

TTC-69 Trans-Texas Corridor (“the Project”) is a multi-purpose transportation system that can be completed over the next fifty (50) years with Facility segments prioritized according to the needs and demands for transportation infrastructure, local and regional support for economic development, and private and public sources for financing. This proposal supports the goal of providing more infrastructure capacity using new and existing highway systems, freight and port systems, and multimodal transfer stations to improve the international, interstate, and intrastate movement of goods and people sustaining and enhancing the economic vitality of Texas in a global economy. The Team to deliver on that goal for the benefit of Texas and Texans is a Texas-based team lead by a South Texas based company.

The concepts that best describe our Proposal are:

The Team: A World Class Team that combines 80 years of Texas heritage with global experience in the development of multimodal transportation and utility infrastructure. We share TxDOT’s long term vision and commit all the resources and skills that are needed to turn it into reality.

A Planning Partner: The Team understands the nature of this partnership which relies on delivering a Plan for the development of TxDOT’s vision. In its planning efforts, ZAI and ACS with its extensive track record will collaborate with TxDOT and will be supported by the global experience of Steer Davies Gleave and UBS. The Master Development Plan will count on the inputs provided by the Team members in all fields of transportation, from pre-development to operations and maintenance, through design, build and finance. This execution provides TxDOT with an integral approach to its Planning needs.

The Approach: The Team has based its proposal on an in-depth study of the local needs and interests through interaction and collaboration with the public and local entities. The knowledge gained, combined with the Team’s skills, allows to build a win win strategy that addresses these needs and interests at the same time it creates the funding mechanism for the realization of TxDOT’s vision.

Transportation Systems: The Team has developed a tool for the financing of the required upgrades and improvements to the existing network through the flow of funds from identified facilities along and adjacent to the I-69. These facilities were selected among those that the local authorities have pointed as primary transportation goals. This is a reasonable approach that minimizes the use of public funds and at the same time promotes economic development, growth and wealth, at all levels through the corridor.

Partnering: The only way to succeed in this effort is through a collaborative teamwork with TxDOT and local transportation authorities as well as with all economic development entities. The Team has initiated the process of establishing relationships based on common goals that will lead to productive working partnerships that are the basis for the development of the Transportation Systems that will ultimately deliver the I-69 TTC goals.

TxDOT’s goals: Our Conceptual Development Plan is designed to respond to and help to achieve all TxDOT’s goals. It is a program of initiatives and investments that minimizes the use of public funds while enhancing the quality, safety and efficiency of transportation along the network thus stimulating local and statewide economic development and relieving congestion.

A Financial Toolbox: The Team’s Conceptual Financial Plan provides a “toolbox” of financial structures, products and techniques that will be used to craft the most efficient and appropriate financial structure for each facility, and provide redundancy of financing products.

The US-77 System: The first Transportation System to be delivered is built around TxDOT’s highest priority: the US-77 Facility. After meeting with local transportation entities, we have identified a system

of facilities that will bring the sources of funds for the upgrading of the US 77 to interstate standards as soon as possible with zero public funds. Our delivery strategy calls for collaboration and partnership with TxDOT and local communities and regional organizations to build a system integrated solution that produces more value for all parties.

The Facts:

- ◆ **\$30 billion** investment in the next 50 years through all I-69 creating **620,000 person-year** of employment and **\$42 billion** in value added
- ◆ **\$5 billion** investment in the next 7 years requiring **no public funds**, thanks to an innovative financial plan.
- ◆ **\$2.5 billion investment in the US-77 system**, requiring **no public funds** that will modernize and develop South Texas and will bring **\$1 billion upfront benefit through the upgrade of the US 77**.

A. Organization and contents of the proposal.

The ZAI- ACS Team has followed the proposal organization required in Section 4 and Exhibit B of the ITP. Each complete copy of the proposal is presented in a separate sealed box and it contains 4 volumes, a map and a mentoring plan for the project. This **executive summary** is presented in a separate package, bound individually to ensure the easy handling of the document.

- ◆ **Volume 1-** The Administrative Information contains all required information, certifications and documents for the companies making up the proposal including security commitment from the proposer.
- ◆ **Volume 2** contains Financial Information which has been considered confidential information.
- ◆ **-Volume 3** includes the Conceptual Development Plan and Conceptual Financial Plan both in separate bound packages easy to extract out of the volume. The Conceptual Financial Plan has been considered confidential material for the purpose of this submission.
- ◆ **Volume 4** contains the Appendixes of the entire proposal.

