is required to be in place as we come back. So, as we come back to the

Board with a viable contract, the environmental approvals, everything will be in place and a big part of that presentation.

COMPTROLLER FRANCHOT: That's before any taking of property and putting shovel in the ground, right?

MR. SLATER: Absolutely. Not one shovel will go into the ground until we have the environmental approval and the contract approved.

COMPTROLLER FRANCHOT: Okay. What about the impact of the construction period?

MR. SLATER: Mm-hmm.

COMPTROLLER FRANCHOT: I'm trying to think of a word on top of nightmare. But --

MR. SLATER: Yes.

TREASURER KOPP: Real bad nightmare.

COMPTROLLER FRANCHOT: Yeah. How is that going to happen according to --

MR. SLATER: Absolutely. We're looking at a variety of ways. So, when we lay out the strategic goals of our program, and when I talked about methods and means and minimizing impacts to Marylanders, it's not only minimizing the impacts of the footprint but it's minimizing the travelers that are out there today. So, we're going to be incentivizing as part of our process and our selection whoever can deliver it at a faster pace and minimize disruptions to the

travelers. We're also looking at a number of different ways we might be able to supplement with some transit service during construction and invest in some commuter bus to give some people some options. I think about the last time we did some construction on the Beltway, probably, I'm going to date myself, but probably 15 or 20 years ago, I think your office was heavily involved in that one as well.

COMPTROLLER FRANCHOT: Yes. It's, politics is a stimulus response profession and this, anything to do with highways in Montgomery County is always a very stimulating subject. So just in conclusion, could you describe a little bit what your expectations are, Mr. Secretary, you may want to comment on this, for the arterial roadways, like Route 29, that are involved in this. Is the congestion that we're experiencing that you're seeking to resolve ultimately going to help some of those arterial roadways, I guess I'll call them?

MR. RAHN: Mr. Comptroller, our modeling shows that we actually take traffic off of arterials to get them onto the express toll lanes, where traffic is denied access now because of the congestion. So that traffic that currently is in that area will come, our modeling shows comes off. And in addition to this, we are actively working on intelligent corridors in which our signals can move traffic through in a more efficient way. So, we believe that this program can help with arterials, not damage the arterials with even more traffic.

COMPTROLLER FRANCHOT: Mr. Secretary, thank you. Mr. Administrator, thank you.

MR. SLATER: Absolutely. Coincidentally, we had a good meeting in Tacoma Park last night.

TREASURER KOPP: I do --

MR. SLATER: Oh no, I --

TREASURER KOPP: I've got a few. Just I gather we're in the stage now, specific questions --

MR. SLATER: Sure.

TREASURER KOPP: -- about the specific item. The non-compete clause, is there a non-compete clause? Or is, I was reading the terms sheet and the pre-solicitation supplement, which is dated April 12th but we got about the 28th or 29th of April. As you know, I was out of town. So, I'm trying to read all the material and I'm a little confused by parts of it. Is there or is there not a non-compete clause? And if there is, how does it conform to State law and what does it mean?

MR. SLATER: So, there's, first there's no veto power in any non-compete. The only non-compete section that's part of that terms sheet is associated with general purpose lanes in the exact corridor that we're working in. So, for instance, if we sign a contract with a developer --

TREASURER KOPP: You can't turn one of the present lanes into a toll lane.

MR. SLATER: Or we can't turn it into our own toll lane, or we can't add additional free lanes without talking to them about how that impacts the financials of the structure.

TREASURER KOPP: Without -- can we add free lanes? Can we add transit right next to it?

MR. SLATER: Absolutely. We can add another roadway right next to it if we wanted to. We can add transit to it. We can do anything we want outside of --

TREASURER KOPP: All right. So, this is unlike some of the non-compete clauses in other P3s around the country.

MR. SLATER: Exactly. I can't speak to the non-competes, but we need flexibility and to be able to address any congestion issues or any safety issues.

TREASURER KOPP: We can build in anything we want --

MR. SLATER: Absolutely.

TREASURER KOPP: -- as long as they keep getting their tolls?

MR. SLATER: As long as we don't impact their two priced toll managed lanes. And that means that we can build transit solutions, the local

government can build transit solutions, we can build highway solutions that are parallel. We can do a variety of things. Just --

MR. RAHN: I'm sorry, I need to clarify one point there. Which is the only limitation that we're discussing has been additional free lanes within the existing roadway would be the only place that there would be any ability for some sort of a negotiation with the concessionaire.

TREASURER KOPP: Otherwise there's --

MR. RAHN: Otherwise there would be no limitation to any additional transportation of any kind.

TREASURER KOPP: I hear what you said about it, essentially all the risk, all the financial risk falling to the P3 syndicate. I mean, that's essentially what you're saying.

MR. SLATER: Mm-hmm.

TREASURER KOPP: Do you have any estimate of how much we have to pay for that? I know, the Comptroller and I are on the Pension Board, interested in infrastructure. We, in order to take on that sort of risk we want a real risk premium, a significant amount of money. Is there a way that you have looked at that and compared it to alternative financing?

MR. SLATER: As we go into these negotiations or go into this collaborative development, the different types of solutions that will come come with a different price tag. Our estimate was \$9 billion to \$11 billion of public

infrastructure that will be delivered to us by the private sector. As we get into these what's called investment grade models, we'll have a better picture of that. But that's all part of the --

TREASURER KOPP: That's interesting because I have been asking, and there's been a lot more information, I have to say that, thank you, Mr. Secretary, in the last week than we had seen in the months before. But still, when we asked to see what the origin destination numbers are, what the trip numbers are, what the trip traffic revenue numbers are, what the greenhouse gas numbers are, the answer is always, as I can see, either it's someone else's department, Mr. Secretary of Environment, or we'll let you know in fall or in the fall of 2020. We can't tell you now.

MR. SLATER: Mm-hmm.

TREASURER KOPP: That makes me very nervous.

MR. SLATER: Sure.

TREASURER KOPP: I mean, as a finance person you're asking me to vote on things when I can't get the numbers behind the high levels. I like your high-level statements. I'd just like to be able to dig down a little more in it.

GOVERNOR HOGAN: Well don't forget this is a high-level approval of the concept.

TREASURER KOPP: Well it --

GOVERNOR HOGAN: We don't have contracts yet.

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TREASURER KOPP: Absolutely.

GOVERNOR HOGAN: There's three more phases --

TREASURER KOPP: You're right, Governor.

GOVERNOR HOGAN: -- that have to come back to vote on.

TREASURER KOPP: No question about it.

GOVERNOR HOGAN: We're not going to have all the final details.

TREASURER KOPP: Except I will tell you, whoever has to vote on that contract when it's gotten to the point, to that point --

GOVERNOR HOGAN: That will be us.

TREASURER KOPP: -- you're a long ways down the road then. And it's much harder to stand back and say, wait a minute, let's just look at it. Let's make sure everybody has come together and we have all of the opinions. I know you've made a lot of presentations. My impression is some people think those presentations are presentations but not discussions, not an actual exchange of ideas. It's a long ways down the road when you have to vote on the actual contract. And my thought always has been that if you spend some time up front, you get to the end more efficiently, more openly, and more positively, which is why I'm asking these questions.

If you, as you know, the Maryland National Park and Planning Commission Board has not yet approved or agreed to the takeover of all the

parkland that you may need. If they don't, and that's their responsibility, do we have other plans?

MR. SLATER: So, yeah, we have a history of working with them and we will continue to work with them.

TREASURER KOPP: Oh good.

MR. SLATER: We believe that there is some authority that we have and we're going to continue to work with them. You know, over the course of I know my 22 years, and any project in that region really touches them in some way, we really work through those issues and they always kind of come together later in the process. But we're continuing to work with them. The Secretary and I personally met with them and a group of their professionals from both Montgomery and Prince George's County just two days ago. Or, yeah, two days ago --

TREASURER KOPP: Okay.

MR. SLATER: -- to talk about some of the challenges. And we agreed that we're going to continue to collaborate because we want to find a way forward. They agree with us that we want to address this issue. It's just a matter of working through the details.

TREASURER KOPP: Everyone does. Just let me make it clear. I know, I understand histrionics and I understand. Everyone wants traffic to move. Everyone wants the environment to be clean. Everyone wants people to be able

to get to work in two minutes flat. We all do. There are a lot of things that are going to have to change between now and 60 years from now when this, when this project has run its life perhaps. The relationship between home and workplace, all sorts of questions about commuting have to change, the demographics are going to have to change, the vehicles are going to have to change. So, we get that. But at the moment, there are questions about coordinating with authorities who have different responsibilities. Until now, we have not heard that the Maryland Park and Planning Commission had felt comfortable with this project. And I look forward to hearing that at some point because I gather there isn't any backup. I mean, I said what are your alternative plans and I heard you're still working with them.

MR. SLATER: We will continue to work and collaborate with them.

TREASURER KOPP: All right. I don't know if this is the time to ask but let me just, everyone has agreed for a long time something has to be done with the American Legion Bridge. Everyone has agreed that the approaches to 270 and 495 from the Bridge, to the Bridge are a real problem. Everybody I think has agreed, at least in the last several years, with the county and with Frederick County that the area north of 370 has to be corrected. Improvements have to be made there. We say we haven't done anything the last several decades. But we did do 270. We widened 270 and it really opened up and was terrific for about

three years until it filled up with all the induced traffic. But it stopped, 270 stopped, the widening stopped at 370. And so, everybody thought that was on, that's been in the works for a long time, doing that part. And we wake up and that's the end except (indiscernible). So, the folks who are contacting us to really say get to work on it, we really need it because up county here between Frederick and 370 we have a lot of trouble and that translates to backups going north to 70. They are not going to get much help for quite a while under this plan. Why is that?

GOVERNOR HOGAN: Well let me interrupt for a second and just say, Mr. Slater is the first of 40 speakers --

TREASURER KOPP: Right. I know.

GOVERNOR HOGAN: -- and this is the very beginning of the --

TREASURER KOPP: But he's the man with the answers.

GOVERNOR HOGAN: Well we're going to bring him back. We're going to bring him back --

TREASURER KOPP: Okay.

GOVERNOR HOGAN: -- after we've heard from everybody, after all of the discussions. And I think it's probably better to save that after we've heard all the input and --

TREASURER KOPP: Okay. That's --

GOVERNOR HOGAN: -- discussed it --

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TREASURER KOPP: -- that's swell.

GOVERNOR HOGAN: -- and I think that's an important discussion to have but if you don't mind --

TREASURER KOPP: And let me just say --

GOVERNOR HOGAN: -- we should rather have him answer everything before we get everybody's input.

TREASURER KOPP: -- I do appreciate Mr. Slater has been reaching out. The Secretary has even been reaching out in the last week. Let me just point out, too, since we're face to face. My head is on my shoulders, it's not in the sand.

GOVERNOR HOGAN: Good. That's good to know.

MR. SLATER: Joanna and I are good friends.

GOVERNOR HOGAN: So, Mr. Slater, we're going to keep you around in case there are some issues, questions that we can come up and address. And then maybe we'll bring you back at the end --

TREASURER KOPP: Maybe he'll be answering questions.

GOVERNOR HOGAN: -- we have another 39 folks that are going to speak. Seventeen of them have concerns or are in some way opposed. And we're going to let them go ahead and speak first before we hear all of the organizations and individuals that are in support. And so, we're going to start with Mark Elrich, the Montgomery County Executive who is supposed to --

COMPTROLLER FRANCHOT: Oh, there he is.

GOVERNOR HOGAN: Oh yeah. So, since we have 40 people, we're going to ask everyone to hold their remarks to one minute apiece. And we're going to cut the microphone, the Secretary is going to let you know when your time is up.

(Laughter.)

MR. ELRICH: I mean, in one minute you can't possibly have a meaningful discussion.

GOVERNOR HOGAN: We have had plenty of meaningful discussions and you can submit all of the rest of your information. But we just can't spend hours here.

MR. ELRICH: Yeah but if I submit in writing and you're going to vote today that's kind of pointless. I guess --

GOVERNOR HOGAN: We've had discussions about it before.

MR. ELRICH: -- I'll make my point as quickly as possible, then. First of all, Montgomery County was never consulted. Second of all, Montgomery County --

GOVERNOR HOGAN: You and I have actually had personal discussions about it.

MR. ELRICH: -- and myself -- that's not a working group and you're not a transportation person.

GOVERNOR HOGAN: (Indiscernible).

MR. ELRICH: He's a transportation person and our people are transportation people.

GOVERNOR HOGAN: That's not true.

MR. ELRICH: It is true. We were not part of this process. You did a press conference and announced what you were going to do before you talked to anybody. We want solutions. Just to be correct --

GOVERNOR HOGAN: At the press conference the County Executive before you was there --

MR. ELRICH: Is this part of my minute, while you're talking?

GOVERNOR HOGAN: -- met with him. It was two years ago.

MR. ELRICH: I --

GOVERNOR HOGAN: And Ike Leggett was there and a part of it and a part of the discussion --

MR. ELRICH: They weren't happy, I mean, and neither was our staff. I mean --

GOVERNOR HOGAN: I didn't know who you were at the time.

MR. ELRICH: Wow, this is fascinating.

TREASURER KOPP: He was a member of our County Council.

MR. ELRICH: It's not true that you've worked, it's not true that they've worked with us. There's a difference between talking with people and

working with people. Your plans don't reflect our master plans. Your assumption that we don't support anything is nuts because personally I supported reversible lanes on 270. I've talked with Greg Slater about other solutions besides reversible lanes that don't involve rebuilding. We support building from, on 495 from Wisconsin Avenue to the Bridge, we support the Bridge project. And I'll point out that the ICC from 95 to the American Bridge using either the Beltway or, let's say from the point that the ICC meets 95, whether you go from the ICC to 270 and go to the Bridge, or you go down 95 to the Beltway to go to the Bridge, the distance is roughly the same. You already built the ICC. It was supposed to be a bypass for 495. If you fix 270, which we do not oppose adding lanes to 270, and bring the traffic over on 95, you'd take, in your own limited study, 20 percent of the traffic that's coming down 95 and swinging over to Virginia on 495, you can put it on without doing any of the drastic stuff you think you need to do for 95. This is why we wanted more time.

We're not saying no, never. We're not saying no, don't do anything. We're saying no, work with us. When we've got plans that we can deal with, we're happy to go forward.

The other thing is, you talk about, Governor, relieving traffic. You don't do anything for Georgia Avenue, 29, Connecticut Avenue, or Wisconsin Avenue. The problem is when people get off these roads -- first of all, you can't get off. You're on exit lanes that don't function. When you get down to these

roads, the roads are so congested you can't move. We want a comprehensive solution that if you're going to do this, make sure that the people you sped to the exit can get off the exit and use the roads to get to work.

I hear from people all the time, too, in Montgomery County and they talk about the impassibility of our local roads. So, I know I've exceeded my time. I want to work with you. I've said over and over again, we want to work with you. I'm not, I don't expect you to surrender when I say something --

GOVERNOR HOGAN: Yeah.

MR. ELRICH: -- don't expect me to surrender when you say something. Let's work together.

GOVERNOR HOGAN: That sounds good.

MR. ELRICH: Thank you.

COMPTROLLER FRANCHOT: I yielded you an extra minute.

GOVERNOR HOGAN: Thank you. Thank you, Mr. County Executive. Just for giggles, though, my assistant here handed me a phone. It says, alert, Montgomery County, I-495 is shut down at exit 30, U.S. 29 Colesville Road.

(Laughter.)

GOVERNOR HOGAN: We didn't make it up. All right. Tom Hucker, Montgomery County Council.

TREASURER KOPP: We're going to have accidents --

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SECRETARY MCDONALD: Mr. Hucker?

MR. HUCKER: Board members, for your entertainment we have an amended proposal before you that I can talk through if time allows.

Good morning, Governor, Comptroller, and Treasurer. For the record, I'm Tom Hucker. I'm the Chair of Montgomery County Council's Transportation and Environment Committee. I'm representing Council President Navarro and the unanimous position of the Montgomery County Council. I'm here to ask you to defer action on the managed lanes proposal today and to refer it back to the department to work with affected local governments to make adjustments to the plan to incorporate their input and win their support.

Governor Hogan, as our Transportation Chair I sincerely want to thank you for your bipartisan leadership on transportation issues, first by supporting the Purple Line and later by supporting the historic funding for WMATA. The Comptroller, the Treasurer, and I were all vocal supporters of the Purple Line 20 years ago. We spent a lot of time believing it was never going to happen. And it's very, very personally heartening to drive my kids on the way to school every day past Purple Line stations that are going to transform our region for the better. And that's happening because you saw past the partisanship and the rhetoric and you supported the project on the merits and the analysis.

In the same way you broke a longstanding deadlock by supporting dedicated funding for WMATA, something many of us have been unsuccessfully supporting for ten years. You deserve a lot of credit for both of those projects.

At this point the managed lanes project does not enjoy the same broad bipartisan support that had been built behind both the Purple Line and WMATA funding, nor does it enjoy the support of our expert transportation planners as those projects had. You are absolutely right, Governor, that people are fed up. And that's why it's so important that we get this right and that it's effective.

