

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.



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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



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DOT Resources

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Public-Private Partnership Website:

<http://www.fhwa.dot.gov/PPP/index.htm>



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