B. Summary of any material changes pursuant to Section 4.2.13.

Zachry Consolidated, Inc., the parent guarantor for Zachry American Infrastructure, Inc. has had no material changes since filing the QS, nor are any material changes pending in 2008. A letter signed by the Vice President of Finance to support above statement is included in the proposal. There are no material changes for any of the financial Statements submitted to support ACS Infrastructure participation in the project.






C. Changes on the proposer's organization since submission of QS.

The changes incorporated in the proposer's organization since the SOQ submission is as follows:

ZAI ACS Team has expanded the team and made minor changes as approved by TxDOT, as the full scope of the project has developed since submittal of the Statement of Qualifications. The full strength of the world class team remains fully committed to the project ahead.

The main changes suggested and accepted by TxDOT on the 24th of March, have been as follow:

- ◆ Incorporation of Parsons Transportation Group to the team as a Major Participant for the design.
- ◆ Replacement of the following key members:

ZAI ACS TTC 69	Company	Company Role	New Proposed Key Personnel	Key Personnel Role
	Zachry American Infrastructure	Equity partner, Managing Member, Lead Project Developer, Business Advisor	Dwight Munk	Strategic Planning and Development Manager
	ACS Infrastructure Development	Equity partner, Lead Project Developer, Business advisor	Antonio del Valle	Project Manager
	Parsons Transportation Group	Engineer	Randle Ross	Engineer
	Dragados USA	Construction	Bernardo Palicio	Construction
	Zachry Construction Corporation	Construction	John Turchan	Construction

With these changes, ZAI-ACS Team remains as follow:

- **The Proposer/Developer:** Zachry American Infrastructure and ACS Infrastructure Development
- **Constructors** (Design and Build Joint Venture) is comprised of affiliates of the Proposer’s firms: Zachry Construction Corporation and Dragados USA, Inc.
- **Subcontractors:** Williams Brothers, Ballenger Construction and Peter Kiewit Sons.
- **Designers:** Parsons Transportation Group Inc. Participation, Klotz Associates.
- **Other advisors:** Steer Davies Gleave, UBS, ACI, Fulbright and Jaworski and HRM.

D. A summary of the US 77 Facility Development Plan, Conceptual Development Plan, Conceptual Financial Plan, Project Management Plan and Quality Management Plan and a general description of their substantive contents:

US 77 Facility Development PlanThe foundation of the Team’s Plan is to build tolled assets in the US 77 region that will generate the revenue to fund the costs for upgrading the US 77 Facility. This is a win-win solution. The region will benefit from the Interstate highway while the local communities will receive assets that produce economic growth, improve mobility, reduce congestion, and improve air quality. While simple in concept, vetting this collaborative approach requires substantial groundwork in the communities along the US 77. It requires an understanding of community needs and goals in order to align the approach with the local transportation and tolling authorities.

Over the past few years, this Team has collaborated with the Cameron County RMA and the Corpus Christi MPO to develop the outline of a credible US 77 solution. Together the parties have identified a complementary initial system of projects that will meet the goals mapped out above. Specifically this approach:

- Immediately upgrades US 77 to Interstate standard, as outlined in the I-69 RFP and as proscribed by FHWA requirements;
- Accomplishes the US 77 upgrade in such as way that no public funds will be required;
- Implements the most cost effective improvements required to meet Interstate standards;
- Approaches the US 77 upgrades and the toll road facilities as one efficient project – this creates a comprehensive transportation system while only requiring one financial close; and
- Maximizes local involvement and local employment.

US 77 Facility projects include the US 77 segments 1 through 12, including the tolled bypasses at Riviera and Driscoll (segments 4 and 9). The US 77 toll facilities include the following five toll projects:

- ◆ West Loop, Brownsville
- ◆ 5 Mile Spur, Brownsville
- ◆ SH 286 Managed Lanes, Corpus Christi
- ◆ SH 358 Managed Lanes, Corpus Christi
- ◆ Southside Mobility Corridor, Corpus Christi