We all know that at this point the public has not embraced this project to the same extent. It's true that a 55 percent majority of Marylanders in that recent poll support the project, but a far higher margin, 75 percent of respondents fear the toll lanes would be too expensive to use, 75 percent are concerned that toll lanes will fail to reduce congestion, 80 percent are concerned about destruction of homes. We all know margins that high are unusual in professional surveys, reflecting the broad unease about the project at this point. But we can change that.

We are really grateful to you, Governor, for tackling congestion in our region. I have waited a long time for a Governor to give us the fair share of attention on this. This should be a great opportunity. But at this point, the proposal has flaws and they are all fixable. Please understand we want the

attention to congestion relief, but we have a legal and a moral obligation to defend our constituents and their local land use decisions and our built and natural environments. We're here because we want to work with you to address the shortcomings of the plan, we want to be engaged in the process, and heard. As folks say in Annapolis, the counties affected by this project want to be at the table and not on the menu.

The proposal is well intentioned and has many strong elements, but we're asking you to direct MDOT to include the amendments we sent earlier this week that are incorporated in this map and to seek the support of local officials, as has always been done on large transportation projects like the ICC, like the Purple Line, and like the Wilson Bridge. To protect our taxpayers, we also believe you should not solicit proposals before conducting an environmental impact statement and an independent fiscal analysis, including the financing, the range of tolls, and the risk from non-compete clauses, and other common problems with P3s. I'm told the University of Maryland has offered the type of independent analysis we should all want to protect our taxpayers and build the broader public support that this project still needs.

All major projects, especially ones of this historic magnitude, should have these studies conducted before moving forward. Only after such analysis will we know the ramifications and all Marylanders should want bidders

to be aware of those details prior to drafting their solicitations with the most accurate information in order to avoid problems down the road.

For years, we've asked for balanced, multimodal congestion relief on our State highways. No one is more affected by congestion than --

COMPTROLLER FRANCHOT: Tom, let me interrupt --

MR. HUCKER: Yes, sir?

COMPTROLLER FRANCHOT: -- I'm not going to yield any more time that I might have. I don't know about the Governor, but we've got to -

-

MR. HUCKER: Am I over?

COMPTROLLER FRANCHOT: -- we have --

SECRETARY MCDONALD: I think --

MR. HUCKER: Let me state unequivocally, Governor, just the last thing to wrap up, sir. Your leadership on the Purple Line and WMATA funding is transforming our region for the better. You know how to break longstanding log jams and solve big problems. With a few sensible amendments and analysis, you will have a bipartisan transportation trifecta that will be the cornerstone of your legacy if you will just work with us. Thank you.

GOVERNOR HOGAN: Thank you very much.

TREASURER KOPP: I do have a question because you put this interesting looking chart up there, which I can almost read.

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MR. HUCKER: We put a lot of thought into it.

TREASURER KOPP: How does this, this looks like --

GOVERNOR HOGAN: I'm just, can I just say why did it just come this week when we've been working on this for two years?

MR. HUCKER: Well, sir, I wish I had better software myself. But all of these recommendations, 90 percent of them on that chart, are incorporated in the priorities letters that not only do we send to you every year or two, but they are on the MDOT website. So --

TREASURER KOPP: But what are they? How does this differ from what is proposed to us?

MR. HUCKER: How it differs --

TREASURER KOPP: I mean, it looks like the Beltway is -- I just -

-

MR. HUCKER: My point is it's, we're not far apart. We would like to, one, prioritize the Virginia to Frederick corridor, running new managed lanes up to Frederick. We've been asking for that for years. Two, on the Beltway east of 270, make improvements within the right of way, like ramp metering and use of the left shoulder --

GOVERNOR HOGAN: Can I interrupt for one second?

MR. HUCKER: Yes, sir.

TREASURER KOPP: That's what that --

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GOVERNOR HOGAN: So, you would prefer to have all the people come down 270 from Frederick just so they can get to their jobs in Virginia, but not, make everybody stop on the Beltway so they can't get anywhere in Maryland?

MR. HUCKER: No, that's not true, sir.

GOVERNOR HOGAN: Okay.

MR. HUCKER: We want to make improvements within the right of way that are cost effective and we've been asking for for years.

GOVERNOR HOGAN: I think that's the same thing we're talking about, improve the right of way.

MR. HUCKER: We'd like to use the left shoulder and we'd like to use ramp metering.

GOVERNOR HOGAN: Well --

MR. HUCKER: Last Sunday there were 23 cars in my neighborhood backed up to get onto Colesville Road, and no traffic on Colesville Road to get onto the Beltway. Third, Madam Treasurer, run managed lanes up 95 to the Intercounty Connector and use the Intercounty Connector more. Direct southbound traffic onto the Intercounty Connector rather than the Beltway. It was promised to take traffic off the Beltway. It's underutilized. We've already, we're paying for it. That will bring in revenue for MDOT as well.

Fourth, add the reversible lanes on 270 all the way past 370 to Frederick to provide what you said, immediate relief for commuters in Northern Montgomery and in Frederick.

GOVERNOR HOGAN: We've got the plan.

MR. HUCKER: A portion of toll revenues --

TREASURER KOPP: Now does that include doing something with the American Legion Bridge?

MR. HUCKER: Yes. Start at the American Legion Bridge and continue those managed lanes over the bridge and up the western portion of 495 and up the spur and up 270 all the way to Frederick.

TREASURER KOPP: Okay.

MR. HUCKER: We also want to dedicate -- one shortcoming we feel of the MDOT plan is it's 100 percent highways. Granted, Governor, you've made a historic investment in transit. You're right. A portion of this toll revenue should be invested in transit projects like they do in Virginia.

GOVERNOR HOGAN: Yep.

MR. HUCKER: We're all fans of Virginia's approach. We also want to have transportation demand management, including connections to local serving transit, like BRT, park and ride lot improvements, encouraging carpooling, and encouraging telecommuting. And finally, we propose, for Prince George's especially, connecting to key activity centers, like Prince George's

Hospital, and bringing the managed lanes all the way down to National Harbor where commuters could then connect to transit over the Wilson Bridge to get to Alexandria and to get up river to HQ2 for Amazon at National Landing. Those are all key elements that I think would be easy to build in that would greatly improve the plan.

GOVERNOR HOGAN: Mr. Chairman, I really appreciate your remarks. I think many of the things that you're talking about are already being considered as part of the plan. We're willing to consider even more.

MR. HUCKER: Great.

GOVERNOR HOGAN: Thank you for taking the time. And I just want to leave room for the rest of the folks to have their say as well.

MR. HUCKER: Thank you so much, sir. I appreciate it.

GOVERNOR HOGAN: Thank you. We have Kai Hagen from the Frederick County Council.

MR. HAGEN: Good morning and thank you for the opportunity to speak to you today. With just one minute, sort of prepared remarks are sort of out the window and there are a lot of concerns and issues you're going to hear and have heard about, many of them. So, I just want to focus on one thing in the limited time that I have. And that is that we live in a climate change world. We live in a climate crisis. And we are not going to get there. Winning slowly is losing. We don't have a lot of time and the curve keeps getting steeper and we

keep acting as if we can make small efforts around the margins that matter.

With all due respect to the Governor, while it may be true that individual cars or groups of cars, you have less emissions of certain kinds when they travel at faster speeds, or at the speed limit instead of slower speeds, that's not the real issue. If you were to do a true life cycle analysis, a comprehensive analysis on the greenhouse gas emissions and global climate change impact of this particular plan, and all that comes with it, including the additional traffic, not just speeding up the existing number of cars, compare it to any of the alternatives that exist today or that are possible today, including doing nothing, this is the single worst option in terms of climate change, seen through a climate change lens. And we should stop making simplistic assertions about individual cars getting fewer, having fewer emissions at a slightly higher speed when the broader issue is not --

TREASURER KOPP: Well I think we're told we will see a study. It's just that it's happening now.

MR. HAGEN: Well I would hope that it would be a very comprehensive, thorough study viewed, and all of these options in this particular project --

GOVERNOR HOGAN: Can I just interrupt for a second? I mean, do you believe that the hundreds of thousands of cars sitting idling for ten hours, don't you believe that that has some negative impact --

MR. HAGEN: Absolutely --

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GOVERNOR HOGAN: -- on climate change and the environment?

MR. HAGEN: Yes, I do.

GOVERNOR HOGAN: And do you think your fellow citizens of Frederick County that are sitting in that traffic would agree with you that they don't want to be able to get home faster?

MR. HAGEN: Everybody, well nobody likes the congestion, and nobody wants the traffic, and everybody wants a solution. There are better, more complete, comprehensive, flexible -- big problems don't always call for the biggest solutions. Sometimes big problems call for many small solutions that are flexible, respond to the times, changing technologies, changing cars, and everything. But we must view everything major, like this, through a climate change lens. If we don't --

GOVERNOR HOGAN: And did you really say doing nothing is good for the environment --

MR. HAGEN: No, I didn't. I said that this particular project through a greenhouse gas emissions perspective, and if you get somebody to do the kind of thorough study you'll see, will have a negative impact over, on climate change compared to doing nothing. But I want to make --

GOVERNOR HOGAN: I think almost all of the studies would say that's completely false.

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MR. HAGEN: Well I look forward --

TREASURER KOPP: We haven't seen the study.

MR. HAGEN: I look forward --

GOVERNOR HOGAN: I can show you --

MR. HAGEN: -- in all sincerity --

GOVERNOR HOGAN: We'll have, you know what, I'm going to have our Environment Secretary come up and --

MR. HAGEN: Okay, in all sincerity, I hope that what happens in the end before the next phase is a truly comprehensive study on environmental impact --

GOVERNOR HOGAN: Thank you.

MR. HAGEN: -- that includes greenhouse gas. I will say that otherwise, everybody who supports this is acting like Nero while Rome burns and that's a shame --

TREASURER KOPP: We don't need name calling.

GOVERNOR HOGAN: Thank you for your, thank you for your opinion.

MR. HAGEN: Thank you.

GOVERNOR HOGAN: Next we have Olivia Bartlett.

MS. BARTLETT: Hi, thank you very much, Governor and Board of Public Works for the opportunity to present. On behalf of the 1,500 members

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of Do the Most Good Montgomery County who live throughout Montgomery County --

GOVERNOR HOGAN: I'm sorry, what's the name of your group?

MS. BARTLETT: Oh, Do the Most Good. I urge you to vote no on this request. There are many reasons why proceeding with this huge project at this time in this current form is unwise. First, the Division of Legislative Services' report on House Bill 1091, Public-Private Partnership Reforms, said the entire P3 process lacks adequate oversight and accountability, which is particularly problematic for this particular project because of its huge size and scope.

Second, the process has really not been all that honest and transparent. The evaluation criteria --

GOVERNOR HOGAN: -- the Legislature approved the P3 process. I mean that's --

MS. BARTLETT: Yes.

GOVERNOR HOGAN: -- we're dealing with legislation that was introduced by Anthony Brown and passed overwhelmingly by the Legislature.

MS. BARTLETT: I understand that. But the DLS report on the bill to reform the process actually said it lacks adequate oversight and support and accountability. So, the evaluation criteria made it clear from the very beginning that toll lanes was the only thing that was going to be considered and that any

transit options would be dumped. So, the SHA workshops have really not been adequately, particularly the initial ones for scope and need and the initial 15 alternatives, were actually very poorly advertised and not held in convenient times or places. Most residents in affected neighborhoods didn't know about them. And even two months ago, for the most recent workshops, I personally handed out more than 500 flyers in shopping centers in Rockville and Gaithersburg and none of the people I handed those flyers to knew about your toll road plans. Not everybody knows that you have a website. You have to know the website is there.

So most disturbingly, SHA's report of the public comments received at last summer's workshops, which came out just a couple months before the most recent set of workshops in April and May, shows that MDOT and SHA completely ignored the majority of the comments which favored increasing mass transit to outlying suburbs to move more people instead of moving cars. Attendees at the recent workshops have been frustrated at MDOT's lack of consideration of transit options and a news article after the April 24th workshop in Silver Spring quoted Ms. Choplin (phonetic) as saying, "the time for public input on options other than toll lanes was earlier." But MDOT actually -- your own report showed that you did receive comments and you just discarded them for mass transit.

So you've, Mr. Rahn has admitted in multiple public settings that there has not yet been an origin and destination study of the traffic. So --

GOVERNOR HOGAN: Ma'am, I'm sorry but your time is up. If you could try to wrap it up?

MS. BARTLETT: Okay. So, a P3 project that includes more options for mass transit might be fine. But the P3 plan in its current form is not. Maryland's bid for the Amazon HQ2 included a broad array of mass transit options and so we know what needs to be done. This plan doesn't do it and it should be sent back to the drawing board. Thank you.

GOVERNOR HOGAN: Thank you very much. I'll just again reiterate that we've invested more in transit than any administration in history and most of that's in your county. Next, we're going to go to George Carlisle. If George is not here, we're going to go to Brad German.

MR. GERMAN: Good morning. Thank you very much. My name is Brad German. I'm with a group called Citizens Against Beltway Expansion. I don't think it's very hard to figure out where we are. I would like to --

GOVERNOR HOGAN: It's a catchy name, Brad.

MR. GERMAN: We got stuck with it. What can you do? Anyway, we want to start by concurring with Treasurer Kopp that we think too much is unknown about this particular proposal at this time to move forward and what is being promised seems to conflict with what is known about P3 costs and

risks as they have occurred in other parts of the country. We note that there's no origin and destination done for this particular proposal. What's more, the department has cited in its communications with local governments studies to justify the expansion that were either old, unfinished, or actually recommended against adding four lanes to 495 due to costs, impacts to communities and environment, and constraint of right of ways.

With regard to the promise that there will be no net cost to the taxpayers, we find this a little confusing in light of what is in the supplemental. It seems that the actual statement is that there will be net cost to taxpayers other than usual and customary costs. And it really bears upon us to discover what the usual and customary might mean over a 50-year contract period.

In any event, there has been no environmental impact statement, there has been no fiscal analysis. There are a number of very important unknowns about the financial structure as it would affect --

GOVERNOR HOGAN: And all of those are a part of the process and --

MR. GERMAN: Well but there's an important point to do these things up front before we get further down the road because --

GOVERNOR HOGAN: I mean, there's a NEPA process that requires them to be done in a certain time frame and that's exactly what we're following.

MR. GERMAN: Well here is the argument for doing it up front. Because we know what is going to --

TREASURER KOPP: And greenhouse gas is not part of --

MR. GERMAN: We know as best we can what the costs and liabilities will be before we start engaging in more costs. Because the more costs we sink into a project, the more likely, the harder it is to back out further down the road. No matter how, what issues are surface --

GOVERNOR HOGAN: Sorry but we're --

MR. GERMAN: We're done? Okay.

GOVERNOR HOGAN: -- out of time. Thank you so much.

MR. GERMAN: Thank you.

GOVERNOR HOGAN: We appreciate your input. We have a Gary Hodge signed up next.

MR. HODGE: Thank you very much.

GOVERNOR HOGAN: Good morning, or afternoon. I'm not sure --

MR. HODGE: I'm here from Charles County, Southern Maryland. The traffic relief project we need is the Southern Maryland Rapid Transit Project, from Southern Prince George's County, Branch Avenue Metro Station, to Waldorf. That project has been in the priority letters for ten years from both

Prince George's County and Charles County, and has been sitting on the Secretary's desk for five years.

GOVERNOR HOGAN: Actually, I think it's been in the discussion for much longer than that. I remember talking about this with Steny Hoyer in 1992.

MR. HODGE: Well I drafted the first letter from all of the legislators in Charles and Prince George's and the other southern counties, and all the commissioners and council members to William Donald Schaefer in 1988.

GOVERNOR HOGAN: Wow.

MR. HODGE: So --

GOVERNOR HOGAN: I was four years late.

COMPTROLLER FRANCHOT: My predecessor.

MR. HODGE: The point, I want to make very few points here and one of them is that this body is the guardian of the public interest. I spent some time last night reading the Constitution of Maryland and the duties and responsibilities of this body. There are three basic questions. Is it the best we can do? Will it work? And is it worth the risk? And I think those are the three fundamental questions that you are weighing as a Board of Public Works.

GOVERNOR HOGAN: Those are good questions.

MR. HODGE: I'm not sure we have the answers to those questions. I'm not sure that we should embark on an \$11 billion program which

in my opinion is the most consequential transportation decision in the last half century with implications rolling forward for another 50 years, perhaps doubling down on past mistakes instead of taking the opportunity to take a new path that leads to a more positive outcome.

It's been very clear in looking at this program, Governor, since you announced it on September 21, 2017 that what we need more of is more independent fiscal analysis, a completed environmental impact statement, and more serious collaboration between the counties and local governments and the State before embarking on this program with huge implications rolling forward.

GOVERNOR HOGAN: Thank you very much. I appreciate the input.

MR. HODGE: Thank you.

GOVERNOR HOGAN: That's good. Next, we have Lance Kilpatrick from AFSCME.

MR. KILPATRICK: Good morning and thank you for this opportunity to speak --

GOVERNOR HOGAN: Good morning.

