



Memorandum

U.S. Department of
Transportation
Office of Inspector General

Subject: **INFORMATION**: Audit Announcement –
FHWA Oversight of Public-Private Partnerships
for Highway Projects
Federal Highway Administration
Project No. 17S3008S000

Date: June 8, 2017

From: Barry J. DeWeese 
Assistant Inspector General
for Surface Transportation Audits

Reply to
Attn. of: JA-30

To: Federal Highway Administrator

Rising demands on the transportation system and constraints on public resources have led to greater private sector involvement in the provision of highway and transit infrastructure through public-private partnerships (P3s).¹ The Federal Highway Administration (FHWA) is responsible for stewardship and oversight of Federal-aid highway, bridge, and tunnel projects where P3s are being considered or implemented.

The use of P3s marks a shift away from traditional ways of procuring and financing highway projects solely with Government funding. However, P3s must conform to the same Federal requirements as other Federal-aid projects, and FHWA and its State counterparts are responsible for ensuring that P3 projects demonstrate compliance with these Federal requirements. Further, if a P3 project does not perform as intended, it increases the risk of additional Federal involvement and can impact the mobility of the traveling public.

We are initiating this audit to determine whether FHWA is providing adequate oversight of P3 highway projects. Our audit objectives are to assess FHWA's (1) approval process for public-private partnership highway and bridge projects that include Federal investments and (2) monitoring of public-private partnerships once approved.

We plan to begin the audit immediately and will contact your audit liaison to schedule an entrance conference. We will conduct our work at FHWA Headquarters and

¹ P3s allow a private partner to participate in some combination of design, construction, financing, operations and maintenance, including the collection of toll revenues with a public sponsor. Most public sponsors of P3 projects are State Departments of Transportation.

Division offices, OST, and other sites as needed. If you have any questions, please contact me at 202-366-5630 or Rachel Alderman, Program Director, at 202-366-2050.

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cc: FHWA Audit Liaison, HCFB-32
DOT Audit Liaison, M-1