Proposed Contract Relationships for Basic US-77 System

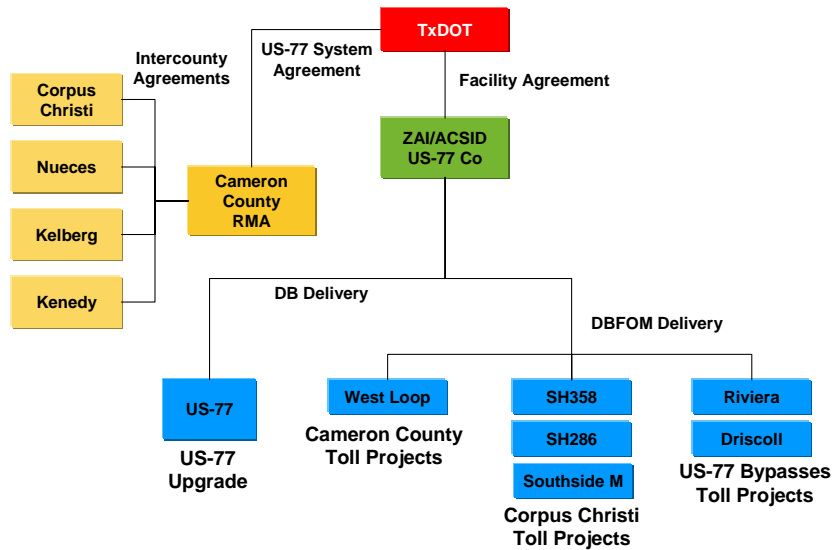


Figure 1: Delivery structure US 77 System

The key business elements of our proposed business model, as shown in the figure, are

1. The agreement between the Cameron County RMA and TxDOT ensuring the right projects are constructed and that the mechanics of a workable operating arrangement are developed
2. The inter-county agreements between the Cameron County RMA and the counties/MPO's in the US 77 region
3. System agreement with TxDOT; and
4. Sharing of revenue between tolled and non-tolled facilities

The Conceptual Development Plan

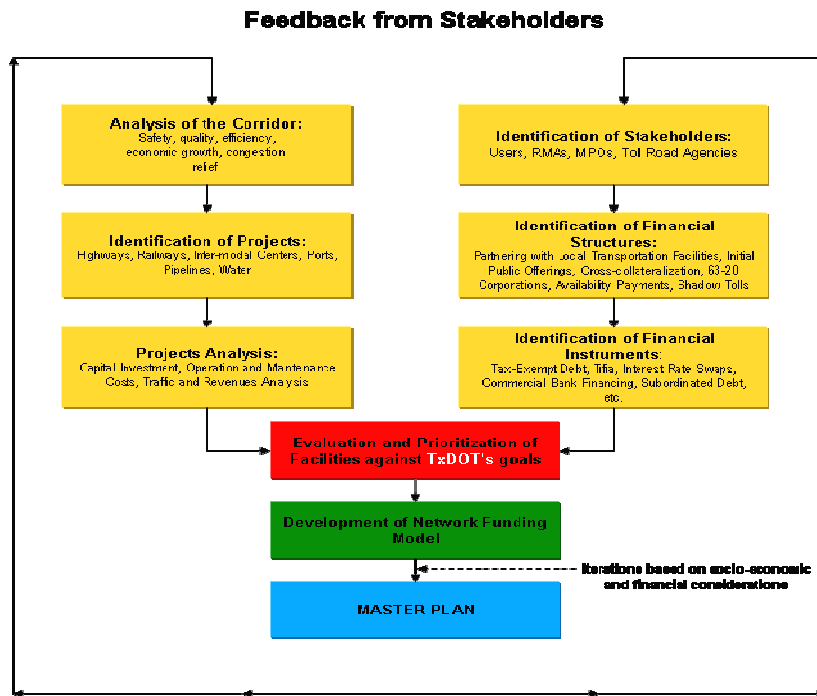
The Team's Conceptual Development Plan was developed based on an analysis of the transportation and socio-economic needs that exist along the I-69 corridor, potential for economic development and the ability to be innovatively financed. This transportation, socio-economic and economic development studies took into account factors including the safety, quality and efficiency of the transportation network, stimulation of economic development in rural areas, congestion relief on existing roadways and minimization of environmental impacts. In consultation with local transportation and economic development agencies, and after evaluating publicly-available information, the Team identified a list of Facilities (highways, railways, ports and pipelines), estimated the capital and operation and maintenance costs, and forecast the toll revenue.

At the same time, the Team developed a range of appropriate financing structures and financial instruments to minimize the use of public funds.

The Team's list of Facilities was evaluated in the context of TxDOT's goals and in combination with the preferred financial structures to form the basis of this Conceptual Development Plan. This led to the strategy

of using local and regional toll Facilities to fund upgrades and improvements to existing highways that will ultimately form the I-69. Through iterations of the model, the Team selected those Facilities that maximize the transportation and socio-economic benefits while minimizing public funding requirements.