MR. KILPATRICK: -- before you. AFSCME Maryland Council 3 represents thousands of State and higher education employees from Oakland to Ocean City and we would like the Board to reject the proposal as it's put forward at this point in time. The lack of detail, as Treasurer Kopp has pointed out, is

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concerning. After a developer invests millions of dollars in the design and negotiation of a contract with the State of Maryland, the Board of Public Works will be under tremendous pressure to approve the final deal as is because the changes will be costly and time consuming. Given the lack of transparency and pressure by MDOT to move forward, it is entirely possible that the scrutiny of the deal will not be adequate enough, increasing the possibility of a bad deal for Maryland taxpayers. Finally, I also want to point out the State owns all the lanes, as the Administrator has pointed out. If there are issues with maintenance and the State has to step in, what does that actually mean? The maintenance is run by the private sector, yet right next door to the other roads are public sector employees. How is that going to be able to be coordinated appropriately for all involved? Safety issues come to mind when thinking about these types of things. Responsibility for things, traffic congestion that's caused by those types of repairs also come to mind.

I want to say that the sirens called quick and easy should not override the ultimate goal of addressing the needs of Marylanders in a strategic and sustainable fashion. Let's keep in mind that this is a for profit venture that we are talking about here. This is a truth, that concepts of strategic and sustainable fashion that should be applied to any undertaking for the State's inhabitants.

AFSCME is not looking to kill roads --

GOVERNOR HOGAN: Sorry, your time is up. But thank you very much.

MR. KILPATRICK: But we are wanting a more strategic and holistic solution and this proposal does not meet it. Thank you so much for the time.

GOVERNOR HOGAN: Thank you. Thank you. Next, we have Mr. Eric Norton.

MR. NORTON: Good morning, Governor --

GOVERNOR HOGAN: Good morning.

MR. NORTON: -- Mr. Comptroller, Madam Treasurer. Thank you very much for your time this morning. My name is Eric Norton. I'm the Director of Policy and Programs for the Central Maryland Transportation Alliance. We're a nonprofit coalition of corporate and civic leaders who focus on improving and expanding transportation options for the businesses and residents of Central Maryland. And I'm here today to urge you to reject this proposal.

I have submitted written testimony, so I won't read it and I only have a few more seconds. But just to broadly outline what our concerns are is the fiscal responsibility, which I think the Treasurer brought up. I think we're concerned that the State is being promised something for free and we all know there's no such thing as a free lunch. And I think we need to dig deeper on those things. Effectiveness, there is no evidence that expanding capacity will relieve

traffic congestion. In fact, just the opposite is true. Decades and decades of experience and research and studies have shown if you add capacity you will just get more traffic. For the environment, we're concerned adding more capacity for cars, more lanes to accommodate cars, is not environmentally friendly in any way and any way to spin it that way is disingenuous. And as far as inequity, investments in transportation do not impact all populations equally. The proposal to widen highways through privately financed toll lanes will disproportionately improve mobility for those with higher income and those with access to private automobiles and will disadvantage the rest of the population. Thank you very much for your time.

GOVERNOR HOGAN: Thank you very much. Benjamin Ross.

MR. ROSS: Good morning, Governor, members of the Board of Public Works. I'm Ben Ross, Chair of the Maryland Transit Opportunities Coalition. I want to make one basic point. This project will not relieve congestion and it cannot relieve congestion for a very simple reason. If it relieves congestion, who is going to pay the tolls? So, this is actually a guaranteed congestion in the untolled lanes. Now on top of that --

GOVERNOR HOGAN: See the concept is the people get off of the free lanes to pay the tolls and there is less traffic on the free lanes.

TREASURER KOPP: No, but that's not what happens.

GOVERNOR HOGAN: That is what happens.

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MR. ROSS: But why would they pay the tolls if the free lane is moving at full speed?

GOVERNOR HOGAN: Because some people will pay the tolls and some people won't, but there's going to be more lanes.

MR. ROSS: Well I don't think people will pay, very few people will pay the \$40 toll this thing needs --

GOVERNOR HOGAN: Well there's no \$40 tolls. That's absurd. But, you know, what kind of studies do you have to back up what you're just saying?

MR. ROSS: The, the average --

GOVERNOR HOGAN: Expert --

MR. ROSS: -- on the Virginia Beltway --

GOVERNOR HOGAN: I know. But we just got done saying it has nothing to do with what happened in Virginia because we're going to set the tolls at the State level.

MR. ROSS: No, wait a minute. As I understand it --

GOVERNOR HOGAN: Did you hear the Secretary --

MR. ROSS: -- the Virginia, the Secretary said that the I-66 is not the model. The Virginia Beltway he has said is the model. The average toll on the Virginia Beltway at the peak of rush hour is a \$1.50 to \$1.80 per mile.

Multiply that by the difference distance, say, from Frederick to Shady Grove, and you'll have an over \$40 toll.

So, this cannot get rid of congestion on the free lanes because the operator will not be able to make money if there's no congestion on the free lanes. And at that, if the operator doesn't make money, the State is at severe financial risk. If the contractor fails to perform, let's say they just walk away, the State has to pay back the developer's loans. And there's no ceiling in this document that you're being asked to vote on. I don't see anything there that says it couldn't be 99 percent.

If you're going to have to sue, not you, but you will have to sue Maryland National Capital Park and Planning for use of parkland and it's very unclear how that lawsuit will come out. If you lose, these contract terms that you're voting on --

GOVERNOR HOGAN: Thank you. I'm sorry, your time is up. But thank you very much. Next, we have, last, we have Josh Tulkin with the Sierra Club.

MR. TULKIN: Okay, one minute. Mr. Governor, it's nice to be before you again, members of the Board of Public Works. I was here six months ago when you voted on the engineering contract. At that time, you made a pledge for transparency. You also actually denigrated the Sierra Club, accusing us of being pro traffic and since then have consistently called anybody with questions

or comments pro traffic. No matter how many meetings you have, if you attack people, they are probably not going to feel like it's a transparent and open process.

Speaking of transparency, at that meeting you mentioned a study from California --

GOVERNOR HOGAN: I would suggest you use your --

MR. TULKIN: Excuse me, sir, I only have one minute.

GOVERNOR HOGAN: -- remaining 40 seconds to make your point rather than attacking me.

MR. TULKIN: If I could use my limited time that's down to one minute, you quoted a study from California. Interestingly, you quoted that one today. So, it is shocking that six months later all we're hearing is the same general studies. This is air pollution. This is climate change. This is the challenge of our generation. We deserve concrete studies. The one study cited in the pre-solicitation report by Dr. Stuart Batterman, and I'm surprised you didn't bring this up given the transparency, wrote to the Board of Public Works to let them know that he felt it was improper use of his study, pointing out as the Governor did that the speed --

GOVERNOR HOGAN: I saw that this morning. But I've never even seen that report or quoted that report.

MR. TULKIN: That report is the only one that is cited in the pre-solicitation report --

GOVERNOR HOGAN: I read that this morning.

MR. TULKIN: -- and I think most notably it says the same thing that you've been saying which is, sure, cars that are moving too slow put out more. But if you're looking at air pollution you need to look at the aggregate, all of the cars. This oversimplification, if that's the state of this conversation at this point, gives significant concern about whether or not --

GOVERNOR HOGAN: Thank you very much.

MR. TULKIN: -- we're actually going to be reaching these greenhouse gas --

GOVERNOR HOGAN: I appreciate you coming. Thank you.

MR. TULKIN: Thank you very much.

GOVERNOR HOGAN: You know, most of the speakers who are here today are coming to speak in favor of this program. But --

MR. TULKIN: We were forced to limit the number of speakers.

GOVERNOR HOGAN: Yeah, we have 21 more people to speak. But I'm going to ask, just because of the concerns that have been addressed, I'm going to ask first our Secretary of the Environment is here, Ben Grumbles. I'm going to ask him to address some of the environmental concerns that we've heard about. And then maybe bring Administrator Slater back up to address some of the

other I think misperceptions that we heard. And then we can have the other 21 people speak in favor and then we can all talk and then our colleagues can ask questions of anybody if they want.

TREASURER KOPP: Governor, before the Secretaries let me just say regarding both the proponents and the opponents, I think, as you well know, that limiting them to one minute is a disservice to us.

GOVERNOR HOGAN: Well, it wasn't my idea. That's, I was told that was the --

TREASURER KOPP: It's a disservice to us, Madam Secretary. To whomever he's pointing, I don't know. I don't really care. I'm just saying I think it's an example of not demonstrating that we really do want their input and to think about it and discuss it. And I hope that the next stage will be exactly that sort of thoughtful exchange and discussion and not simply sitting through, bearing up, listening to people talk at us.

GOVERNOR HOGAN: Okay. Thank you.

COMPTROLLER FRANCHOT: Could I just --

GOVERNOR HOGAN: This is still the very first item --

COMPTROLLER FRANCHOT: -- I would like --

GOVERNOR HOGAN: -- of a very, very long Agenda.

COMPTROLLER FRANCHOT: Yeah.

TREASURER KOPP: Eleven-plus billion dollars, 50 years --

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COMPTROLLER FRANCHOT: Let me just add from my personal perspective, I think the one minute is a perfectly appropriate break on the length that these go on.

TREASURER KOPP: Well --

COMPTROLLER FRANCHOT: And to the extent the Governor gets, you know, criticized for limiting 40 people to a minute, that's just, you know, this is a big issue. We've heard a lot of information. I've met with each, almost each of the people that are opposed to this, Josh and Ben and everybody. Everybody is all worked up and they've got all sorts of perceived slights and criticisms that they want to get off their chest. And I just think it's completely appropriate to limit this. The Board is very well briefed on this. You know, this is not some kind of marathon congressional session where we have to sit through hours and hours and hours of testimony. This is the Board of Public Works. It is transparent. It is accountable. It is in the open. You know --

GOVERNOR HOGAN: I'll also reiterate --

COMPTROLLER FRANCHOT: -- if you try to walk into the Legislature and try to give the kind of testimony you've given, you'd be cut off.

GOVERNOR HOGAN: The Legislature does limit the amount of time people can talk. But this is our 70th meeting that we've had as well, so it's not --

COMPTROLLER FRANCHOT: Yeah --

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TREASURER KOPP: And this is an issue on which the Comptroller and I have disagreed for about 30 years.

GOVERNOR HOGAN: So, Secretary Grumbles, would you, I hate to put you on the spot. But I mean, I don't know how much you were paying attention. But a lot of people raised certain environmental, either made statements or challenged certain things. And I'd just like to get your take on some of it and see what your opinion is. Because I would say you're the resident expert on the environment, being the Secretary of the Environment.

MR. GRUMBLES: Well and I appreciate the passion of environmental advocates and climate action supporters. And that's important. I would say a couple of things.

One of them is it's unfortunate that everybody is forgetting that a major portion of the law, the Greenhouse Gas Reduction Act Law, not only has the ambitious goal of 40 percent reduction by 2030, and 80 percent reduction by 2050, but it also says the State needs to do these while ensuring net positive impacts to jobs and the economy. And so, the basic message is as we continue to be national leaders on greenhouse gas reduction and climate action, we absolutely have to take into account economic development and jobs and impacts. And yes, there are different ways to spin the basic fact that congestion relief is pollution relief. And it's true, and I think everybody would agree to that. But you also, there are arguments that can be made about volume and added lanes.

The really important good news from my perspective as the Environment Secretary is that the Maryland Department of Transportation, in coordination with many others throughout the State, governmental and non-governmental, have as this project, it is one component of a very large and aggressive commitment and system for transportation and environment.

The Governor joined the Transportation and Climate Initiative last December and that is one of the most promising strategies for continued reductions, not just within the State but within the region. Proceeds from cap and invest strategies coupled with leadership and innovation on clean car technologies, smart highways, it's very encouraging to hear from the Administrator the commitment to the Clean Water Act and stormwater management. And I know from the last four years that MDOT and State Highways are absolutely committed to their stormwater reduction practices to be real innovators.

Now when it comes to greenhouse gases, it is true, we know that a 20-mile per hour car versus a 50-mile per hour car makes a difference. And if you relieve the congestion, you're going to see some improvements in the right trajectory for greenhouse gas emissions, including with this large project. We also know, Governor, that NOx emissions and smog is more complicated. So that if you go faster, sometimes that contributes to the smog problem. But the important point to make is that this project is part of a broader strategy by MDOT,

by the Department of the Environment, by the State to significantly reduce NOx emissions and smog. Which is exactly why you are fighting the federal, the administration roll backs of the Clean Air Act. And that includes the CAFE standards. It includes smarter, more environmentally protective fuels. It also includes petitioning upwind states, as we are doing, to reduce NOx emissions.

And so, my take on this project is that it's misleading to say that it's going to take us off course to meet our 40 by 30 goal. What's important is that when it comes greenhouse gas emissions, we are in the process of a robust development of draft plans to meet that 40 by 30 goal. This project can help contribute to not only pollution relief, but it will be part of a broader strategy that relies not just on roads, but on transit-oriented development, on electric vehicles. Yes, we have a long ways to go to meet our 270,000 electric vehicle zero emission cars in Maryland. But we're making significant progress. We just reached the 20,000 --

TREASURER KOPP: Sixty thousand by when?

MR. GRUMBLES: We're supposed to --

TREASURER KOPP: Ah, next year?

MR. GRUMBLES: By next year we're supposed to meet close to 300,000 cars, over 200,000 cars. The bottom line, though, is that the State is getting awards for the progress it's making on zero emission vehicles and it's also, and it's not the silver bullet to addressing environmentalist concerns about

the highway widening. But it is an important and growing trend. And as you know, Madam Treasurer, from your leadership on the Climate Change Commission, we are committed to making aggressive moves and initiatives. So, the Transportation and Climate Initiative, the commitment to clean cars, electric vehicle infrastructure, using settlement funds, mitigating the impacts of road building through our environmental process. The Environment Department is absolutely committed to our role under the Clean Water Act and the Clean Air Act to ensure that any transportation project, including the 270 and 495 widening projects, meet our environmental commitments. We respect concerns about smart transportation planning. But we also, from what I've seen, this proposal has the elements in it to ensure that we do continue to meet our clean air and clean water commitments. And absolutely when coupled with the transportation system projects that are underway and the Transportation and Climate Initiative with nine other states that we're committed to, including D.C. and Virginia --

TREASURER KOPP: You're saying we're doing cap and trade?

MR. GRUMBLES: We are working on developing the cap and trade in the Transportation Climate Initiative. We'll see by the end of the year 2019 if that's something that will work for Maryland. It will be up to the Governor and in coordination with other policy makers and leaders. But the important news is you shouldn't stop an important project for congestion relief because you are not going to be able to meet your greenhouse gas reduction goals.

We have some exciting innovations and regulatory innovations in the coming years. And it's underway right now. It's a priority.

TREASURER KOPP: Could you repeat what you just -- we shouldn't stop a highway project just because we won't meet the greenhouse gas -
-

MR. GRUMBLES: No --

TREASURER KOPP: That's not what you meant to say.

MR. GRUMBLES: -- the concern is is that right now the numbers, so there are about 32 million metric tons of CO2 from the transportation sector. We're going to need to get to about 24 million metric tons by 2030. The fact that we don't have all the clarity yet on exactly how we get there should not prevent certain projects from moving forward when the projects are part of a larger system. And what I'm saying is is that given the innovations in not just cars or fuels, and the fact that we're fighting the federal administration roll backs, and the fact that we're part of an innovative regional approach that could be a cap and invest approach for the transportation sector, that is encouraging. And we can figure out solutions that ensure that we are going to meet our climate change goals.

The fact that the Governor on May 22nd announced that he's not only committed to increase renewable energy, but that he's challenging us to come up with clean electricity, 100 percent clean electricity by 2040, is hugely

important. And that's going to be a big part of the transportation planning process that the GGRA, the Greenhouse Gas Reduction Act plan is looking at, is how do we use smarter strategies to meet our transportation, our agriculture, our natural resources, the economy wide approach.

So, the bottom line is is that yes, there needs to be environmental stewardship on this project. And yes, there can be impacts from a large project. There are some benefits in greenhouse gas reduction in reducing idling and congestion. But there has to be a broader strategy and we're working on that right now, both within the State and regionally, focused specifically on transportation. I commend the environmental advocacy groups who remind all of us that greenhouse gas emissions isn't just for the energy sector. A major, major component of it is the transportation sector. But it's an all of the above strategy that's looking to reduce, looking to continue to reduce vehicle miles traveled but also address pressing matters like congestion and the pollution that results from backed up traffic and offloading into neighborhoods.

GOVERNOR HOGAN: Mr. Secretary, I'm going to cut you off because we have 21 more people to hear from. But two quick things. One, I just heard this week that we've already used up our entire Clean Cars Tax Credit for the entire year. So, the allotment that, we didn't get everything approved through the Legislature that we wanted to. We're going to come back and again and try to

expand that because we want to encourage as many clean cars as we possibly can. That's part of the strategy.

