



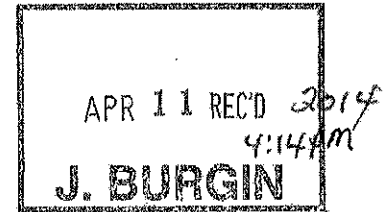
Kentucky Governor Vetoes the P3 Bill

Kentucky Governor Steven Beshear has vetoed HB 407, the bill that would have created authority to use P3s for public infrastructure. In his veto message, the Governor states that the existing transportation law in Kentucky already contains authority to partner with the private sector for a wide variety of services and capital project so that the veto will not impede the ability for P3s. In addition, HB 407 prohibits P3 agreements with the State of Ohio without further legislative review and approval of such projects. HB 407 also prohibits the use of tolls to fund a replacement for the Brent Spencer bridge. The Governor states that it is imprudent to eliminate any potential source of financing a vital piece of infrastructure.



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

STEVEN L. BESHEAR
GOVERNOR



Sean Burgin

700 CAPITOL AVENUE
SUITE 100
FRANKFORT, KY 40601
(502) 564-2611
FAX: (502) 564-2517

VETO MESSAGE FROM THE
GOVERNOR OF THE COMMONWEALTH OF KENTUCKY
REGARDING HOUSE BILL 407 OF THE
2014 REGULAR SESSION

I, Steven L. Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky State Constitution, do hereby veto the following:

House Bill 407 of the 2014 Regular Session of the General Assembly in its entirety.

I am vetoing this bill because it encumbers an otherwise well intentioned policy measure with unnecessary elements relating to a single, near term project, which should not be enshrined into permanent law.

The primary purpose of HB 407 is to create or further enhance mechanisms to facilitate public-private partnerships – or P3s - for the procurement of services, and the procurement, construction or financing of capital projects, including transportation projects. The Commonwealth has long embraced creative methods for improving the state's services, capital assets and infrastructure, especially those that can leverage private partners for the benefit of the public good. Fortunately, except in the area of transportation, Kentucky's existing procurement laws already allow the Commonwealth to partner with the private sector for a variety of services and capital projects, and this veto will not impede our abilities to continue with P3s in those areas in any way. We will continue to welcome innovative ideas and proposals from the private sector to enhance and improve state assets and services.

While House Bill 407 grants broad and necessary authority to governmental entities to utilize P3s for transportation projects generally, it expressly prohibits their use in cases involving the state of Ohio absent additional legislative scrutiny and review. It further expressly prohibits the use of tolls to fund a project to construct a replacement for the Brent Spence Bridge. It is imprudent to eliminate any potential means of financing construction of such a vital piece of

infrastructure that serves not only the Commonwealth and the State of Ohio, but also the eastern United States. Issues relating to a single project such as this should not be enshrined in permanent law.

This the 11th day of April, 2014


Steven L. Besheat, Governor