The Master Development Plan will build upon the CDP using the process shown in the Figure. This is an iterative process that will be updated regularly over the life of the CDA.



Conceptual Financial Plan

US 77 Conceptual Financial Plan We present an innovative, flexible US 77 Conceptual Financial Plan that funds the upgrade of the US 77 Facility to interstate standards using \$0 public funds and finances seven *additional* new transportation projects within the region with a combined capital cost of \$2.5 billion, all within the next 34 months. The upgrade of the US 77 Facility without the need for public funds provides a nearly \$1 billion up-front benefit to TxDOT and the State of Texas. Our US 77 financial plan includes a substantial private equity investment of more than \$375 million, bringing needed capital to the corridor, aligning our interests with TxDOT's, and establishing a financial partnership with the State that is a foundation of the TTC concept.

Our US 77 Conceptual Financial Plan features six primary elements:

- ◆ **System Financing Approach.** We achieve the upgrade of the US 77 Facility with no public funds, in part, by bundling this non-toll project with seven new regional toll projects that can all be developed and financed in the next 34 months.
- ◆ **Partnership with Local Stakeholders.** Our conceptual financial plan is based on a project delivery and financing partnership with the Cameron County Regional Mobility Authority for which meetings and conversations have already been held and a support letter has been provided, and certain counties within the region. This element is consistent with our team more general approach that the best funding and project delivery solutions will be developed through working with, not apart from, local stakeholders.
- ◆ **Value Capture of New Infrastructure.** Additional financial capacity is brought to the US 77 projects through the creation of one or more Transportation Reinvestment Zones (TRZs) around the US 77

projects. The revenues generated through these TRZs are prudently incorporated into our financing plan to capture value created by the new infrastructure and productively use this value for the benefit of the US 77 system.

- ◆ **Reasonable, Flexible Financing Strategy.** Our Conceptual Financial Plan incorporates tax-exempt Private Activity Bonds (PABs), taxable bonds, a TIFIA loan, interest rate swaps (vanilla and step-up), and private equity. These products represent proven financing tools that are well understood by the credit rating agencies, investors, and credit enhancement providers. Support from two major bond underwriters is also provided. Additionally the Team held meetings and discussions with the two major and healthiest insurers which also provided letters of support. We have had in-person meetings with leading monoline insurance companies, TIFIA, and the USDOT PABs office to confirm our assumptions and approach. Moreover, our team includes a five-member bank group which submitted letters of support that provide a viable commercial bank financing alternative. All these together gives TxDOT comfort on the ability of the Team to reach a successful financial close
- ◆ **Proper Risk Allocation.** Our team proposes a risk allocation and mitigation strategy that provides maximum risk transfer to the Developer while aligning interests and ensuring the ability to fund at aggressive levels and successfully close financing. ACS's extensive global operations and financing experience will ensure that the right risk mitigation structures and strategies are applied for the benefit of all stakeholders.
- ◆ **Achievable Closing Schedule.** We have developed and present a well-thought-out closing schedule for the US 77 projects that accounts for all key steps to financial close and uses reasonable assumptions based on the collective financing experience of ACS, ZAI, and UBS. The US 77 system financing schedule anticipates financial close in January, 2011.

Non-US 77 Conceptual Financial Plan

As an approach for the non US 77 Facilities the Team has divided the facilities into Near Term and Mid/Long Term. In the near term the Team introduces seven facilities with a total investment of more than \$ 2.5 billion that could be financed without Public Funds if taken as a whole.

- ◆ The financial approach for the Near Term facilities was developed to incorporate financing flexibility to continually re-assess priorities and adapt financing plan to accommodate all the facilities. We thoroughly understand that economic development is top priority and our plan will be continually updated to meet changing needs and circumstances.
- ◆ In the Mid-term the Team has identify 14 projects with a total capital investment of some \$5 billion.
- ◆ Reasonable conceptual financing assumptions, a simpler financial structure was used for the Near and Mid/Long Term. Simplicity and reasonableness were the main considerations when implementing a financial structure, based also in our bank market test.
- ◆ Financial tool box approach provides a mechanism to ensure evolution of financial plan to meet needs of projects and incorporate new financing structures and products
- ◆ Retains the local partnering approach that we use for US 77 projects; enhances our ability to use tax-exempt debt and fosters collaborative approach with local stakeholders
- ◆ Key objective remains the minimization or elimination of need for public funds. To be assessed on project-by-project basis but we will constantly seek innovative, most efficient funding solutions to minimize need for public funding.