The other thing we're really proud that we have cleaner air standards than 48 other states and twice as strong as the Paris Accord recommendations. But real quickly, Mr. Slater talked about one of the benefits of this was that we're going to, the developer here is required to as part of this, when they go through this process, clean up all of the stream beds. And the stormwater management benefits to clean water are quite substantial. I don't know, maybe he can come up and talk about some of that. But when you're talking about clean air and clean water, that right now it's kind of a mess. Because a lot of this stuff, these roads were put in 60 years ago when we didn't have standards and there are real serious clean water problems that can be addressed by this project. And maybe let Mr. Slater --

TREASURER KOPP: Could I just ask --

GOVERNOR HOGAN: Oh yes, sorry.

TREASURER KOPP: -- just to clarify one thing. That was a very good comprehensive, impassioned statement, Mr. Secretary. When is this plan coming out that everything is going to be in?

MR. GRUMBLES: The draft plan should be coming out in the next few weeks. We still need some more internal coordination on that. And then that will be held open for a public communication engagement coordination with

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the General Assembly. But the goal is to have the draft economy wide greenhouse gas reduction plan in the coming weeks. And then of course as the Governor said, have a bold energy strategy for 100 percent clean energy by 2040 in time for legislation in January.

TREASURER KOPP: I see. But you think it's not reasonable to look at this major 50-year, multi-billion-dollar project within the context of all that, but essentially say, yes, we're okay with this one now. Now tell us --

MR. GRUMBLES: No, I --

TREASURER KOPP: -- in a few weeks what --

GOVERNOR HOGAN: Just let me again remind everyone, we're approving the concept of moving forward with the P3 designation. We are not approving any contracts or any details of anything. And we're going to come back with potentially three different projects that would have to be approved after environmental studies and this is a very preliminary, you can't expect to have every answer to everything before we even start it.

MR. GRUMBLES: It is reasonable to look --

TREASURER KOPP: And a draft is coming --

MR. GRUMBLES: -- up front at where we're going.

TREASURER KOPP: -- within two months.

MR. GRUMBLES: And it's also reasonable to remember that under the Clean Air Act, our State has a conformity, very important transportation

conformity requirements over a four-year period for any major new project. So, there are going to be a lot of environmental safeguards and checks in the process.

TREASURER KOPP: I look forward to it.

GOVERNOR HOGAN: Thank you, Mr. Secretary. Anything you want to address. I want you to talk about the clean water --

MR. SLATER: Absolutely.

GOVERNOR HOGAN: -- but then anything else that you want to clean up before we move to the 21 people that want to speak in favor of the project.

MR. SLATER: Absolutely. Thank you. Let me first address the water component. So, the Beltway, the interstate system in that region, really the interstate system was built in the sixties. And the Clean Water Act wasn't passed until the seventies. So that's all untreated impervious surface that's out there today. Our team pulled the acreage of that. So, on 495, there are 710 acres of untreated impervious surface that we will reconstruct and treat. And on 270 that's 456 acres. So, what that means is when you treat that stormwater and you're treating it from a quantity perspective and a quality perspective. So, quantity, really trying to manage that stormwater as it's coming and making sure it's not ending up in people's yards or flooded areas, those types of things. And then quality perspective, building infiltration systems and treatment systems where we can treat the nitrogen and phosphorous that's coming off the roadway. So, all of

that is untreated today that we're going to be able to, as we reconstruct and bring it up to today's stormwater management regulations, will be treated and rebuilt with today's stormwater management regulations.

TREASURER KOPP: But if we don't buy your P3, you won't improve --

GOVERNOR HOGAN: There won't be any money for that.

TREASURER KOPP: -- the stormwater management?

MR. SLATER: Correct.

TREASURER KOPP: And have you discussed this with the counties who are in charge of stormwater management right outside the line, essentially?

MR. SLATER: So, we work, you know, I'll use a bad analogy but water functions very much like traffic does. It kind of finds its way --

TREASURER KOPP: Right.

MR. SLATER: -- through those areas. So, as we treat that, we often work hand in hand with local agencies for shared facilities but also ways that we can work together in treating bits of their stormwater. The same thing on the private sector side. If there's a private sector development and there's a way that we can partner to treat stormwater --

TREASURER KOPP: That's good.

MR. SLATER: -- and combine those, we work closely with them.

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GOVERNOR HOGAN: Okay. Any other things you want to --

MR. SLATER: You know, I --

GOVERNOR HOGAN: -- came up there in the discussions?

MR. SLATER: I'm happy --

GOVERNOR HOGAN: Issues, questions people had?

MR. SLATER: Absolutely. I'm happy to, you know, I can touch a little bit on the Michigan study that Mr. Tulkin addressed. I can talk about a little bit of the fact that there's an assertion that congestion won't be fixed by dealing with this. And I can talk a little bit about the kind of origin destination piece. But let me touch on each of them briefly.

First, the Michigan study. So, in that Michigan study that we noted in our pre-solicitation report, we didn't really use it to suggest environmental benefits for the P3. We cited the paper's assertion that roadway congestion characterized by slower speeds and increased acceleration leads to higher concentrations of pollutants. And that's an assertion that's backed up by additional studies at the University of California and backed up by Federal Highway on the federal studies. We didn't use it to demonstrate environmental benefit to the program. We illustrated it to show that cars that are moving, what they call the sweet spot, which is this 35 to 65 miles per hour. Really there's not much difference in terms of CO2 emission in that. So, you know, we'll do that but --

TREASURER KOPP: And the issue of NOx?

MR. SLATER: I'm sorry?

TREASURER KOPP: The issue of NOx that the author of the article raised?

MR. SLATER: As we move forward we're going to be looking at a couple of different issues. So, we'll be looking at carbon monoxide. So, we'll be looking at, we'll be modeling all congested intersections and locations and modeling that will illustrate peak conditions to understand kind of the regional issues. We're going to be looking at mobile source air toxins. Alternatives will be, each alternative individually will be modeled to look at its effectiveness. Things like benzene and hydrocarbons and formaldehyde. And then greenhouse gas emissions, we're doing a quantitative analysis now that will really, or a qualitative analysis now that we're looking at vehicle miles traveled, the speeds, the fuel standards, how that all fits in. And then looking at that ozone and the required conformity analysis and as part of that. So, as we move forward each of these alternatives, we'll be able to compare that in the modeling.

TREASURER KOPP: That's really good to hear but when I keep asking, you all keep saying essentially, we'll give you some numbers in the fall, or in October, or whenever --

GOVERNOR HOGAN: The studies haven't started yet --

MR. SLATER: We just don't have the results of them yet to share.

I'm happy to share kind of --

TREASURER KOPP: -- assumptions --

GOVERNOR HOGAN: We haven't approved to go ahead with the plan yet.

MR. SLATER: Let me talk a little bit about --

GOVERNOR HOGAN: You don't want to start the studies unless you say you want --

TREASURER KOPP: But you're asking us to accept the conclusions and some of us would like --

GOVERNOR HOGAN: We're not accepting the conclusion --

TREASURER KOPP: Yeah, to vote on --

GOVERNOR HOGAN: -- the projects will have to come back before us before anything moves forward.

TREASURER KOPP: Thank you, Governor.

GOVERNOR HOGAN: This is to start the process, the study process.

MR. SLATER: I think, you know, the one thing I should probably address a little bit is before we move on to the next speakers is --

GOVERNOR HOGAN: There's no contract --

MR. SLATER: -- is the conclusion that this project will not solve congestion. So, this project is really a great benefit for what's called latent demand. Let me talk a little bit about numbers.

So latent demand is cars or vehicles that can't enter the system because it's too congested. And when you're talking about latent demand at a peak hour, those cars can't choose not to go to work. Commuters can't choose not to go to work. They can choose alternatives. They can choose a variety of things. But what we're finding that they are choosing is, one, they leave earlier or later, or they use an alternative system. You know, they'll use a local road or something like that. The development of things like Waze and Google Traffic has made that even worse as they are kind of sending people through different streets.

One of the things that we've found that this project addresses is that latent demand. It's the benefit of pulling that traffic off of the local system, because it's there today. It's not new. It's there today. We modeled what had been referenced earlier was induced demand. Induced demand is a planning theory. You know, it's been debated many years. But what it essentially says is supply and demand economics, apply that to traffic. And as you build more, if you supply more, there's more coming in. When COG modeled this project and looked at the traffic that would be generated specifically from this project, it was one percent. So, what this project is doing, it's addressing the latent demand that's on the local system today as we try and get it back on there.

Now what's really important as I talk about, earlier in my remarks I talked about the groups that wanted additional free lanes and then the advocacy groups that wanted just transit. What we're finding in some of the national research is that because they are price managed lanes, you are able to mitigate a lot of the induced demand components that start to come forward because you are pricing the mobility and you are able to address that.

GOVERNOR HOGAN: Thank you very much. Now we have 21 proponents signed up to speak in favor of the project. We're going to start with Neil Harris from the Gaithersburg City Council.

MR. HARRIS: Thank you. I appreciate the chance to speak this morning. Again, my name is Neil Harris. I'm a member of the Gaithersburg City Council. I'm also a member of the Transportation Planning Board at COG. I joined the Transportation Planning Board because I spent too much time stuck in traffic. I spent a year commuting from Gaithersburg to Reston, which was a complete nightmare. And I wanted to understand why that existed.

Also, on the Transportation Planning Board, toward the end of my first year it was revealed that the projection was in 25 years congestion would be 72 percent worse than it is today and that seemed like a suboptimal outcome to me. And in fact, it seemed like the kind of plan that if you present it to your Board of Directors as a business leader, you would be fired on the spot. So, I was

one of the loud instigators for the Visualize 2045 Program to try to find better solutions.

Now in terms of the specific project here, there are a lot of people who are afraid of what this project could bring. They are afraid that it might not bring enough relief, or that homes and businesses might be disruptive, or that tolls might be excessive. But I think the fact is until we move forward to the next step, we don't know the answers to that. And I'm always in favor of finding the data before we make decisions.

And I'll give you one data point. In 2015, the Pope came to visit and there was a miracle in Washington, D.C. Traffic moved freely. And the traffic moved not because of divine intervention but because the feds stayed home, there were 15 percent fewer trips on the road, and that showed us that there is a tipping point, that we're actually reasonably close to having sufficient capacity to get where we need to be. We either need to build extra capacity or get people off the roads or some other combination of things.

GOVERNOR HOGAN: Thank you --

TREASURER KOPP: Or look at them all together.

GOVERNOR HOGAN: Yes.

MR. HARRIS: And look at it. It needs to be an integrated program of multi-modes and multi-policies, and that's what we're looking for. Now --

GOVERNOR HOGAN: Mr. Harris, if you could wrap it up --

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MR. HARRIS: Very quickly, 80 percent of trips today in the metropolitan region are by automobiles, about half single occupancy and half multiple occupancy. But two-thirds of the money is going into transit and only one-third into highway projects. It seems to be a little bit imbalanced. It shows that the transit options are pretty expensive. If we want to move forward with more transit, which I think we absolutely need, we need to find more cost-effective ways to do it than the way we're doing it today. And there are many ways to approach that.

So, wrapping up my 15-minute presentation in ten more seconds, the current P3 may not be perfect. But it appears to be a cost-effective solution given budget constraints, given that there's not a lot of extra money floating around, given how much we spend on transportation. So, I urge you to go forward with the P3 designation so that we can get the data that we need to keep us all moving for years to come.

GOVERNOR HOGAN: Thank you very much.

MR. HARRIS: Thank you very much for your time.

GOVERNOR HOGAN: Thank you. Next, we have Linda Willard.
Good afternoon.

MS. WILLARD: Good afternoon. Thank you, Governor, thank you, Madam Treasurer, thank you, Mr. Comptroller. I'm Linda Willard. I'm a

private citizen, resident of Chevy Chase Village, which is an area by the speed cameras on Connecticut Avenue, very close, about 1.6 miles south of the Beltway.

I'm grateful that I'm not a daily commuter on the Beltway. I'm able to work from home. I go into D.C. a lot. However, I am a weekend sports mom. I have kids that play travel hockey, travel lacrosse. And getting to and from the Laurel Ice Rink can sometimes take two hours from my house, particularly if there is a Redskins game. I'm also, you know, some weekends I'm in the car for eight hours. This plan would relieve that.

I also want to say that I'm a strong environmentalist. I'm pro-transit. And as various people have mentioned, this is just one part of the pie. And this seems to be part of an integrated solution. But I feel like if you don't vote for it today that there will be no relief. And you know, I think that there needs to be transit but there are certain trips, for instance when I take the Beltway to Laurel and looking at Google Maps there is no way to get there by transit. There is just no infrastructure in place.

So again, I want to keep my remarks broad. But I urge you to vote for this plan to move forward. I'm interested in seeing just as a concerned citizen the cost and the environmental cost and what not. But I think it's a really great solution and a great start. So, thank you.

GOVERNOR HOGAN: Thank you very much.

COMPTROLLER FRANCHOT: Could I just ask a quick question? So, you're a hockey mom.

MS. WILLARD: I'm a hockey mom and a lacrosse mom and a figure skating mom.

(Laughter.)

COMPTROLLER FRANCHOT: Okay. So, I can remember years ago my son, who is now 35, but he was very young. He was playing in the earliest Montgomery County hockey league --

MS. WILLARD: Mm-hmm.

COMPTROLLER FRANCHOT: -- that was like for the young, young kids. Well, they got the worst ice time, always.

MS. WILLARD: Oh yeah. Early, right? For little --

COMPTROLLER FRANCHOT: So they were scheduled for 5:30. It was over at Cabin John, I think.

MS. WILLARD: Mm-hmm.

COMPTROLLER FRANCHOT: And I got up and was driving Nick there and, you know, God knows what hour it actually was. And about halfway up he said, hey dad, did you set the clock for the daylight savings time?

MS. WILLARD: Oh no.

(Laughter.)

COMPTROLLER FRANCHOT: So, we ended up looking for a 24-hour diner. But thank you for your testimony.

MS. WILLARD: Of course.

COMPTROLLER FRANCHOT: Do you see, I think the Secretary mentioned something near and dear to my heart, which is that the congestion on the 270 and 495 results in a lot of cut through traffic --

MS. WILLARD: Absolutely.

COMPTROLLER FRANCHOT: -- through residential areas.

MS. WILLARD: Latent demand, as I learned today.

COMPTROLLER FRANCHOT: They are very frustrated, these commuters. They are roaring up and down residential streets.

MS. WILLARD: Yeah.

COMPTROLLER FRANCHOT: Speed bumps or no speed bumps.
And --

MS. WILLARD: It's become a lot more dangerous to ride bikes in the neighborhood for that reason.

COMPTROLLER FRANCHOT: Thank you.

MS. WILLARD: And then we live right on Connecticut and it's turned into, I've lived there for ten years but lived in the area for 30 years. And it's turned into more and more of a parking lot from that excess demand. So --

GOVERNOR HOGAN: Thank you very much.

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MS. WILLARD: -- thank you.

GOVERNOR HOGAN: Next we have Samuel Raker of the Suburban Maryland Transportation Alliance.

MR. RAKER: I don't say good morning, good afternoon, Governor.

GOVERNOR HOGAN: Good afternoon. It's afternoon.

MR. RAKER: Madam Treasurer, Mr. Comptroller. I've torn up, I've submitted three or four pages in writing. I'm not going to repeat my comments. Almost all of them were related by you, Mr. Governor, in your opening remarks. Every one of them was right on. I'm here to support going forward with the P3.

The only remark you didn't make that I was going to make, Mr. Slater just covered, about the latent demand. And we see that on all of the roads in the neighborhoods, Seven Locks Road, River Road, Falls Road.

My credentials for being here to urge you are these. My wife and I bought our home just very, very close, walking distance, to River Road and the Beltway 56 years ago. That's before the Beltway was built. Seven Locks Road was dirt and gravel at the time. Mr. Comptroller, you're a newcomer with only 40 years. I've seen enough changes having lived next to and still do by the Beltway for that length of time.

But another credential is in 2000 to 2002 I co-chaired the most extensive task force ever created in Montgomery County known as the Transportation, TPR, Transportation Policy Report. Remember that?

COMPTROLLER FRANCHOT: Mm-hmm.

MR. RAKER: We saw each other during those days. That report looked at every land use and transportation option for 50 years hence. Thirty-eight members representing every element of the community. It was very long, drawn out battles. The outcome of it was the ICC. That was the most contentious issue at the time. But I served as Co-Chair of that for the 192 meetings in that two-year period.

Another credential, immediately following that I met Mr. Flanagan, Robert Flanagan, when he became Secretary of Transportation and I worked as his special assistant for four years on community outreach for the Intercounty Connector.

GOVERNOR HOGAN: I'm sorry, Mr. Raker, but you're going to have to wrap it up. They are giving us the hook over here.

MR. RAKER: Fine. I'm ready to go. The last comment is, Mr. Elrich was a member of that very contentious task force. He was an obstructionist to us making progress every step along the way. I've followed his career since. And I don't think things have changed. You are facing all of the same issues that we faced on getting the Intercounty Connector built.

TREASURER KOPP: Let me only point out that a majority of the voters seem to have gone with Mr. Elrich this year, hm?

MR. RAKER: I can understand that.

GOVERNOR HOGAN: The majority of them disagree with him on this issue.

TREASURER KOPP: All I'm saying is that he's simply not only being an obstructionist.

GOVERNOR HOGAN: Thank you very much.

MR. RAKER: And I agree with that. Thank you.

