Public Private Partnerships – The Federal Government Perspective

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DOT and PPPs

Secretary Mary Peters --. A Public-Private Partnerships (PPP’s) program can greatly advance the public interest by responding directly to the transportation challenges we currently face.

Asst. Secretary for Policy Tyler Duvall -- PPPs offer an innovative alternative that responds to the failures of status quo approaches.

RITA Administrator Paul Brubaker – PPPs allow the government to draw upon private sector equity and expertise in the delivery, operation, and maintenance of the transportation system.
Why PPPs

- PPPs address **funding shortfalls** by providing access to a vast amount of private capital available for investment in transportation;
- PPPs help **align transportation funding policy** with critical energy and environmental policies by substituting private capital for gas tax revenues;
- PPPs reduce the wasteful effects of political and special purpose spending by incorporating **financial accountability for investment** decisions into the transportation funding process;
- PPPs can significantly **accelerate project delivery** by providing upfront private capital for a project’s full cost; and
- PPPs respond to growing congestion and system unreliability by providing **high-quality projects**, which can reduce congestion in some of the busiest corridors in the country.
DOT Activities to Support PPPs

➢ Background research and analyses
  U.S. DOT has supported research and analysis conducted on the viability of using PPPs as a mechanism for project delivery.

➢ Legislative support
  DOT has supported legislative changes at the state and federal level to facilitate the use of PPPs for transportation infrastructure.

➢ Technical Support
  ✓ Office of the Administrator, FHWA – Established a Public-Private Partnership Program Manager to provide technical support to localities wishing to undertake PPPs.
  ✓ Office of the Secretary – Policy --Continues to conduct analysis and research in support of PPPs.
Federal Legislation and Programs

- Private Activity Bonds program for highways and freight facilities;
- TIFIA program (which was updated in 2005);
- Interstate Tolling programs;
- SEP-15 program;
- FTA’s Public-Private Partnership Pilot Program.
Concerns about PPP

Risks from PPPs

- Monopoly pricing;
- Corruption;
- Institutional inexperience;
- Lack of sufficient competition.
Possible Research Areas

- Best Practices
- Coalitions and cooperatives
- Widening the modal scope
DOT Resources

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Public-Private Partnership Website:
http://www.fhwa.dot.gov/PPP/index.htm