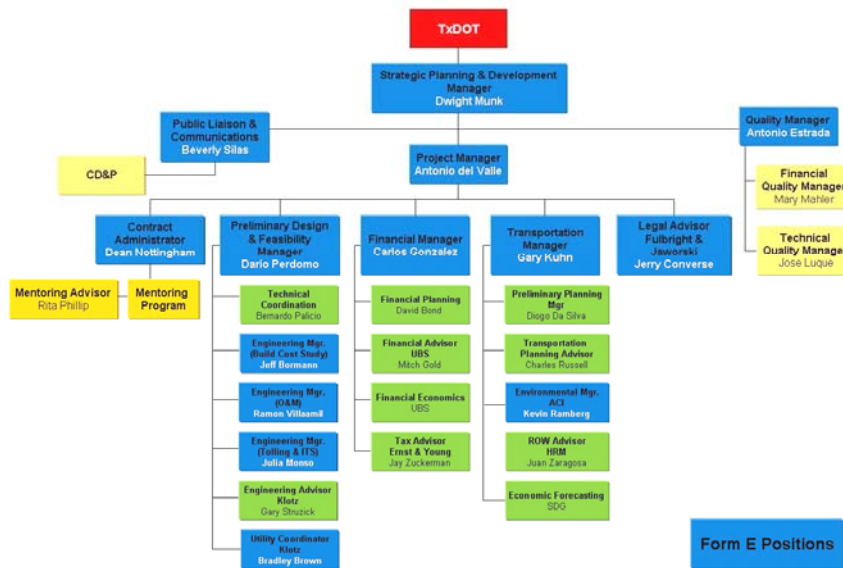
The Project Management Plan

The Team’s conceptual Project Management Plan (PMP), sets out, at a preliminary level, the composition and organization of the Team, the managerial processes and approaches to be implemented, and the activities and deliverables to be performed during the term of the Comprehensive Development Agreement (CDA).

The conceptual PMP addresses the activities and resources required, as part of the ISOW, to develop the Master Development Plan (MDP) and the Master Financial Plan (MFP), along with any updates required over time.

The Team’s organization and management structure defined in the PMP reflect the complexity and magnitude of the I-69 Project. The Key Personnel have been chosen based on their proven experience in managing multi-disciplinary, multi-stakeholder projects, as well as local and international expertise.

TxDOT Organization Chart - I-69/TTC Initial Scope of Work Phase



We will co-locate a Core Team with the TxDOT project staff at a mutually agreed-upon location during the ISOW. The Core Team will consist of at least the Strategic Planning and Development Manager, Project Manager, Quality Manager, Technical Manager, Transportation Planning Manager and the Financial Manager

The Quality Management Plan

This proposal includes the Team’s Quality Management Plan (QMP) that outlines the procedures and policies that the Team will implement to ensure the delivery of quality products and services during the execution of the Comprehensive Development Agreement (CDA).

Our Team is committed to quality in every phase of the Project. The principles that guide our Quality Program, in alignment with that commitment, are Leadership, Customer/Stakeholder Focus, Total Team Participation and Measurement.

We believe that Quality is everyone’s responsibility. The Management Organization will involve every individual and group, Project-wide, in ensuring that quality is delivered and processes are continuously improved.

Our Management Organization defines “Quality” as meeting or exceeding the requirements and expectations for every deliverable on the Project. The Team will define performance targets to measure the capability and

variance in meeting or exceeding requirements and expectations of all our customers, from TxDOT to all potential users of the I-69 TTC Facilities.

The Team will continuously update the QMP to minimize the occurrence of non-conforming work, capture innovations and improvements in processes and systems, and enhance evaluation efforts while adapting the quality processes to each specific

E. Proposer’s schedules, phasing, sequencing, key milestones and anticipated milestones set forth in the US 77 Facility Conceptual Development Plan, Conceptual Development Plan and Conceptual Financial Plan

The Conceptual Development Plan contains a series of important timings and milestones which are illustrated in Figure 1. At this stage, the proposed facilities have been phased as near-term, mid-term or long-term, based on (a) the non-public revenue the facility can generate, (b) the level of public acceptance, (c) the economic development potential, and (d) the development lead time required. Critical milestones have been generally identified in Figure 1, consistent with the planning process of civil infrastructure assets.

