

Fifth International PPP Forum
“United States Contribution to World PPP Development and Asia Infrastructure”
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PPPs in the U.S. Today: A Fragmented PPP Environment

- Unlike many countries, the U.S. federal government has no central PPP unit to oversee PPP policy and programs. Each major department has its own unique statutory and regulatory framework for contemplating, evaluating, and implementing PPPs, with general guidance provided by the Office of Management and Budget. As a consequence, participation in PPPs varies greatly from department to department.
- At the state and local level, PPP policy is similarly fragmented. For example, today 25 states have legislation in place authorizing PPPs for transportation infrastructure, while 25 do not. Existing laws vary from state to state.
- This fragmented environment makes it difficult to identify the full extent of PPP activity.





PPPs in the U.S. Today

- Use of PPPs as a tool to improve delivery of government goods and services is gradually increasing at all levels of government. Currently, more than 1,000 new PPPs are created annually in the U.S.
- Annual PPP creation, in dollars, ranked by sector, is:
 - Real estate/economic development (e.g. schools, administrative facilities)
 - Transportation
 - Water/Wastewater
- There is still a level of reluctance to expanding PPP authorities and utilization, both among Federal legislators and state and local bodies.





Sectors Where PPPs Have Been Used

- Transportation
- Waste/Wastewater
- Urban Development
- Utilities
- Schools
- Healthcare
- Municipal Facilities





Government Role in PPPs

Federal

- Implementing laws and policies to implement PPPs at the Federal level
- Participating in Federal PPP projects
- Implementing laws and policies to enable PPPs at the State and local levels

State

- Implementing laws and policies to enable PPPs at the State and local levels
- Participating in state PPP projects





Role of the NCPPP

- Non-profit organization, established in 1985
- Members include public agencies, private firms, and academic institutions with an interest in building awareness of, and capacity for, public-private partnerships as a tool for improving delivery of government services.
- Focus on training and capacity building, through a active program of seminars, workshops, case studies and other educational materials, and our website: www.ncppp.org





Role of the NCPMP

- Working relationships with international bodies, such as Toyo University, the World Bank, the Inter-American Development Bank, etc.
- Host visiting groups of public and private sector officials from around the world; an average of two groups per month
- Most recent Asian groups include visiting delegations from Japan (organized by Toyo University) and India (organized by World Bank)





Role of the NCPPP

- NCPPP provides speakers to regional and national PPP events around the globe; recent speaking engagements included Brazil, Barbados, Trinidad and Tobago, Jorgan, and Kyrgyzstan .
- NCPPP developed and delivered PPP training for UNDP country representatives from Asia, Africa, and Latin America, and maintains a set of global PPP case studies for UNDP





U.S Opportunities

- The U.S. PPP market has generally been receptive to foreign participation
- Major participants have included:
 - Macquarie (Australia)
 - Cintra (Spain)
 - Transurban
 - And various consulting and law firms





U.S. Firms Abroad

- U.S. firms are also active in PPP markets abroad, with particular focus on North and South America, Europe, and the Middle East
- The Asian PPP market is seen as the next frontier, and the growing participation of India and China in the use of PPPs is drawing a great deal of interest. India is the most exciting market in Asia today.





Port of Miami tunnel financial deal closed, construction to begin

BY ALFONSO CHARDY

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The way was cleared Thursday for construction of the oft-delayed Port of Miami tunnel project.

But don't expect digging to start anytime soon -- the machine to dig the tunnel hasn't even been built yet.

That process will begin soon after the private consortium awarded the project orders the machine from manufacturers in France and Germany.

Details about how the \$1 billion tunnel will be built under Biscayne Bay between the MacArthur Causeway and the seaport have been known for some time, but they were fully outlined Thursday at the Florida Department of Transportation's West Miami-Dade office, where local and state officials gathered to announce the project's financial closing.

The step paves the way for the private consortium, Miami Access Tunnel, to proceed with fabrication of the tunnel boring machine as the next major milestone in a project that has been on the drawing board for almost three decades.





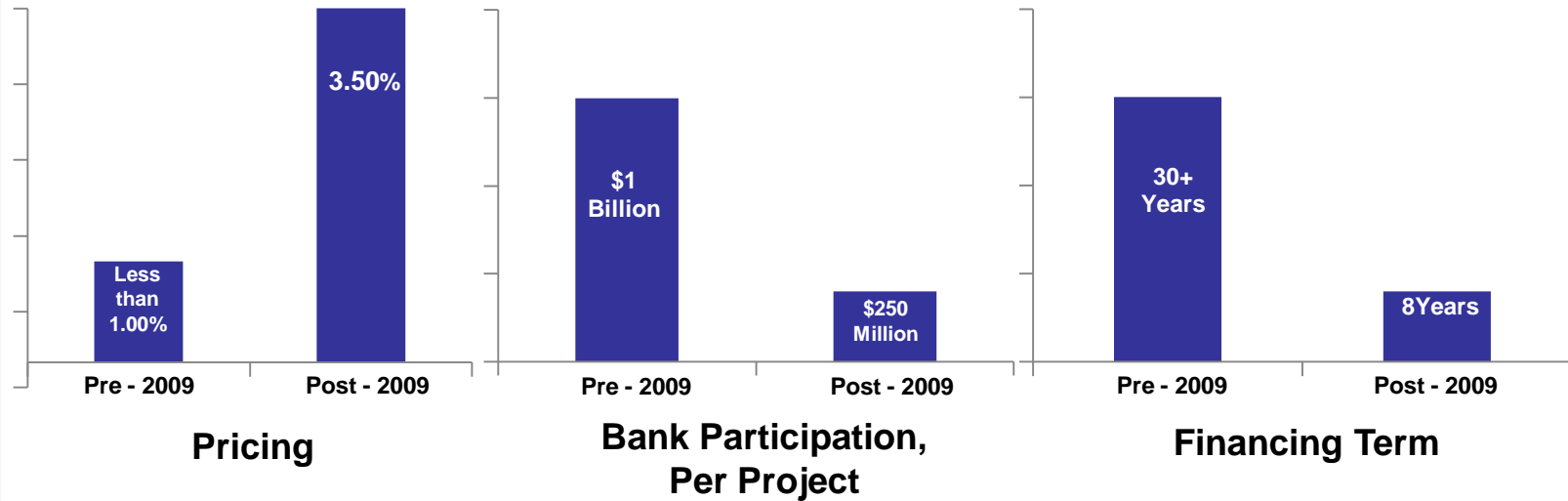
Update on the Current State of PPPs in the U.S.

