



Memorandum

Date: March 30, 2021

Subject: INFORMATION: Audit Announcement | Build America Bureau's TIFIA Program |
Project No. 21F3010F000
Department of Transportation
Office of the Secretary

From: Louis C. King 
Assistant Inspector General for Financial Audits

To: Director, Audit and Evaluation

The National Surface Transportation and Innovative Finance Bureau, also known as the Build America Bureau (the Bureau), was established by the Secretary of Transportation on July 20, 2016, in accordance with the Fixing America's Surface Transportation (FAST) Act.¹ The Bureau is responsible for coordinating transportation infrastructure development projects in the United States, and administering several credit financing programs² including the Transportation Infrastructure Finance and Innovation Act³ (TIFIA) program.

The TIFIA program provides loans and other types of credit assistance to eligible applicants for the construction of surface transportation projects. As of April 2020, TIFIA had financed 87 loan agreements totaling \$33.3 billion. DOT's investments in national and regional transportation infrastructure projects have grown because of financing options such as public-private partnerships⁴ and the TIFIA program.

While the TIFIA credit assistance program offers flexible repayment terms, it also requires DOT to monitor project progress more closely—as the repayment terms

¹ Public Law 114-94 (2015).

² The Bureau also administers two other financing programs: Railroad Rehabilitation and Improvement Financing (RRIF) and Private Activity Bonds (PABs). RRIF provides loans, loan guarantees, and other forms of credit assistance directly to project sponsors for rail infrastructure projects. PABs are a form of tax-exempt bonds that sponsors use to finance projects, and the interest paid on the bonds is exempt from federal income tax.

³ Pub L. 105-178 (1998).

⁴ Public private partnerships are contractual agreements between a public agency and a private entity that allow for greater private participation in the delivery of projects. In transportation projects, this participation typically involves the private sector taking on additional project risks such as design, construction, finance, long-term operation, and traffic revenue.

and schedules often vary by individual project. Therefore, we are initiating this audit to assess whether the Build America Bureau has effective internal controls to oversee and manage TIFIA credit agreements.

We plan to begin the audit immediately and will contact your audit liaison to schedule an entrance conference. We will conduct our work remotely. If you have any questions, please contact me at (202) 329-0694.

cc: DOT Audit Liaison, M-1