Within the US 77 Conceptual Development Plan, it is anticipated that the US 77 System will be completed in seven (7) years. Figure 1 shows the preliminary development schedule and the critical tasks contemplated to complete the US 77 System. The schedule was developed to reflect optimal phasing for each key milestone and it is based on the following assumptions:

- ◆ Immediately following execution of the Corridor CDA, the Team intends to enter into a FIP Preparation Agreement for the US 77 Facility and to agree on terms to undertake the necessary work, including the development of the Facility Implementation Plan.
- ◆ The ISOW and the US77 development process will run in parallel as they are independent work streams.
- ◆ The environmental process for the supporting US 77 System facilities will start upon award.
- ◆ The ROW of the US 77 Facility is very consistent with the current US 77 footprint and it is therefore assumed that environmental concurrence will occur in late 2009, with a challenge process taking six (6) months, being the assumed date for environmental concurrence for the other facilities the end of 2009.
- ◆ The ROW process for the US 77 Facility will begin after completion of the environmental process.

In the following table we summarize the key financing milestones for the US-77 System:

US 77 System Financing Work Plan

Phase	Length	Description	Key Tasks
Phase I	6-9 months	Refinement of assumptions and negotiation of key agreements	<ul style="list-style-type: none"> • Negotiate CDA with TxDOT • Terms/agreements with RMA and counties • Refine US 77 system project selection • Next-level refinement of construction and O&M costs and revenue projections
Phase II	18 months	Detailed costing and revenue analysis, environmental work, long-term financing development	<ul style="list-style-type: none"> • Traffic and revenue reports • Detailed project costing • Solicit TIFIA and PABs allocations • Retain lenders advisors • Environmental work/approvals
Phase III	6 months	Finalization of financial plan, execution of financing, financial close	<ul style="list-style-type: none"> • Finalize financial plan • Credit ratings • Credit enhancement provisions • Sale and marketing of bonds/ commercial bank financing/TIFIA • Financial close/start construction

F. A summary of the Proposer's approach to working with TxDOT and third parties in conjunction with Proposer's development of the Master Development Plan and Master Financial Plan.

Working with TxDOT

(i) Master Development Plan

The Proposer feels very strongly that the best means of accomplishing a project of this scope and size is to ensure there is close collaboration with TxDOT every step of the way. There are several aspects of the proposal that are designed specifically to accomplish this objective.

Primary in this regard is that an organizational structure that ensures a close working relationship with TxDOT. As can be seen, there is a single point of contact at a senior level for each of the primary functions. The Project Director will have overall responsibility and accountability for the Project. The Project Manager will have the role of coordinating the day-to-day aspects of the Project. In key support roles will be a Design & Construction Leader, a Project Quality Manager, and leaders for both the engineering and financial roles. Ultimately, the Proposer will ensure its initial organizational structure corresponds with the structure TxDOT establishes to oversee the Project.

To supplement this structure and further ensure close coordination with TxDOT, the Proposer will co-locate key team personnel with TxDOT. This will allow constant interaction and consulting between the Proposer, TxDOT, the TTC GEC and TTC-69 Section Engineers. Other key functional responsibilities which will have specific staff and draw on the expertise of ZAI, ACS, UBS, and SDG include: revenue collection; environmental management, review and compliance; contract administration; transportation planning; and rail and logistics coordination.

(ii) Master Financial Plan

The Master Financial Plan and Master Development Plan are integrally linked and will be developed in close coordination with each other and with TxDOT. For development of the Master Financial Plan, the Proposer will also work closely with TTA and TxDOT's Financial Division.

The Team includes local, national and global finance experts. The Proposer anticipates regular interaction with TxDOT to include briefings on financing options and structures and progress reports on the development and outputs of the Master Financial Plan.

Working with Third Parties

(i) Master Development Plan

The key to advancing the Project and the individual Facilities is the simple philosophy of early and continuous involvement of those entities affected by the Project. The key stakeholders must first be identified. Those preliminarily identified include:

- Federal Regulatory: EPA, FHWA, FTA, FRA and FEMA
- State Regulatory: TCEQ, PUC of Texas, RRC of Texas, and ERCOT
- Planning Organizations: MPOs and COGs
- Local governments: cities and counties
- Tolling Authorities: HCTRA, NTTA and appropriate RMAs
- Private: railroads, utilities, and power companies (LCRA)

(ii) Master Financial Plan

Members of the Master Financial Plan Team will work as integral team members in discussions with the identified third parties as these represent both financial and contractual partners for the development of the Project. In addition, the Master Financial Plan Team members will be working in close coordination with key sources or facilitators of funding not noted above. These include: Texas state government finance officials, as appropriate and in coordination with TTA and TxDOT's Finance Division, Rating agencies, Bond insurers,

European and US banks, Institutional investors, Potential equity partners, Real estate developers, Utility owners, Advertising agencies (for ancillary revenues), Local Texas business, trade and finance organizations, as appropriate.