- What about financing?
 - Funding is still available for PPP infrastructure projects – with higher equity participation than prior to the crisis
 - New investors (including public pension funds) are entering the market with an increased sense of due diligence
 - There is a much lower tolerance for risk, but a greater interest in the long-term return possible with these investments





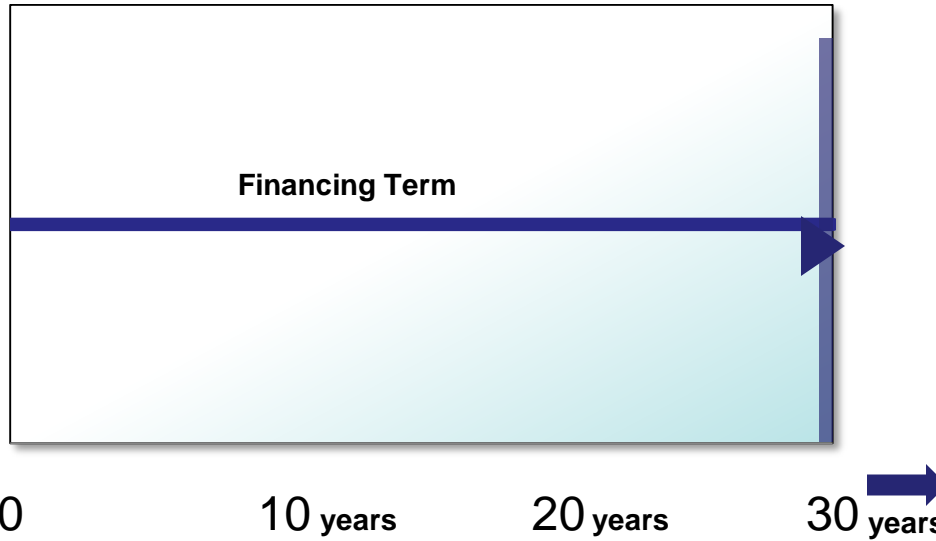
Impact of Financial Crisis





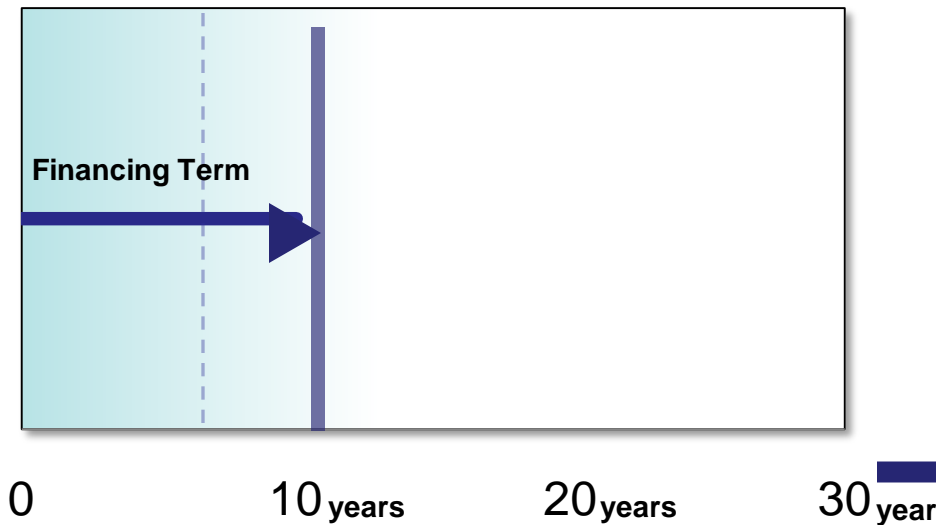
Refinancing and Risk

Pre - 2009



**Private Sector
Assumes Refinancing Risk**

Post - 2009



**Who Assumes the Risk of
Potential Multiple Refinancings?**



A Secondary Effect of the Financial Crisis: Weakening Project Revenues



- The South Bay Expressway is a 10-mile toll road in San Diego County, California, which opened for traffic in November 2007.
- Since its inception, traffic volume and revenue have been significantly below projections.
- Third quarter 2009 traffic was down 13.6 percent from third quarter 2008 (22.5k/day vs. 26.1).





Completed PPP Projects (U.S.)



Union Station, Washington, DC



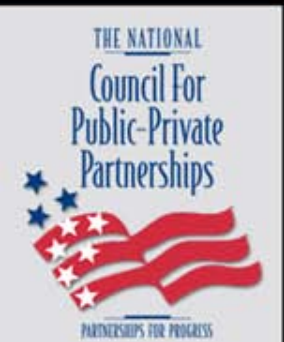
JFK International Terminal 4, New York



Las Vegas Monorail, Nevada



Port of Galveston, Texas





Completed PPP Projects (U.S.) cont.



James F. Oyster School, Washington, DC



Hancock Geriatric Treatment Center,
Williamsburg, VA



Fredericksburg, VA Parking Lot



Tolt Water Plant, Seattle, WA