GOVERNOR HOGAN: Thank you. Ed Amatetti, the Montgomery County Taxpayers League.

MR. AMATETTI: Hey, how are you? It's good to be here. As President of MCTL I would like to convey our support for the P3 designation and for expediting things going forward. The acute traffic congestion in Montgomery County and suburban Maryland is all day and all night. It's Saturday evenings, it's Sunday afternoon, and if road use stayed the same going forward 50 years it's still a worthwhile project to do. We're way past the point of time efficient and fuel efficient and even environmentally optimal traffic right now.

It is hurting MC economically. We've gone ten years with zero private sector job growth in a row. Clarksburg residents I personally know have taken substantial pay cuts in order to not commute to Northern Virginia or

wherever they needed to go. As candidate for County Council I would door knock in upper county on nights as late as 7:00 to 8:30 at night to catch people coming into their driveway from work, long after their dinners have gotten cold and their kids have gone to sleep. And that's why we need to move forward.

We also believe, MCTL, that the expediency and the cost further obliges us to allow P3 solicitation to proceed concurrently with the environmental impact study. And it should be noted that there have been quantified benefits in cities such as Atlanta that moved expeditiously in the same fashion in terms of significant fuel consumption and due to average speeds and less idling on the highways. I don't know if this is factored into environmental studies, but it needs to be done.

GOVERNOR HOGAN: Ed, I'm sorry. We're going to have to --

MR. AMATETTI: And thank you very much.

GOVERNOR HOGAN: -- ask you to wrap it up. But thank you so much for being here.

MR. AMATETTI: I appreciate it.

GOVERNOR HOGAN: Next we have Greg Andricos or Andricos. Sorry if I screwed up your name there, Ed, Greg. I screwed up the first name, now.

MR. ANDRICOS: I'm Greg Andricos. I'm the Chairman --

GOVERNOR HOGAN: Andricos. I got it right the second time.

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MR. ANDRICOS: Yeah, we got it. I'm the Chairman of the Maryland Transportation Builders Association. I'm also President of Wagman Heavy Civil, a fourth-generation construction company. Wagman participated in ICC contracts A and B. We recently led the successful dualization of Maryland 404. And we're currently --

GOVERNOR HOGAN: Great job.

MR. ANDRICOS: Thank you. It was a tough challenge.

GOVERNOR HOGAN: Way ahead of schedule, on budget.

MR. ANDRICOS: Yeah, it was a tough one. Yeah, it was a tough challenge and there was a lot of safety, you know, that was a safety program. Big safety improvements, from getting the traffic separated and moving consistently, right?

GOVERNOR HOGAN: I mean, people just absolutely, it's transformed the Eastern Shore. People love it.

MR. ANDRICOS: Yep. So also Wagman is doing \$250 million of infrastructure projects in Maryland right now for MDTA, Baltimore City, and Maryland State Highway, including the Watkins Mill interchange. Okay? So, the P3 proposal to alleviate the horrific congestion on I-495 and I-270 is the best solution available. Okay, Georgia and the City of Atlanta was just mentioned, recently implemented express toll lanes in their most congested areas. Since the lanes opened, rush hour speeds on the highway doubled from 20 miles an hour to

40 miles an hour and rush hour commutes decreased by an hour. Maryland residents, including those in the Republic of Tacoma Park, could really use those extra two hours per day to spend with their families and to keep their Maryland businesses growing. Thank you.

GOVERNOR HOGAN: Thank you. Marilyn Balcome, the Gaithersburg-Germantown Chamber of Commerce. Hopefully I got your name right, Marilyn. Balcome?

MS. BALCOME: It's Balcome, yes.

GOVERNOR HOGAN: Balcome, thank you.

MS. BALCOME: For the record, my name is Marilyn Balcome. I'm the President and CEO of the Gaithersburg-Germantown Chamber of Commerce and a 25-year resident of the I-270 corridor. The Chamber supports the designation of the 495 and 270 project as a P3.

I want to focus my remarks on what I know best, and that's the I-270 portion. Unlike most people in the room, I live this every day. I live in Germantown and I work in Gaithersburg and most of my 430 members are based along the I-270 corridor. Increased traffic capacity along this corridor has been our top priority for a very long time. The 495 and 270 P3 Program is the first real opportunity to address the significant congestion along I-270 and this cannot be done without private investment.

We wholeheartedly agree with the Montgomery County Executive and the County Council on a number of issues. The Bridge is absolutely the most important concern. It should be done first. The project should be along the entire I-270 corridor and we anxiously await phase two of this project. There should be transit involved every step of the way on the project, and it absolutely should be in coordination with local jurisdictions. Where we differ is that it should happen now. My community is suffering now, and we need your support now, and so we appreciate and hope that you support the designation of the P3 today. Thank you.

TREASURER KOPP: But you see what you just proposed, Marilyn, is not what's being proposed right now.

MS. BALCOME: Well I, so my feeling about that is that I trust that the Board of Works will move forward in communication with the local jurisdictions. I understand that there's been great concern about the level of engagement with the local community. And I would hope moving forward that that changes and I would trust that you would help make that happen.

GOVERNOR HOGAN: Thank you very much. Next, we have Bob Buchanan from the 2030 Group. Hello, Bob.

MR. BUCHANAN: Governor, Madam Treasurer, Mr. Comptroller, I want to emphasize economic development. 2030 Group is a group of regional business leaders in Maryland, Virginia, and the District and we want and need infrastructure initiatives like this if we're going to have the economic

development to sustain our economy. And I must say, I'm proud that you initiated this, Governor, because it's been too long coming. And it isn't at the expense of transit.

I served on the executive steering committee for the bus transformation system. The bus ridership will never get to where it has to be without increased capacity, which this initiative provides. So last, please, without economic development all these great ideas and quality of life issues don't get paid for. We have to stick to the basics. This is sorely needed. It's sorely needed. As Chair of Montgomery County Economic Development Corp. I can tell you we desperately need to turn around the job growth migration away from Montgomery because of the traffic congestion. Thank you.

GOVERNOR HOGAN: Thank you very much. Tim Butera, or Butera, Conference of Minority Transportation Officials.

MR. BUTERA: Yes. Good afternoon, Governor Hogan, Comptroller Franchot, Treasurer Kopp. For the record, Tim Butera, representing the Board of Directors and CEO Brad Mims of COMTO. COMTO formed in 1971 at Howard University by the late Reverend Jerry Moore. COMTO is the Conference of Minority Transportation Officials, comprising over 30 chapters nationwide, one here in Maryland. COMTO members are individuals and agencies at all levels of government, private sector, including historically underutilized businesses and nonprofit organizations. COMTO believes in

advancing balanced innovative transportation strategies coupled with strong measures to ensure diversity, equity, and inclusion and the accomplishment of these strategies. Administrator Slater alluded to, as Missouri DOT Director, now MDOT Secretary Pete Rahn, partnered with COMTO to ensure that major transportation infrastructure projects in Missouri were advanced in a way to maximize opportunities congruent with COMTO's mission. This partnership has been reconstituted around the Maryland Traffic Relief Plan and improved to meet the needs of the TRP in our great State. As such, we believe that MDOT will hold true to our shared values in the execution of the program.

COMTO believes that a program of this scope offers really almost a once in a lifetime opportunity for individuals, small and disadvantaged businesses, and organizations to gain a foothold in what will be the transformative sector of the century.

GOVERNOR HOGAN: Tim, I'm going to ask you to try to --

MR. BUTERA: By all means. I'm in my last home stretch here. So, what we're talking about is construction apprenticeships, on the job training, planning jobs, engineering jobs, project management jobs. This is about jobs for COMTO and family sustaining good paying jobs in transportation. So, for those reasons, we support the adoption of the P3 designation and the acceptance of this solicitation.

GOVERNOR HOGAN: Thank you.

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MR. BUTERA: Thank you.

GOVERNOR HOGAN: Next Christopher Costello. Christopher Costello?

MR. COSTELLO: Good afternoon, Governor --

GOVERNOR HOGAN: Good afternoon.

MR. COSTELLO: -- Comptroller, Madam Treasurer, and my name is Chris Costello. I represent the American Council of Engineering Companies in Maryland, which is an association representing 70 firms with 7,000 employees throughout Maryland. We're here to support this P3 proposal. We see it as a very necessary focus on improving the transportation and a way of improving and reducing the congestion. As you'll infer, we submitted a letter which goes into this in more detail. I won't go into it. You've heard a lot of very good testimony and very good comments. And I'd be more than happy to take any questions.

GOVERNOR HOGAN: Thank you very much. I appreciate you being here.

MR. COSTELLO: Thank you.

GOVERNOR HOGAN: Next up we have Wes Guckert of the Traffic Group.

TREASURER KOPP: While Mr. Guckert is coming up, can I just ask Sheila, several people have mentioned written testimony. Do we have all that?

SECRETARY MCDONALD: It has all been provided to your office, everything that came in from somebody who said they had --

TREASURER KOPP: So that's in all the stuff we have?

SECRETARY MCDONALD: It's in the record and it has been given to your office.

GOVERNOR HOGAN: Yep. Good afternoon.

MR. GUCKERT: Good afternoon. Thank you, everyone. For the record, Wes Guckert, President of the Traffic Group, Inc., a firm of traffic engineers and transportation planners for the last 40-plus years.

You know, it's real important to listen to, and obviously you are, to everything that's being said. But in Northern Virginia and on the east side of I-95 in Baltimore County, the changes have been dramatic with the P3 lanes, with the toll lanes. Dramatic positive for those that are using the toll lanes and dramatic positive for those that are in the free or the general purpose lanes. And we need to make sure that we don't lose sight of that fact, especially as it relates to travel time delays and of course the environment as well.

We also want to be careful to think about induced demand because while there are projects where roads are being added and induced demand actually

occurs, when you think about I-270 as an example, there are really not really good parallel routes such as Maryland 355. It will pull traffic off of Maryland 355. It will make that road better as well. And that same thing holds true on other roads around the Beltway.

We need to be very cautious to think about transit. We quite frankly have a hard time paying and taking care of the Metro system. It's a system that really does not service the people that are around the Beltway. We certainly are not going to be expanding the Red Line up to Frederick at a cost of \$500 million to \$1 billion a mile. So, this is the kind of project that I think is very worthwhile for the region and I thank you for your time.

GOVERNOR HOGAN: Thank you very much. Next up we have Babur Mian, Concrete General.

MR. MIAN: Good afternoon, Governor, ladies and gentlemen. I'm Babur Mian, President and CEO of Terra Site Constructors. We are a DBE, MBE and SBE firm. Terra has been working on projects in Maryland since 2013, focusing primarily on infrastructure projects including the Purple Line, working on retaining walls, large walls and barriers, and (indiscernible).

We currently have 75 employees and one of them does commute from Clarksburg to Loudoun, Virginia, spending about four to five hours a day commuting on 270 and 495.

Maryland drivers spend about 82 hours sitting in traffic in the D.C. Metro area. Congestion is costing our local economy \$1.3 billion in added costs per year. It hurts businesses, especially companies like mine that have to get to various work sites at all times of the day. Congestion drives up the cost of doing business and the taxpayers and residents end up footing the bill.

The I-270 and I-495 corridor is one of the most dreaded highways for commuters in Maryland. Traffic alleviation has been studied to death and the only option is to expand these stretches to handle more volume. Most importantly, these proposals for expansion have proven to work. I ask you for the P3 designation.

GOVERNOR HOGAN: Thank you. Next up we have James Hand. Good afternoon.

MR. HAND: Good afternoon. Thank you, guys. Hello, my name is James Hand. I'm representing Concrete General. Concrete General is a leading heavy highway civil construction company --

GOVERNOR HOGAN: I'm sorry, I got you guys mixed up. I apologize.

MR. HAND: It's okay. Construction company, and we're in Gaithersburg, Maryland. We're local, we're the guys down the street. We have projects in Ocean City all the way out to Garrett County. We live and breathe in this traffic.

I'm here for you to approve the proposed public-private partnership. It is a necessity. A project of this magnitude would cause significant hardship on the public funding by the State. On the other hand, the private sector is willing and waiting to step up to fund this program.

We all know that traffic is bad. We live and breathe it. MDOT and SHA are doing their work. They are doing their studies. They are working hard. And this project, this proposed project is exactly what we need to elevate traffic in the D.C. Metro area. And my employees are stuck in traffic all the time. This program, this process will help them get home to their families quicker and faster and their quality of life will be greatly improved. Thank you for your time.

GOVERNOR HOGAN: Thank you. Peter Henry, Watkins Mill Town Center and the Germantown Center.

MR. HENRY: Hi, how are you? How are you? Pete Henry. I'm the owner, or co-owner of the Germantown Town Center, co-owner of the Watkins Mill Town Center. Those are all multimodal projects with MARC (indiscernible), CCT, and other things integrated into them.

I'm here to tell you that the employment corridor, the jobs corridor, I-270, we're having a terrible time with because the transportation issue has risen to a point where employers are moving jobs from Montgomery County in particular, our base, to Virginia. We face this on a daily basis. As has already

been testified by Mr. Buchanan, jobs are the core of what is going to drive the State forward.

Simply put, we have to get, we need this continued prosperity to be able to drive meaningful new transportation improvements and we need those transportation improvements to retain the jobs.

Let it be known, we're not anti-transit. As I mentioned, we have both, both stations have CCTs. So, we're big believers in that, whether it's a monorail or a rapid transit. Both of them have park and ride facilities, which are included. One of them has a MARC rail station. One of them is on the 355 rapid bus routes that the county is proposing. We're cooperating and working with them the same as everybody else is to help solve these problems. We also have the Upcounty Germantown Transit Station with a ride on one of the busiest in the routes.

We know there is no silver bullet and all of these pieces are going to need to come together to solve the problems that we're facing. But I personally watched more than 2 million square feet of employers move out of our area to Virginia. It should not happen. We should not be allowing it to happen. Thank you. Leadership is about looking forward. I was touched by your reference to D-Day. I thought it was right on point. D-Day took planning. You're not going to have all the solutions in the beginning, but you have to be prepared for when the day comes. This is the opportunity to do it. As my grandfather used to talk to me

about a Chinese proverb which is one generation plants the tree the next generation gets to shake. It is time that we plant some of these trees. Thank you.

GOVERNOR HOGAN: Thank you, Pete. Michael Sakata, Maryland Transportation Builders and Materials Association.

MR. SAKATA: Thank you for having me. First of all, I'll be brief. Michael Sakata, head of Maryland Transportation Builders and Materials Association. MTBMA represents 21,000 workers and business owners in the transportation and construction industry and we are ready, willing, able, and eager to help alleviate the strain on Maryland drivers.

The proposed P3 represents over 100,000 jobs, we've heard a lot about today, and billions of dollars for Maryland businesses. Beyond the economic impact, the project is an absolute necessity. The travel around I-495 and the 270 corridor is abysmal and must be corrected.

This project represents the beginning of what could be an incredibly fruitful partnership between the public and private sectors in creating massive job growth and solving problems that the State simply can't afford to solve on its own. MTBMA members stand ready to supply the workforce and materials necessary to get Marylanders moving. So, we obviously urge you to approve this. And quite frankly, and I'll end it with this, this is a job creator, you know, at the end of the day. Thank you, sir.

GOVERNOR HOGAN: Thank you. Ellen Silverstein, Clarksburg Chamber of Commerce.

MS. SILVERSTEIN: Good afternoon.

GOVERNOR HOGAN: Good afternoon.

MS. SILVERSTEIN: Ellen Silverstein. I'm a CPA located in the upper county part of Montgomery County. I've been a lifelong resident there my whole life, grown up, worked, and now have my own business in Clarksburg. So, I'm also the Treasurer of the Clarksburg Chamber of Commerce and on behalf of the active membership organization, I'm representing the burgeoning businesses of the up county's portion in Montgomery County. I'm here today to support the public-private partnership as proposed by the Department of Transportation and the State Highway Administration.

Residents and businesses in Clarksburg and its surrounds have been struggling for years as a result of the neglect by elected officials to provide us with the promised quality of life characterized by transportation options. Until now there has been little hope that our plight will be recognized or improved. Accordingly, our community is strongly supportive of the traffic relief plan and the public-private partnership that has been crafted to implement a pathway towards relief.

To go anywhere in the county requires a vehicle. Road capacity has not kept up with the allowed growth of population, as evidenced by the new

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homes, neighborhoods, and the Clarksburg Premium Outlets. And I appreciate the opportunity to speak before you today. Thank you.

GOVERNOR HOGAN: Thank you very much. Next, we have Aaron Tomarchio from Trade Point Atlantic.

MR. TOMARCHIO: Good morning, distinguished members of the Board. I'm Aaron Tomarchio --

GOVERNOR HOGAN: Aaron, I think it's afternoon now.

(Laughter.)

MR. TOMARCHIO: Wishful thinking, right Governor? We're the owner, manager, and developer of the 3,300-acre former home of Bethlehem Steel in Sparrows Point, Baltimore County, Maryland. It is often quoted that economies travel on infrastructure. This is indeed very true. Sparrows Point is being transformed into a global center for logistics and commerce. TPA supports the public-private partnership in helping relieve traffic congestion along some of the State's busiest and most congested interstates.