G. Proposer's approach to supporting TxDOT regarding community relations and interaction with the project.

The purpose of the TTC 69 community relations and public involvement plan is to support and complement the existing TxDOT public information plan. The project specific plan also establishes a new framework for open communications and the exchange of information with the general public, key stakeholders and the Team.

After discussion and direction from TxDOT, the plan will develop a proactive public involvement process that provides complete information, timely public notice, public access to key decisions, and supports early and continuing involvement of the public in developing the TTC 69 corridor transportation projects. It is anticipated this plan will complement the existing TxDOT public education and involvement initiatives.

The Team will establish an interactive web page that will house all public information, maps, project white papers and all information that is open to the public. In addition, the team will establish interactive call centers that will take public comments, requests for information, and serve as a manned connection to the public, key stakeholders, government officials and various other groups or individuals.

In addition, the plan will engage citizens from various backgrounds, demographics and income levels, which will specifically target residents, typically underserved in transportation decision making; through targeted bilingual efforts using local outreach professionals along the corridor.

Mentoring Plan

The Team endeavors to promote and increase business opportunities for qualified and certified Small, Minority, Women-Owned, African American, Disadvantaged and HUB Zone Business Enterprises ("SBEs") to compete for services and goods in the field of their expertise as subcontracted by ZAI ACS I69/TTC Team. The Team recognizes its inherent commitment to the communities and regions in which it serves and the marketplace in which it conducts business. This policy is being adopted, not as a response to outside regulatory agencies or mandatory requirements, but as an effort to strengthen ties with the communities in which the ZAI ACS I69/TTC team will do business.

ZAI ACS I69/TTC is motivated to and compelled to serve our communities in a continuous fashion and without discrimination. **Our ability to accomplish this is based upon our years of work history in the Texas region with knowledge of the local construction community and the recognition following of loyal local subcontractors and vendors.** We believe a community is only as strong as the businesses that support it. When we are able to contribute to the success of diverse suppliers, not only do we benefit, the local community and economy benefit too. Nowhere is our commitment to our community more pronounced than in our efforts to work with and help develop local SBEs.

H. Proposer's strategy for environmental compliance, monitoring, and mitigation to support TxDOT in fulfilling the NEPA process and environmental commitments for each Facility and the overall project.

The Team recognizes that TxDOT (and FHWA) has the ultimate legal responsibility to ensure that the construction and operation will be accomplished in an environmentally sensitive manner. Given that this new and innovative transportation process will require clear communication with TxDOT and the public, the Team proposes a collaborative approach to ensure that the environmental compliance, monitoring, and mitigation mandates are implemented in the most effective and efficient manner possible. The Team, after discussion and direction from TxDOT, will provide assistance to ensure that environmental compliance (and the cost of

that compliance) is thoroughly discussed with the relevant governmental agencies and fully explained to the public.

The Team has identified three phases of the environmental process for which this collaborative approach can be implemented: the Tier I and Tier II NEPA processes; the subsequent Facility selection and related regulatory authorization process; and the post-NEPA (ROD/FONSI) condition resolution process.

Collaboration during the Tier I and Tier II NEPA process, for example, will allow the Team to clearly understand how TxDOT will compare impacts from each subsequent Facility selection to the direct, indirect, and cumulative impacts of the entire Project. Collaboration during the Facility selection process will allow for better coordination when developing alignment alternatives, seeking effective public involvement, conducting regulatory constraints analysis, and in developing cost-effective avoidance, minimization, and mitigation strategies. Collaboration after the NEPA phase will ensure that the ROD/FONSI conditions are implemented, sufficiently funded, and satisfy public expectations.

The Team is uniquely qualified to assist TxDOT on the collaborative effort of developing long range Facility planning, resolving near and long term environmental constraints, and in developing tangible environmental opportunities that will ensure public involvement and local community participation. The Team is permitted by TxDOT to perform all facets of the NEPA process and has recent and current experience in implementing conditions on road projects required by the NEPA process. In addition, the Team will be assessing new technologies that will provide new environmental opportunities that will go beyond current regulations. These opportunities, for example, may reduce the carbon footprint, enhance natural resources, or maintain the quality of life while still accomplishes the purpose identified by TxDOT in the Tier I DEIS.

