FRANK R. WOLF
10TH DISTRICT, VIRGINIA

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEES:

RANKING MEMBER—STATE-FOREIGN OPERATIONS

TRANSPORTATION-HUD

CO-CHAIR—CONGRESSIONAL HUMAN RIGHTS CAUCUS

Congress of the United States
House of Representatives

241 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–4610
(202) 225–5136

13873 PARK CENTER ROAD
SUITE 130
HERNDON, VA 20171
(703) 709–5800
(800) 945–9653 (IN STATE)

110 NORTH CAMERON STREET
WINCHESTER, VA 22601
(540) 667–0990
(800) 850–3463 (IN STATE)

wolf.house.gov

March 4, 2008

The Honorable Richard L. Saslaw
General Assembly Building
Richmond, VA 23219

Dear Mr. Saslaw:

I write today to ask you to address an issue of growing concern regarding toll increases on the Dulles Greenway in northern Virginia.

I became concerned about this matter after learning in September 2006 that the Dulles Greenway operator had requested that the State Corporation Commission (SCC) approve raising the one-way toll to $4.80 by January 2012. I testified at a hearing before the SCC in Leesburg in January 2007 with other elected officials and citizens from the area. I also have written to the SCC five times. My first letter stated my opposition to this increase and the second called for a local public hearing on the matter. Last summer, I sent two letters to the SCC chairman in response to the release of the hearing examiner's report, on the pending request to increase the tolls, including reaction from constituents regarding the report.

I was deeply disappointed when the SCC on September 12, 2007, approved the requested toll increase. I continue to believe that the original state law which created the public-private partnership for the Greenway is flawed because it fails to protect the consumer. The law instead protects the bottom line of the foreign-based Greenway owner. In approving the requested toll increases, the SCC confirmed what I have stated all along by admitting that its hands were tied in making this decision by the provisions of the enacting legislation. A law which allows no discrimination to consider the burden on my constituents and others who use the Greenway to commute to work, take their children to day care, or go to soccer practice is a law in need of revision.

One of my constituents who uses the Greenway each workday told me, "each morning I commute to Herndon for my job via the Greenway. In order to drop my son off at preschool in Ashburn I have to get off at Route 772 in the Broadlands where I pay a $2.30 toll. Then to continue my commute I return to the Greenway only to pay an additional $3.50 toll. This adds $11.60 per day in tolls five days a week." Imagine what this gentleman will pay when the tolls are increased. Is this fair to a working family?

Before the General Assembly adjourns this year, I encourage you to consider legislation which would roll back the approval of these toll increases, which in 2012 will amount to a nearly 60 percent increase above the 2007 rate. At minimum, a freeze should be put on the current toll rate until a solution can be determined.

Last September, when the SCC approved the most recent toll increases, it stated that, "the Commonwealth made a series of policy decisions that leave us little choice but to make the decision we make in this case." It is unbelievable that the state's regulatory authority does not have the ability

THIS STATIONERY PRINTED ON PAPER MADE OF RECYCLED FIBERS

to deny toll increases which everyone at the public hearings held on this matter agreed are exorbitant.

I believe that any legislation you consider regarding the Greenway needs to give the SCC more power to fully consider every aspect of the operation of a public-private venture for Virginia's transportation infrastructure. The current law protects the private interests over those of the consumers of the road, most of whom are Virginia residents.

After reading the enclosed *Fortune Magazine* article, I asked the Virginia attorney general's office to conduct a thorough review of the business practices of Macquarie, the Australian firm which is the parent company that owns the Greenway. *Fortune* and other financial analysts point out that Macquarie and its subsidiaries use complex financial schemes to gain additional profits from their assets. The *Fortune* piece compared Macquarie's operation to an "old fashioned Ponzi scheme." For example, TRIP II–which operates the Greenway–financial statements from 2003-2006, show new debt was contracted in order to pay dividends to shareholders. While TRIP II claimed they were running at a loss as part of their argument for a toll increase, the question must be asked that had they not contracted the new debt to pay dividends, would they be running at a loss at all? I believe that such business practices need to be taken into consideration and addressed in legislation to give the SCC the authority to thoroughly consider all financial aspects of Macquarie and TRIP II to prevent any excessive toll increases in the future.

Lastly, I would like to bring to your attention a Government Accountability Office (GAO) report released in February which deals with highway public-private partnerships. This report explores potential costs and benefits of using public-private partnerships to build or operate highways and makes the point that tolls on a public-private partnership highway are likely to be higher than if it was built by the public sector and that the costs sometimes outweigh the benefits. One of the problems highlighted in the report is that, "highway public-private partnership arrangements are not 'risk-free,' and concerns have been raised about how well the public interest has been evaluated and protected." The GAO makes many valid arguments in this report that I believe can be easily applied to the operation of the Dulles Greenway. The GAO report points out that, "the Secretary [of Transportation] should identify any additional legal authority, guidance or assessment tools required, as appropriate and needed, to ensure national public interests are protected in future highway public-private partnerships." I believe the state should also consider these issues when entering into any future public-private partnerships.

This is a quality of life issue affecting thousands of my constituents and others in northern Virginia who use the Dulles Greenway as a daily commuter route and your urgent attention to and action in this matter is critical.

Thank you for your consideration.

Best wishes.

Sincerely,

Frank R. Wolf
Member of Congress

Thank You