Why is a Baltimore based project talking about a D.C. Metro transportation plan? There is a direct link to Baltimore's growing supply chain industry fed by the robust Port of Baltimore and the D.C. Metro consumer market. As an emerging center for global trade, we are finding that Baltimore is strategically positioned in a rapidly expanding, direct to customer, regional supply

chain that feeds the greater D.C. market. This market is heavily served by I-495 and I-270.

When we think of traffic congestion, we all think of commuters in cars. There is another element to our economy that also travels these interstates and is perhaps even more sensitive to traffic flow, and that's industrial freight. With the growth of on demand direct to customer supply chains, regional transportation networks often serve as critical links and reliable flow for goods between markets. For us, that is the Baltimore-Washington transportation corridor. Traffic congestion and the gridlock has direct impact on the Baltimore supply chain and the economy and the Port of Baltimore. Lost productivity due to traffic congestion and delays means increased transportation cost and loss of efficiency. Loss of efficiency will drive business to invest in new facilities in less congested markets and increased transportation costs ultimately reflect higher prices of goods that your constituents pay.

Whether it's finished products or raw materials used elsewhere, upstream as part of the manufacturing process, these products require a stable transportation network as part of the supply chain.

We support MDOT's P3 initiative to help relieve traffic congestion. It's timely. It's important. It's a real plan that can be put in place now to help relieve traffic congestion and help keep our economy moving forward. Thank you.

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GOVERNOR HOGAN: Thank you very much. John Townsend from AAA of the Mid-Atlantic.

MR. TOWNSEND: Good afternoon.

GOVERNOR HOGAN: Good afternoon.

MR. TOWNSEND: AAA supports this project and asks for it to be included into the designation. Let me just say this. We represent almost a million members in the State of Maryland. And those of us who live, move, and have our being in Maryland know how bad the gridlock is. 155 hours a year we're stuck in traffic at a cost of \$2,100 individually. That is unconscionable.

This project will alleviate that. This is not a silver bullet, but it is a major game changer. It is a game changer. Let me underscore that. And any of us who live in the Washington Metro area and have driven on the express lanes on the Beltway in Northern Virginia and on 95 know this, and 51 percent of us have. And we know that considerable savings of time, for example on the express lanes on 95, the average saving for a person on a one-way commute is 17 minutes, 17.5 minutes per trip. That's a savings of three hours a week if you're using it.

Let me say this. There's been a lot of conflation about the express lanes on 66 inside the Beltway and those two projects. They are not the same projects, as the Governor has been saying all day. You will never, ever see \$40 tolls on those roadways. That is an outrageous distortion of the facts. The

average toll on the 495 express lanes is \$5.40. The average toll on the 95 express lanes, and that's going almost 40 miles, is \$8.45.

But here's the rub, the average one of us, especially those of us who live in Prince George's County who are worried about the price, would never have to pay to use the lanes because the free lanes will stay the same. Stop distorting this. Stop the distortion. Tell the truth. And the truth is this is the biggest game changer in Maryland's history or since the Beltway was built back in the 1950s and 60s. Thank you.

GOVERNOR HOGAN: Thank you very much. Emmett Tydings from AB&T Telecom.

MR. TYDINGS: Good afternoon. Thank you for allowing me the privilege, giving me the privilege to speak today. As mentioned, my name is Emmett Tydings. I'm a Maryland small tech business owner. My business is in Howard County. It used to be in Gaithersburg. I moved it there for a reason, transportation. I'm a 62-year resident of Montgomery County and I'm serving my 17th year on the Citizens Advisory Committee to the Transportation Planning Board and COG. I was one of only two citizens that were not elected officials or government department heads to work on the long-range planning task force along with Neil Harris here, and that is where the managed lanes are included in the Visualize 2045 Plan.

As a small tech business owner -- let me digress quickly, I'm also a product of D-Day parents. My Mom served donuts on a coffee truck at the front line. That's where she met my Dad, Lieutenant Colonel Tydings, in World War II. As a small tech business owner driving to customers throughout the entire D.C. and Baltimore Metro region for 37 years, few people know the problems of the big picture transportation problems in the region from the user perspective that I do. I'm here to report there are roads that are clogged and to urge our lawmakers to provide the means for more capacity of both transit and roads and to specifically support the Governor's highway plan. As part of my testimony I submitted a copy of my opinion that ran in Maryland Matters yesterday.

The Hogan plan is an economic plan for the State of Maryland. The inability of some of our elected officials to reconcile partisan anti-road politics with the need to stimulate and grow our economy is a great disservice to our region. I've submitted also a bullet list of facts dispelling some of the misinformation, but I just want to mention one, and that's for the 2045 plan there is 1.5 million people coming. That's 1.1 million jobs, that 648,000 households. And we need to address that with real solutions. Thank you very much.

GOVERNOR HOGAN: Thank you very much. Our last speaker is Stephen Ward from Aggregate Industries.

MR. WARD: Good afternoon. My name is Stephen Ward and I am the General Manager for the Aggregate Division of Aggregate Industries Mid-

Atlantic. Aggregate Industries is a leading producer of construction materials, which includes sand and gravel, crushed stone, ready mixed concrete, hot mix asphalt, and recycled materials. We are headquartered in Greenbelt, Maryland and we have 500 direct employees. But we also use hundreds of contractors and consultants who we work with on a regular basis.

We have supplied materials for many of the major road and construction projects in the Metropolitan region, including the Intercounty Connector, the currently under construction Watkins Mill Bridge project, and the Purple Line.

Beyond the reduction in waste of time, moving traffic will have a significant impact on the environment and on residents' wallets. The toll lanes in Atlanta are expected to save drivers nearly 2.9 billion gallons of fuel per year that would have been spent idling in congested traffic. The potential for reduction in carbon emissions cannot be overstated.

In addition to the environmental benefits, the project is expected to create between 117,000 and 140,000 new jobs throughout the life of the project. MDOT has already planned a robust inclusion requirement and the State can ensure that the work is done by Marylanders. These jobs are high paying. We urge you to approve the proposed P3 for the I-270 and I-495 corridor.

GOVERNOR HOGAN: Thank you very much.

MR. WARD: Thank you.

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GOVERNOR HOGAN: Ladies and gentlemen, we're going to take just a five-minute break before we finish this up. We appreciate your patience.

(Short recess taken.)

GOVERNOR HOGAN: Well thank you all very much. First of all, I just want to thank all of the people who came out to testify today. We truly appreciate your input. I not only want to thank the people who came out to support our plan, but I truly appreciate all of the folks who came out who gave us good input, who expressed concerns, and who offered some interesting ideas and alternatives. We appreciate all of you being here.

This traffic relief plan has been proposed as a long term three-phase plan, and this hearing today is about whether we approve the big picture designation of the P3 so we can move forward and do all of the remaining studies and to get the remaining input, do the environmental studies, and make the final determinations before we come back before this Board with three different plans that would then be approved. So, there is still plenty of time to take into consideration much of the, to address many more of the concerns that we didn't get a chance to address today, to take more input from folks that have things that they want to talk about. But we're going to try to move forward today.

This thing has been always thought of as three different phases. One phase would alleviate the traffic congestion on 495, the Capital Beltway, from the Potomac River all the way through Montgomery County to I-95 in

Northern Prince George's County. Another phase is the congestion relief and increased capacity, all the capacity improvements, to I-270. And a third phase would be the improvements to the Beltway in Prince George's County, south all the way to the Woodrow Wilson Bridge.

All of the numerous studies to date and all of the data have clearly shown that all three of these phases are critically needed. And our intention is to eventually complete all three of these phases. But again, it's a long-term process.

An argument has been made that phase one should address the area that is experiencing the worse of the traffic congestion, which would mean the improvements to the Beltway in Montgomery County, including the American Legion Bridge. However, this phase has generated the most concerns from citizens and the strongest opposition from local Montgomery County elected officials, who have asked us to delay these much-needed improvements.

TREASURER KOPP: The Bridge?

GOVERNOR HOGAN: Reluctantly --

TREASURER KOPP: I thought so.

GOVERNOR HOGAN: -- we will agree to that delay and we will instead move forward with the improvements to I-270 as phase one. And this will allow even more time for us to work together with the local leaders in Montgomery County to get more input from citizens and have more collaboration,

more study, and more debate. In fact, it may give us a couple of years more as we move forward with phase one.

But this will also give, in my opinion and all the polls which show the overwhelming majority of citizens in Montgomery County, the hundreds of thousands of commuters who are tired of sitting in that traffic, more time to convince their local leaders that they would like to see these improvements move forward at some point and that they will get the relief from the traffic congestion that they desperately want.

Now the Prince George's County Council and Congressman Anthony Brown have expressed fairly vocal strong opposition to traffic relief for Prince George's County. So, in deference to them, we will move that portion to the third and final phase. Which could perhaps be done at some potential time in the future.

The NEPA process and the environmental studies for the entire plan can continue to proceed on all three phases. And that way if and when the citizens and their local leaders decide that they do want to move forward with traffic relief, they will not have to experience another decade or decades of delay.

This transformative project that we're voting on today is about finally taking the first step to move forward and to finally take action on an issue that unfortunately elected officials have literally ignored for decades. And it will

result in less traffic, more peace of mind, cleaner air, and a much better quality of life for hundreds of thousands of Marylanders for decades to come.

So I'd like to make a motion that we amend the Board of Public Works approval for this item to require the traffic relief program to begin with 270 as phase one, which will delay the Montgomery County Beltway portion to phase two, and which will move the Prince George's County Beltway improvements to the potential last and final phase. And that will be my motion. Is there any discussion?

TREASURER KOPP: Yes.

COMPTROLLER FRANCHOT: I would like to second that motion and just remind people when the County Executive of Montgomery County called me at a God awful early hour this morning, I obviously just listened to what he had to say and most of what he said was exactly what the Governor has just articulated. Can't you do 270 and the American Legion Bridge first? Because that's the one that we all agree on. Well now I'm thinking divine intervention, something just came down and landed right here on the desk, which is an absolute game changing amendment by the Governor to this proposal. And I, you know, frankly applaud you, Governor Hogan, for coming up and listening to folks in Montgomery County and Prince George's County and moving this project forward. So, I don't know --

GOVERNOR HOGAN: There's a little bit of a difference in that, I mean, the phases are already set. One phase is the Beltway in Montgomery County. The Bridge is on the Beltway. The second phase is 270. The third phase is the Beltway in Prince George's County. They are trying to make part of one phase and part of another phase and put them together. That would require going back and reinventing the process. But my proposal is to move forward on I-270 and then work out the agreements with the county on moving forward on the Beltway portion.

COMPTROLLER FRANCHOT: I have a couple of other amendments that I'd like to add to your amendment, if I could, because I think it's --

TREASURER KOPP: Could we just, I'm sorry, I'm having a little trouble --

GOVERNOR HOGAN: The phases will remain exactly as they have always been in the proposal. We're just switching the order --

TREASURER KOPP: Just tell me if it's the Bridge and 270 --

GOVERNOR HOGAN: -- from one to --

TREASURER KOPP: -- or 270 without the Bridge?

GOVERNOR HOGAN: No. The current proposal was to be the Bridge and 495. That is now being moved and we've moving forward --

TREASURER KOPP: So, you're not doing anything about American Legion Bridge but --

GOVERNOR HOGAN: It is not part of --

TREASURER KOPP: -- you are widening 270?

GOVERNOR HOGAN: It was part of phase one.

TREASURER KOPP: Okay.

GOVERNOR HOGAN: It is now going to be part of phase two. You can't cut the two phases in half and paste them back together.

COMPTROLLER FRANCHOT: Okay. So, let me just suggest once again this is a game changer because all of the things that everyone has been talking about and I happen to not be a vegetarian or a carnivore. I am an omnivore as part of relieving congestion in our area. This I think opens up a very collaborative approach to actually making progress on something that has lingered out there for years. So, I want to join --

GOVERNOR HOGAN: And let me, let me just interrupt for a second. I'm still for moving forward with phase one and two. If the Montgomery County local officials change their mind, I'm ready to move forward on both.

COMPTROLLER FRANCHOT: As am I. But I think we can all move forward together with this groundbreaking amendment, which allows all of us to get what we think will really add up to a solution. And the agony that

thousands of commuters experience I believe are going to be immediately addressed in the sense of proper planning moving forward.

I have as the Chief Fiscal Officer of the State and a member of the Board, I think it's important that something this big, regardless of the timing, receive the proper review and scrutiny it deserves, both positive and negative. And I think it affects our State's fiscal situation as well as our residents' quality of life.

But I would like to add my second to the Governor's amendment. I would like to add four other small provisions, if I could. Number one is that no acquisitions of property related to this project will take place prior to the Board of Public Works reviewing and voting up or down on the final P3 agreement following the competitive procurement process. Mr. Secretary, I just want to get an approval that that's the case.

GOVERNOR HOGAN: I'll accept that.

COMPTROLLER FRANCHOT: Thank you, Governor. Secondly, to effectively address the traffic congestion that paralyzes the area, the entire region, obviously we need something that is multimodal and a comprehensive solution, both roads and expanded transit options. Mr. Secretary, I assume that you could commit to the fact that the RFP will contain a provision permitting mass transit bus access on the managed toll lanes? Does everybody understand how important that is? Yeah.

GOVERNOR HOGAN: Sounds good.

COMPTROLLER FRANCHOT: Without tolls.

GOVERNOR HOGAN: Make that part of the motion.

SECRETARY MCDONALD: I'm sorry --

COMPTROLLER FRANCHOT: This is an important addition here because we want to get these mass transit, we want to promote commuter travel on mass transit buses.

TREASURER KOPP: I think the Secretary actually offered that some time ago.

GOVERNOR HOGAN: We're making it into part of the motion. He's amending my motion so I'll accept that --

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR HOGAN: -- amendment to the motion.

COMPTROLLER FRANCHOT: Okay. In addition, we are obviously interested in partnering with the local communities, specifically Prince George's and Montgomery County. Looking at transit and traffic congestion challenges, obviously we want transit related alternatives and solutions where appropriate to move forward, given the population increase. And Mr. Secretary, I'd ask for your commitment that at least ten percent of all State net toll proceeds, once the private developer has been reimbursed for their construction costs, go to Montgomery County and Prince George's County for regional transit services.

GOVERNOR HOGAN: I would say rather than asking for the Secretary's word on it --

COMPTROLLER FRANCHOT: Well, I'll make the motion. How about you, Governor?

GOVERNOR HOGAN: -- I think we should make that a part. It's an amendment, which I'll second all three of your amendments so far. Transit has always been a big part of our effort, as I mentioned before. No Governor has ever supported transit the way I have. And we'll accept that and second that amendment to my motion.

COMPTROLLER FRANCHOT: Thank you. And then finally, monorail was mentioned. A major article in the *Washington Post* recently giving some vapor trail credibility to a concept that I had not really realized was out there. It's something that a lot of professional transit people kind of look down their nose at as kind of a tourist attraction mode of transportation. But nonetheless, the Post had that major article and I think it should be an interesting idea that we should take a look at. And Governor, if you would let me amend this by mandating that there be a feasibility study of a monorail from Shady Grove up to Frederick as a possible opportunity for either P3 or State support, that would be something that I think the Legislature would be open to. I see Chairman Barve of the committee downstairs wants to hold a hearing on the issue. I think it's an idea worth exploring, no idea whether it's practical. But if you, Governor Hogan,

would allow MDOT resources to conduct a feasibility study, I'd like to make that motion also.

GOVERNOR HOGAN: I like the way you said you're not sure if there's a vapor trail of credibility.

(Laughter.)

COMPTROLLER FRANCHOT: I was thinking of the Simpsons -

-

GOVERNOR HOGAN: And what did you say --

COMPTROLLER FRANCHOT: -- and Springville or whatever --

GOVERNOR HOGAN: -- what did you say, amusement by, I mean, I love Disney World. Look, I don't know if there's credibility or not and I don't want to, I don't know what's involved, how deep of a study we're going to do. I think it's worth considering the idea. I'm willing to say we're willing to do an initial feasibility study and consider that with the Legislature to see if it makes any sense.

COMPTROLLER FRANCHOT: Excellent. And that's all I ask for. And --

TREASURER KOPP: What's happening with the corridor, since we're throwing little things in on the (indiscernible), the corridor city transit?

COMPTROLLER FRANCHOT: Well that --

TREASURER KOPP: Sure.

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COMPTROLLER FRANCHOT: -- go ahead. But I'm going to make those motions --

TREASURER KOPP: Throw it in.

GOVERNOR HOGAN: Let's finish this and then we'll ask if --

COMPTROLLER FRANCHOT: -- and hope that they will be incorporated and I particularly want the monorail study to include monorail solutions outside of the country. Because in the U.S., obviously as the Governor said, they have been, they have been utilized mostly in a very tourist attraction type way. I'm thinking about what's been done around the world, if they exist. And --

MR. RAHN: I will hunt all over the world for those.

COMPTROLLER FRANCHOT: Thank you.

(Laughter.)

GOVERNOR HOGAN: I'll just say I don't believe this is a conflict of interest but when I was 16, I actually operated a monorail at an amusement park. So, I have some experience in this regard.