Vision of Transportation to benefit communities and their economic development

During our discussions with the communities along future I-69 and members of the Alliance for I-69 over the last few years, we asked them what does an interstate highway mean to your region or community. Some might see a new Interstate as a way to bypass small towns as they travel long distances via passenger car. Others might see it as a way to relieve congestion and increase certainty of arrival. However, for the economic development entities that our team members have met with in recent months and over the last few years, an Interstate represents a chance to compete for economic development on an equal footing in the State, National and International marketplace.

Specifically, when we spoke to the communities of Lufkin, Nacogdoches, Wharton, Corpus Christi, Harlingen, and McAllen they told us that the lack of an Interstate prevented them from submitting proposals for site selection to major companies considering setting up operations in Texas. Why? Not because they don't have good roads today. Not because they don't have an adequate and educated workforce. And certainly not because of a lack of local support or political leadership.

It seems that proposals they do not get to submit proposals simply because **there is not a highway with an interstate shield nearby**. As a result, their chances to create economic development are thwarted simply because they don't have the right kind of sign along the major highway corridor passing through/near their community.

Now that they are being presented with an opportunity to get a highway with an interstate shield, some have found themselves torn between having the opportunity to compete and develop economically and having to give up some of their land or quality of life. This has been abundantly clear at the Town Hall meetings conducted by TXDOT early this year along I-69 TTC. The residents feel frustrated (like TxDOT) that the State has sharply reduced funds for new highways. They are concerned about what will happen if private developers finance, design, construct, operate or maintain the road with their interstate shield. They want to know:

- Who will provide the safety and security along their new interstate highway?
- Who will own the interstate highway?
- How long will it be before they are driving on the interstate highway?
- Can they begin planning to do things in their community or on their personal property?
- What are the best ways to make advantage of the economic benefits that typically follow when an interstate highway comes near or through their community or region?

Our team is uniquely positioned and qualified to help answer those questions and deliver solutions. We have discussed our conceptual US 77 model with the same economic development entities and they are encouraged because the same model could be used to deliver I-69 faster. They like the fact that we will focus on delivering their Interstate Shield to their communities within existing highway right-of-way!

By using the same basic CDP/CFP model as US 77, our team could create I-69 from the Rio Grande Valley to Texarkana, with a dedicated freight route between Laredo and the Port of Corpus Christi within 20 years of award of the Master Developer CDA. This will change a lot of things quickly because knowing a specific target date for I-69, the present "paralysis" the landowners along I-69 are suffering can be eased. This paralysis is somewhat the result of an environmental process that has been affected by previous events. It is partially due to TxDOT's financial situation and public's lack of understanding why there is shortfall of public funding for transportation infrastructure. All of these contribute to the paralysis. With the fear of losing their land reduced, these Texans can concentrate on economic development like that could come from the expansion of the Panama Canal.

The Team believes, along with TxDOT, that Texas stands to gain substantially if the goods and services from Asia and Latin America come through the Panama Canal and then through Texas. As a hub in the Global Supply Chain, Texas could capture the nearly 15 million teu's of "excess" freight that will be available by 2020 based on projected volumes. By interconnecting the Ports of Brownsville, Corpus Christi, Freeport and the Houston and creating the "Texas Super Port" using I-69 and the Texas Freight Shuttle Land Bridge (FSLB) network, Texas will be able to offer the World's shipping industry a cost effective, efficient, predictable and environmentally responsible dedicated freight transportation infrastructure.

The corresponding growth of freight transportation will create thousands of new jobs. An efficient freight transport system will attract more manufacturing and businesses to the Texas Gulf Coast. All of this enlarges the Texas economy. And can all be done in an environmentally responsible way by using existing right-of-way and non-emission producing transportation of goods.

In addition, the Texas Super Port with the FSLB will have enough capacity provide the opportunity for "spurs" to be inter-tied with the main FSLB network thereby allowing communities to use their entrepreneurial ingenuity and our outstanding academic resources to develop more products and services for export to the World. The transportation constraints will be removed. In fact this robust freight transportation system which can carry perishable goods may also provide a means for those residents along the I-69 corridor, who already provide food for Texans, who are concerned about I-69 to embrace it and start providing food for the rest of the World. And where the FSLB system.