COMPTROLLER FRANCHOT: But with those four amendments, I would be happy to move forward on this. I think on the environment safeguards we have to state that we're going to be closely scrutinizing everything that is brought back to the Board. I just reiterate that it's critical --

TREASURER KOPP: -- working with the Maryland Climate Change Commission.

COMPTROLLER FRANCHOT: Sure. And you know, a lot of people have very strong feelings. They have said things that have hurt people's feelings. It goes back and forth. I urge everybody to just take the opportunity here with this amended proposal and I think the Governor's amendment is the lead improvement that is being done right here. And I applaud you for that, Governor Hogan. I think it's a chance for all of us to do what's been overdue for a long time, which is come up with the best solutions and thank you MDOT for agreeing to my amendments and thank you, Governor Hogan, or Governor Hogan, thank you for proposing the main amendment, which I think will resolve a lot of the concerns. Because well it's, as I said, I think it's a huge response to the, a lot of the individual concerns that have been made by folks that are opposed to this currently. And I personally will review any contract award that MDOT brings forth to ensure that the critical benchmarks of fiscal responsibility, environmental safeguards, and ability most of all to deliver traffic solutions. Administrator Slater, thank you for your testimony. And Mr. Secretary, you probably are not happy with all the things I mentioned. But that's okay because this is going to be done --

GOVERNOR HOGAN: He's not happy with all the things I mentioned.

(Laughter.)

COMPTROLLER FRANCHOT: But it's going to happen now, I believe, in a very forthright way. And I can't imagine the private sector not being intensely interested in this. Because I think a lot of the opposition from the local jurisdictions will begin to be mollified by both the consultation but also the changes that we're making today. And better days are ahead for the State of Maryland. Governor, thank you again for your leadership.

TREASURER KOPP: Governor, could I ask once again, just to clarify, whether you are talking about the American Legion Bridge phase plus all of the 270 phases as one?

GOVERNOR HOGAN: No.

TREASURER KOPP: Okay, no.

GOVERNOR HOGAN: The phases --

TREASURER KOPP: What are we talking about?

GOVERNOR HOGAN: -- have not ever changed. They cannot change at this point. Phase one was always the Beltway. The American Legion Bridge is on the Beltway. We have been, all of the opposition has been to the Beltway.

TREASURER KOPP: No, sir. That's not right. The county has said for a long --

GOVERNOR HOGAN: Most of the --

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TREASURER KOPP: -- time --

GOVERNOR HOGAN: I understand they have lots of ideas. Their main opposition was to the Beltway in Montgomery County.

TREASURER KOPP: No, sir. That's not right.

GOVERNOR HOGAN: Okay. Well the motion is that we're going to move forward on 270 instead of the northern portion of the Beltway where people were concerned about the 34 houses and the takings and all of that stuff. That's where almost all of the concern came from. My original proposal was to the very first thing was to start on the northern portion in the Bridge and the Beltway. And we're responding to a lot of the concerns by saying more people like the 270 rather than the Beltway.

So there's a motion on the floor.

TREASURER KOPP: Okay. Let me just explain my vote --

GOVERNOR HOGAN: It's been seconded. There have been -- let me just put the motion on the floor.

TREASURER KOPP: Sorry.

GOVERNOR HOGAN: There's a motion on the floor that's been seconded by the Comptroller. The Comptroller has proposed four amendments to that motion, which I have seconded. And now we're going to call the vote. And you can explain your vote.

TREASURER KOPP: Yes. I'd like to. Let me say I appreciate very much the proposals that you've made. I mean, clearly we're now talking and I think that's a great step forward. And I do appreciate the input of all the people who are for the original item. I'm a little troubled that I don't see the item. I find it difficult to vote on one that I haven't seen. But both to those who supported the original item and those who did not.

I think we have heard a consensus, a unanimous in fact feeling that something must be done about improving the transportation of people and goods in the area. There's no question about that. I've been accused of loving congestion. I don't love congestion. I drive on the Beltway or 270 about six days out of seven and have for about 40 years. I understand the issue. I truly do. But I have been concerned all along about this huge project and voting on it without being able to see any of the background numbers of the traffic and revenue numbers or the origin and destination numbers, of the numbers that go behind the statements that it's going to improve the environment and not degrade it. I just think there's a lot of discussion and transparency that would benefit us all in the long run.

In terms of, and I agree that the greatest concern has been about the discussion about the Beltway east of the 270 spur. I'm not quite sure I still understand what the proposal is, a proposal to include 270 from the north, from Frederick, down over the Bridge and then the spurs connecting to it --

GOVERNOR HOGAN: I'm not sure which part you don't understand.

TREASURER KOPP: But that's --

GOVERNOR HOGAN: Because phase one was always the Bridge and the Beltway.

TREASURER KOPP: All right. Well that --

GOVERNOR HOGAN: The other one was always 270.

TREASURER KOPP: I'm just saying I don't --

GOVERNOR HOGAN: There has never been a proposal, none of our studies have ever been 270 and the Bridge.

TREASURER KOPP: There's no reason why that couldn't be.

GOVERNOR HOGAN: We can't just take people from Frederick County and Northern Montgomery and just send them into Virginia without fixing the problem of the Maryland Beltway. It's on the Beltway.

TREASURER KOPP: Well Governor, I can't agree with that. I think there is a tremendous backup to the Beltway --

GOVERNOR HOGAN: So, we would love to build the bridge. My number one priority is the Bridge.

TREASURER KOPP: But then you said put together one and two.

GOVERNOR HOGAN: Number one priority is the Bridge. My proposal was to move forward first with the Bridge and the Beltway. I am moving forward with 270 because more people wanted to do 270.

TREASURER KOPP: Well I think there then is a real problem. I can't envision what's going to happen when everybody --

GOVERNOR HOGAN: I can't either. That's why I'd like to do them both. If we can get the Council on board, we'll do them both. But we have a motion on the floor. It passes two to one. Are there any other questions --

TREASURER KOPP: I have a question of the Secretary of the Environment, and then I'll leave this. You say we're going to see a draft plan in a month or two that will incorporate the impact of transportation? All right. I hope we will have a full briefing and airing on that.

GOVERNOR HOGAN: Sooner than that, I think.

MR. GRUMBLES: Yeah, I said in a few weeks.

TREASURER KOPP: In a few weeks. I gave you a little --

GOVERNOR HOGAN: Leeway, yeah, thanks. Give him an extra couple of weeks in case the homework is late.

TREASURER KOPP: It's unfortunate we don't have it before this vote. But we look forward to seeing it when it comes.

GOVERNOR HOGAN: Thank you all very much. So, the P3 designation is approved two to one. Now we move on to the other items on the Transportation Agenda. Are there any other questions on the remainder?

TREASURER KOPP: Excuse me. Could we also see in writing at some point what it is that was voted on?

SECRETARY MCDONALD: Oh absolutely. It will be on the item when we get back to our office and type up the amendment and the amended motion and the four amendments. I have them in my notes. They will be on the item. And so, the vote is two to one, one against, is that correct?

GOVERNOR HOGAN: Yes.

TREASURER KOPP: Yes.

GOVERNOR HOGAN: Any other questions on the Transportation Agenda?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a second? Three-nothing on the Transportation Agenda. We're going to move on to the Secretary's Agenda.

SECRETARY MCDONALD: Good afternoon, Governor and Madam Treasurer and Mr. Comptroller. Please leave the room quietly. We have another two hours or so of business. Maybe we'll get it done quicker than that. But we do have other State business this morning. So, we appreciate it if you leave quietly. We have 12 items on the Secretary's Agenda. We have three

reports of emergency procurements. We're prepared for your questions if you have any.

GOVERNOR HOGAN: Questions on the Secretary's Agenda? Is there a motion? Okay. Motion on -- second? Three-nothing. We'll move on to the DNR Real Property Agenda.

MS. HADDAWAY-RICCIO: Good afternoon, Governor, Madam Treasurer, and Mr. Comptroller. For the record, Jeannie Haddaway-Riccio, Secretary of the Department of Natural Resources. We have nine items on our Real Property Agenda today for which we are seeking approval and I'm happy to answer any questions you may have.

GOVERNOR HOGAN: Thank you, Madam Secretary. Any questions on the DNR Agenda? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second? Three-nothing on DNR. Next up is Department of Budget and Management.

MR. BRINKLEY: Good afternoon, Governor, Mr. Comptroller, Madam Treasurer. David Brinkley, the Secretary of the Department of Budget and Management. We have brought 28 items for today's Agenda. I'm withdrawing --

GOVERNOR HOGAN: That's a lot of items.

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MR. BRINKLEY: Pardon?

GOVERNOR HOGAN: Twenty-eight is a lot of items.

MR. BRINKLEY: Twenty-eight is a lot of items. I'm withdrawing Item 20. Jamie, have we received tax compliance on Item 15?

MS. TOMASZEWSKI: No.

MR. BRINKLEY: So, Governor, I'd like to withdraw Item 15 until we get the tax certificate for this particular item. And that would leave 26 items for your approval.

TREASURER KOPP: I have a question on Item 2, which is the Fentanyl advertising.

MR. BRINKLEY: Item 2-S.

TREASURER KOPP: 2-S, 2-S, yes.

MR. BRINKLEY: 2-S I have down as --

TREASURER KOPP: It's the Health Department.

SECRETARY MCDONALD: Mr. Dembrow is --

MR. BRINKLEY: Yeah, that's Department of Health.

TREASURER KOPP: It's just a question. If you could take it back to them, I don't want to take up time. But I am just very curious how they assess -- everyone knows how terrible the problem is. No question about it. How they assess the output, the results of an advertising campaign like this.

MR. BRINKLEY: So, this is not Item 2, this is a different item that you have. Item 2 is a Health Department item.

TREASURER KOPP: Yes, that's what I thought --

MR. BRINKLEY: I see.

TREASURER KOPP: Yeah.

MR. BRINKLEY: So, I have Marge Donohue, the Director of Public Awareness, the Behavioral Health Administration, listed to address that.

TREASURER KOPP: Could you take -- yeah.

MR. BRINKLEY: Yeah. We'll get that to you. As I understand this is to put some of the advertising up, then they will stay up --

TREASURER KOPP: Right. And I have no problem. I think it's, but I would be interested in knowing whether the incidence of abuse goes down or people seeking help goes up. I mean, what -- thanks.

MR. BRINKLEY: We'll get that information for you.

GOVERNOR HOGAN: Other questions on DBM?

COMPTROLLER FRANCHOT: Yes. Item 17, please.

MR. BRINKLEY: Item 17.

SECRETARY MCDONALD: Mr. James is right here.

COMPTROLLER FRANCHOT: Governor, Madam Treasurer, we're being asked to approve a request from the Department of Human Services to exercise their second one-year renewal option on 34 contracts for treatment

services for youth with serious emotional, behavioral, medical, or psychological conditions. My staff advises me that 32 of the 34 contracts in this \$75 million item were awarded to Maryland based firms. The other two contracts I'm told were awarded to firms in Washington, D.C. and one based in Alabama.

As I stated two weeks ago, the radical anti-abortion bill that was passed and enacted into law in Alabama is a malicious assault on the rights and protections of women everywhere in the United States. Simply put, Alabama's values are drastically different from the values of the people in Maryland. Therefore, I don't think Maryland tax dollars should be subsidizing directly or indirectly Alabama's assault on women. So Governor, I respectfully ask that this contract for the Seraaj Family Homes, which is \$624,000 of the \$75 million contract, be put aside for two weeks to determine whether or not these services to these kids can be transferred from the Alabama based company to one of the 32 Maryland companies and one D.C. company. I'd move for the approval of the remaining 33 contracts. But I'd like to have that specific one deferred for two weeks.

GOVERNOR HOGAN: I would just like to hear from Secretary James as to, you know, I understand your concern and I'd like to accommodate and give you some more time to hear about the issue. But I don't want to put kids in danger, you know, to make a political statement. So, I want to hear exactly what the situation is with these kids and would delaying by a couple of weeks to

get the Comptroller comfortable or provide him more information. I don't have any problem with separating it out for a separate vote, but can you tell us the situation of these kids?

MR. JAMES: Certainly. For the record, my name is Greg James. I'm Deputy Secretary for Operations at the Maryland Department of Human Services. The specific contract that the Comptroller is referring is a contract with a company named Seraaj. They do have an office here in Towson. They are licensed in Maryland to serve children who are placed in Maryland.

We currently have 20 children placed with this provider here in Maryland. All of those children are placed in Maryland with Maryland foster families. As you know, we've made a concerted effort to move kids out of congruent care in treatment facilities into foster families. These are the types of families that support those placements. Those children have been in those placements on average, most of them have been there more than year. In some cases they've been with those families for up to four years. Every time we move a child from a placement it's very disruptive to that child and it's traumatic for them and they have already been traumatized by having to come into care. So, in general, we strongly oppose any change in a placement where it's not clinically required for that child.

That said, if the Board would like an additional two weeks to consider this item, we don't believe that that will cause an immediate risk to those children.

TREASURER KOPP: It's not just two weeks for us to consider but whether you can come back with any alternative that is not headquartered in Alabama.

MR. JAMES: So, I want to stress for those 20 homes where we are hosting kids, those are all Maryland families supporting those kids. The office that we work with is in Towson, Maryland. And for the record, we will be updating the Board item to reflect that they are in -- a Maryland resident company.

COMPTROLLER FRANCHOT: Well I would just like you to take a look at it. You folks are smarter than all of us on these issues. But since there are well over 2,000 other kids covered by these other contracts, I can't imagine that something can't be constructed that would allow this company to keep the kids in the same families but move them off of the Alabama company's rolls. And I'll just leave that up to you, Mr. Secretary. You're always very creative. But I agree with the Treasurer that I would like to see some alternative brought back to us that would allow the State to put these 20 kids somehow in their same homes with these other 32 Maryland companies. I'll leave it up to you. I understand it's complicated. But that's what I would like to see.

GOVERNOR HOGAN: Yeah, let me just say, I mean, these are kids who are already traumatized. And I don't want to do anything that's going to be, you know, extremely disruptive to these foster children. But if you say it's not going to cause a problem to take another two weeks for you to at least take a look at it, pursue alternatives, spend time, get back to the Comptroller to address any concerns, and then we can vote on this in two weeks, just pull this out from this item, I'm okay with that.

COMPTROLLER FRANCHOT: Thank you.

MR. JAMES: We can certainly take another look and see if there's a way to address that without causing a profound disruption and trauma to these youth.

GOVERNOR HOGAN: So, there's been a motion --

TREASURER KOPP: I agree with the Governor.

GOVERNOR HOGAN: -- by the Comptroller to pull this item out, to delay it for two weeks. It's been seconded by the Treasurer and it passes three to nothing. We'll bring this up two weeks from now.

COMPTROLLER FRANCHOT: Thanks.

MR. JAMES: Thank you.

SECRETARY MCDONALD: You're talking about Seraaj, correct? Yes. Correct.

GOVERNOR HOGAN: Yeah. And then so, and then the rest, so I guess we have to have a motion on the remainder of that item to approve.

COMPTROLLER FRANCHOT: Move approval.

SECRETARY MCDONALD: What we will do is we will revise the item, where there's a motion to revise and revise it by taking Seraaj out and so then you can --

GOVERNOR HOGAN: Oh, so we can just approve it with the rest of the bunch? Okay.

SECRETARY MCDONALD: -- approve the item because it's now been revised.

GOVERNOR HOGAN: So, are there any other questions on the DBM Agenda?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing on DBM. Thank you.

SECRETARY MCDONALD: Thank you.

GOVERNOR HOGAN: Next we're going to go to the University System Agenda.

MR. EVANS: Good afternoon. Joe Evans representing the University System of Maryland. We have four items on the Agenda. We're here to answer any questions.

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GOVERNOR HOGAN: Any questions on University System? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Not this week.

GOVERNOR HOGAN: Not this week.

(Laughter.)

GOVERNOR HOGAN: Okay, second.

MR. EVANS: Thank you.

GOVERNOR HOGAN: Three-nothing on the University System. We'll move on to Department of Information Technology.

MR. LEAHY: Good afternoon, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Mike Leahy, Secretary of the Department of Information Technology. Today we have 11 items on your Agenda, but we are withdrawing Items 5-IT and 10-IT, leaving nine items for your consideration.

GOVERNOR HOGAN: Any questions on DoIT?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing on DoIT.

MR. LEAHY: Thank you.

GOVERNOR HOGAN: Next is Department of General Services.

MR. CHURCHILL: Good afternoon, Governor, Madam Treasurer, and Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for the

Department of General Services. The department has 23 items on our Agenda today and we're happy to answer any questions you may have at this time.

GOVERNOR HOGAN: We have Phil Andrews and John Dougherty signed up to speak on Item 2.

SECRETARY MCDONALD: Item 2 is a bid protest. I don't know if the Secretary wants to -- oh, here we go.

MR. DOUGHERTY: Good afternoon, Governor, Mr. Comptroller, Madam Treasurer. I'm John Dougherty of Kramon & Graham. Mr. Andrews is not here. Thank you for your time.

I represent Associated Building Maintenance Company, Inc., which is the incumbent contractor at Perkins Hospital which is what this item concerns. In the action item, DGS says it sent the solicitation to over 1,000 companies but it received only two bids. Well why was there so little competition? Because janitorial services at Perkins Hospital is not an ordinary contract. It is not an ordinary hospital. It is a maximum-security psychiatric facility for dangerous and violent people. Judge Ripken just sent the Capital Gazette shooter there for evaluation. That's the sort of facility we're talking about.

You don't clean Perkins Hospital the way you clean a nursing home or an office building. The IFB was written to require that sort of specific

experience, which is why there were only two bids. One of the bids, CMS, has been recommended for award but they did not have the required experience.

Associated has been performing without a hitch at Perkins for more than ten years with no incidents whatsoever. The cleaning staff have to pass background checks and receive special training. They have to be vigilant about their supplies and equipment. Again, this is not an ordinary contract. CMS does not have that comparable experience. They listed office buildings and nursing homes, but they have never done work as required by the IFB. And so, we filed the protest and a supplemental protest, and one of them is in front of the Circuit Court in Howard County. One of them is pending on appeal right now at the Board of Contract Appeals scheduled for a hearing on July 24th. Chairman Beam has been very quick to get us in as early as possible and we expect that will be resolved quickly but it is not resolved right now.

There is an emergency contract in place that was awarded on February 1st this year. It was reported to the Board in the Agenda on April 3rd and in that, that's a one-year emergency contract to Associated. And the reason for the 12-month emergency contract, as DGS said only two months ago, is to continue services while the contract protest is pending appeal at the Board of Contract Appeals. "DGS determined that using the incumbent for a limited time would ensure continuity of services while the dispute over the long-term contract

is resolved. A six-month option is available should the appeal process take longer than anticipated and to allow time for any potential transition of services.”

Now the revised Agenda for today says that the reason they are going to award in the face of the appeal while the appeal is pending is to allow a transition, but only two months ago that’s what the emergency contract was for. So, continuity is the emergency contract. And we are raising in these appeals what we consider some very important issues. CMS, as I said, doesn’t have the requisite experience that was required by the IFB. Some of their proposed staff at their orientation didn’t pass the background check. CMS as an entity, an LLC, has fallen in and out of good standing with SDAT. They advertised jobs for this contract when they were told that they were going to be awarded the contract almost two dollars lower than the living wage required by Maryland law. We presented that evidence to DGS. They are planning to use an improper pass through vendor --

GOVERNOR HOGAN: Can I just interrupt you one second and ask a couple of questions? Because, you’re making all the arguments from --

MR. DOUGHERTY: I am. I am.

GOVERNOR HOGAN: You lost the procurement and then your appeal was denied by the Board of Contract Appeals and now you have a case in Howard County, right?

MR. DOUGHERTY: That is correct, Governor. There is also a supplemental appeal at the Board right now raising the living wage and the MBE issues, among others.

TREASURER KOPP: That were not raised in the first --

GOVERNOR HOGAN: Are these new things or things that you already lost on twice?

MR. DOUGHERTY: They are based on once CMS had that sort of false start of an orientation where they didn't have enough staff, their staff didn't pass the background check, they started to hire. This is just in May, only a month ago.

GOVERNOR HOGAN: You're just asking is this --

MR. DOUGHERTY: I mean, I'm trying to answer your question, Governor. I'll do it more quickly, I promise.

GOVERNOR HOGAN: I mean, you were sort of, you were sort of saying, well, DGS was ignoring this stuff that you (indiscernible). I guess so did the Court of Appeals and --

MR. DOUGHERTY: No, no.

GOVERNOR HOGAN: -- so it's like --

MR. DOUGHERTY: This came up a month ago. CMS started to try to hire my client's staff, which is where the MBE pass --

GOVERNOR HOGAN: So, it's new information?

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MR. DOUGHERTY: It is new information.

GOVERNOR HOGAN: Okay.

MR. DOUGHERTY: Absolutely, Governor. We wouldn't raise it if it were stale. You know --

COMPTROLLER FRANCHOT: Can I just ask a question?

MR. DOUGHERTY: Yes, Mr. Comptroller.

COMPTROLLER FRANCHOT: What did they tell you is the substantial State interest in cutting off your appeal?

MR. DOUGHERTY: The only thing that's listed in the Agenda is the need for a smooth transition, which of course the emergency contract leaves eight more months that will allow that. The appeal can be resolved, and we can still have a smooth transition.

COMPTROLLER FRANCHOT: I'd love to hear from Mr. Gnall, our expert on all this stuff. Because you know I'm not sure where the merits are on this. But if there is a bid protest and it's valid, I'm a little concerned that we're moving forward in the face of that. We've done it before but generally there's a substantial State interest cited.

MR. GNALL: Yeah, good afternoon, Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is Gabe Gnall and I'm the Board of Public Works Procurement Advisor. The substantial State interest stated in the Agenda item is to avoid delays in completing the security and orientation

requirements necessary to begin work. In my opinion, it is questionable how substantial that described State interest is in comparison to previous items that have come before the Board in the face of protests and appeal. We have seen items in the past that have, you know, proposed saving the taxpayers millions of dollars. We've seen new contract models with greater efficiencies. We've seen new contract awards with additional requirements to improve a State service. But in this one, the stated substantial State interest is not really unique to this recommended award. Any non-incumbent awardee would have to go through the same security and orientation process to begin work at this facility.

That being said, while I do question the substantial State interest stated, I have greater concerns as to whether this appeal constitutes a second bite at the apple and whether the Board of Public Works should hold up procurement awards that have already been litigated at the MSBCA. The questions raised in the second appeal, again there is a second appeal before the Board of Contract Appeals, and the issues raised, they question the recommended awardee's ability to staff the contract and meet the MBE goal and living wage requirements. The allegations are not based on the face of the recommended awardee's submitted bid documents but rather on the appellant's observations of an orientation session conducted by the recommended awardee in preparation for beginning work on this contract.

In my opinion the issues raised go primarily to potential future contract performance and management and not to the recommended awardee's commitments made within its bid documents. The incumbent again argues that the recommended awardee may not be able to staff its contract, may not be able to meet the MBE goal, may not be able to pay living wage, but the recommended awardee has not yet had the opportunity to actually begin work. And they have not had an opportunity to see if they can do those things to meet those contract requirements.

When the contract commences the department can monitor the contractor's compliance. It can make sure that they are meeting those requirements, and if not they can take appropriate action if necessary. In my opinion, allowing additional subsequent appeals at the Board of Contract Appeals to delay contract awards could lead to the process, the appeal process being labeled as an incumbent protection program or plan. A balance needs to be struck between allowing parties their day in court and moving forward with procurement awards.

COMPTROLLER FRANCHOT: Okay. Well I can understand that from a legal perspective. But aren't we dealing with a situation here that's pretty unique as far as the actual performance of the duty, and therefore shouldn't we go as slowly as possible? And obviously I'm the one who invented the phrase incumbent vendor protection program.

GOVERNOR HOGAN: You invented that?

COMPTROLLER FRANCHOT: Yes, I swear to God, I did.

Repetition is always the best author, I guess. But isn't this a situation that has some uniqueness to it that to the extent the Council says they are trying to schedule this as quickly as possible in the other court that it's less clear that this is some kind of delay process and more likely a genuine concern about the ability to perform and --

MR. GNALL: I think it's unique in the sense that, again, the appellant's arguments are not based on anything submitted with the bid, their competitive bid. They are not related to anything directly related to the selection process. They are related to things that may occur once the contractor, the recommended awardee, starts business. Whether or not they can actually meet the MBE goals, whether or not they can staff the contract, whether or not they can meet living wage. There are a lot of what-ifs I think that are being argued here. And I think we the State will not know unless the actual contractor is allowed to begin work on the contract to see if they can perform. Can they staff that contract? Can they meet the MBE goal? Can they pay living wage? Again, there's a lot of allegations made. But again, in the sense of my opinion, these things cannot be determined until the actual contractor is given an opportunity to start work.

GOVERNOR HOGAN: Yeah, maybe we can hear back from Mr. Dougherty about why he thinks he has the argument before Howard County Circuit Court. Because to hear that argument, if there are no arguments about the actual process itself in awarding the contract and you are just making allegations about whether or not this potential, this bidder is going to be competent or not, I'm not sure the court is going to be able to rule on that for you.

MR. DOUGHERTY: Well the IFB was written in a way that excluded, you know, 1,988 prospective vendors who received the solicitation and didn't bid because it required three complete and consecutive years comparable in scope, type, size, magnitude and complexity to Perkins. And the document attached to the bid that CMS submitted lists an assisted living facility, an office building where they are doing floor cleaning or window cleaning. Nothing like Perkins. So that's the issue at the Circuit Court in Howard County, Governor.

GOVERNOR HOGAN: Your, your case before the Circuit Court is saying the bid was wrong?

MR. DOUGHERTY: The bid --

GOVERNOR HOGAN: Not the bidder was --

MR. DOUGHERTY: -- was absolutely not compliant with the requirements of the Invitation for Bid. And the Board, the Board didn't agree with that but that is the issue. But on the other issue, though, the living wage, CMS certified in Attachment G that it would pay the tier one living wage of

\$13.79 an hour. They advertised, this is CMS, LLC for a hospital cleaner in Jessup, Maryland, they are going to pay \$12.00 an hour. So, you've got someone who is cutting corners. Perkins is not a place where you want to cut corners, Governor. It is, the --

GOVERNOR HOGAN: And none of this was brought before the Contract Appeals Board?

MR. DOUGHERTY: No, Your Honor. No, Governor. It, the --

GOVERNOR HOGAN: I didn't even go to law school.

MR. DOUGHERTY: I'm sorry.

GOVERNOR HOGAN: Your Honor is pretty good.

(Laughter.)

COMPTROLLER FRANCHOT: Yeah.

MR. DOUGHERTY: The, I'm more used to a courtroom than this setting, so deal with me, please. But the, you know, the issues were brought of within days of when I was retained and when they were discovered. I am a different counsel than handled the earlier protest and appeal.

To the Comptroller's question about cost, under the emergency contract Associated is actually less expensive than CMS will be under the contract that is in front of the Board today. So, one thing the Board is voting on today is while due process is exhausted, DGS is proposing that you spend more money

every month for the next eight months instead of less while due process is exhausted.

GOVERNOR HOGAN: Thank you.

MR. DOUGHERTY: So, in terms of -- thank you, Governor.

GOVERNOR HOGAN: Any other questions?

TREASURER KOPP: Could we just hear from the department?

MR. CHURCHILL: Yes. We have Dana Dembrow from the Maryland Department of Health.

MR. DEMBROW: And may it please the Board, my name is Dana Dembrow, Director of Procurement for the Maryland Department of Health. I see the Treasurer looking at me as she asked that question. I should first let you know that contracts for custodial services and guard services at buildings is within the exclusive province of the Department of General Services. So, the Department of Health was not involved in this procurement. However, the procurement officer Danny Mays did a wonderful job with this procurement in my view. I've reviewed it. What has been represented to you is accurate and Danny can elaborate further.

MR. MAYS: Thank you, Dana. Good afternoon, Mr. Governor, Mr. Comptroller, Madam Treasurer. For the record, Danny Mays, Director of Procurement for the Maryland Department of General Services. It's important to note that the emergency contract is actually a six-month contract with an option if

the emergency still existed to move forward. It's also important to note that many of the counsel's points that they have raised have already previously been adjudicated through the MSBCA during the initial protest and appeal process. Simply because the incumbent decided that they could find more effective counsel should not grant them a second bite at the apple, as Mr. Gnall mentioned. So many of the issues they are raising in terms of the actual IFB process and the responsibility of CMS --

GOVERNOR HOGAN: Well it's nice of you to call him more effective counsel, though.

(Laughter.)

MR. MAYS: But it's important to note the difference between what's already been before the MSBCA and what's in this supplemental protest. And there's an overarching concern that the precedent of allowing an endless loop of protests from incumbents to delay the award to the rightful awardees in contracts is a problematic procurement process to lay out. So, I think that we're at the point now where we have gone slow. We have been methodical. We did give that six-month emergency period for the original protest and the original appeal to be fully adjudicated. That happened and now they have their day in court. Mr. Governor, as you said in open session, they can have their day in court. But we need to award contracts when it's right to do so. And COMAR gives the Board the right once an appeal has been fully adjudicated by the

MSBCA to award the contract regardless of if the protestant feels that they want to go to Circuit Court.

So, from our standpoint, we have an awardee that is ready to start work. They have been delayed greatly which has affected their capability to retain staff. They thought they were starting the contract in February. If I told you I had a great job for you in February and then said, oops, it's not starting until August, I'm not going to retain those folks anyway. So, to allow this to continue is problematic and quite frankly potentially harmful to the person who gave us the lowest responsive responsible bid.

GOVERNOR HOGAN: Great. Thank you very much.

MR. MAYS: Thank you.

GOVERNOR HOGAN: Any other questions on the DGS Agenda?

Is there a motion?

COMPTROLLER FRANCHOT: I'd like this item pulled out because I just don't buy the scenario here that this is trying to prevent --

GOVERNOR HOGAN: So --

COMPTROLLER FRANCHOT: -- an abuse of the procurement process. Just if I could just conclude. And you know, this is something that is a very sensitive institution that we're dealing with and the fact that you've got information coming in that there may be performance problems, that's going to take you guys months to ascertain. And I just, given the fact that this seems to be,

from the counsel's perspective, a legitimate effort not an illegitimate effort to stretch out the season. In fact, the State will be saving money according to his testimony if we extend this. And it gives you time to ascertain what --

MR. MAYS: If I may --

GOVERNOR HOGAN: That's okay. So, you want to make a motion to pull this out?

COMPTROLLER FRANCHOT: Yes. Please.

GOVERNOR HOGAN: Is there a second? No. So, it dies for lack of a second. Is --

TREASURER KOPP: Could I just ask one question of your department? No, your department. You all have looked at this and you are perfectly comfortable keeping the recommendation that you're making to us?

MR. MAYS: Yes, Madam Treasurer. It's important to note this was an Invitation for Bid. So, it's if you meet the minimum qualification, it becomes the lowest responsive responsible bidder. We've done a very thorough vetting process and it was upheld by the MSBCA. We are very confident that we have a responsible contractor ready to start work on August --

COMPTROLLER FRANCHOT: Terrific. That's a great thing.

TREASURER KOPP: And who will be able to do the job with the sort of people, this is your chance, that your department needs?

MR. MAYS: Our department has no concerns about the responsibility and the ability of this vendor to perform. And to speak to the Comptroller's point, we simply don't know the performance issues until they are given the opportunity to perform --

COMPTROLLER FRANCHOT: Well let me suggest that you'd better pray at night that there aren't. Because I'm going to be all over this. I'm adopting this little contract. And if there is a peep or squeak from, whatever, what's it called?

MR. MAYS: Clifton T. Perkins.

COMPTROLLER FRANCHOT: Clifton Perkins Hospital, I'm just going to be all over it. Because it is just blinking yellow lights right here.

TREASURER KOPP: And quite candidly I'll be right behind him.

COMPTROLLER FRANCHOT: Yeah. Well I need a second vote now.

(Laughter.)

GOVERNOR HOGAN: That's funny.

SECRETARY MCDONALD: It does look like we need a separate vote on Item 2-M, though.

GOVERNOR HOGAN: Right. So --

SECRETARY MCDONALD: Just on Item 2 --

GOVERNOR HOGAN: -- we just need to know if there are any other questions on the DGS Agenda. And if there's a motion, I'll move that we approve the rest of the entire Agenda.

SECRETARY MCDONALD: Okay. Well my suggestion is maybe somebody make a motion to approve 2-M and then we go to the balance of the Agenda. That way they can have a separate vote on 2-M if the Comptroller --

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR HOGAN: Oh yeah, that's a good idea.

SECRETARY MCDONALD: Okay so --

GOVERNOR HOGAN: I'll move that we approve 2-M.

SECRETARY MCDONALD: So, approve 2-M.

GOVERNOR HOGAN: Second? Two to one. The Comptroller --

SECRETARY MCDONALD: And it's two to one.

COMPTROLLER FRANCHOT: Thank you, Governor.

SECRETARY MCDONALD: Thank you. And now the balance.

Thank you.

GOVERNOR HOGAN: And now would you like to make a motion for the balance --

COMPTROLLER FRANCHOT: Move for the approval of the balance.

GOVERNOR HOGAN: Second? Three-nothing on the balance.

Now that is the conclusion of the meeting by one last item. At this time, I just want to give, it's been a long meeting, but I want to give a special shout out to our outgoing BPW liaison Mark Newgent. Mark --

SECRETARY MCDONALD: Yes --

(Applause.)

GOVERNOR HOGAN: He really has done an incredible job for us and for the taxpayers for the last four years. And he's going to continue to be a part of the administration. He's going to be going over and taking over as the Director of Procurement at the Maryland Department of Transportation. So --

SECRETARY MCDONALD: Yeah.

(Applause.)

GOVERNOR HOGAN: -- I am, I am looking forward to bringing him up to this podium and grilling him --

(Laughter.)

GOVERNOR HOGAN: -- relentlessly in the future. I have a Governor's Citation. Thank you --

(Applause.)

(Whereupon, at 1:45 p.m., the meeting was concluded.)