

# TR NEWS



## Public-Private Partnerships

*Filling Funding Gaps  
for Infrastructure*

- Lessons and Models from Abroad
- Evolving U.S. Initiatives
- Protecting the Public Interest



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# TR NEWS

NUMBER 274

MAY–JUNE 2011

## PUBLIC–PRIVATE PARTNERSHIPS FOR TRANSPORTATION

### 3 INTRODUCTION

#### **Public–Private Partnerships for Transportation: Filling Funding Gaps for Infrastructure**

*Steve DeWitt*

The United States is searching—and struggling—for solutions to its critically inadequate transportation funding. Many believe that public–private partnerships could fill some of the gaps. The policy issues and legislative debates, however, have proved substantial and complex; the assembled articles present the legal, policy, and owner perspectives.

### 4 Challenges Mount for Traditional Transportation Funding: Are Public–Private Partnerships a U.S. Solution?

*Pamela Bailey-Campbell*

Public–private partnerships (PPPs) increasingly have become a way for public agencies around the world to build or upgrade transportation infrastructure; in the United States, PPPs are still developing. The author looks at successful U.S. programs, draws out rules for success, and recommends three actions at the federal level to make the most of PPPs.

### 10 International Practices in Public–Private Partnerships: Synthesis and Discussion

*Michael J. Garvin*

The experience of international counterparts with public–private partnerships offers lessons and practices that may be applicable to the U.S. market. The author reviews arrangements in Europe and Australia and suggests pointers on project identification and selection; market preparation; revenue transfer, tolls, and direct payments; procurement and contract management; and more.

### 16 Value from Public–Private Partnerships: Balancing Prescriptive and Performance Specifications from Design to Handback

*Jonathan Startin*

In a long-term concession agreement, the public owners seek to transfer the risks for the asset's condition to the private concessionaire through performance requirements for operation and maintenance and for handback. The author traces out the challenges, which include aligning objectives through a commercial framework, determining measures, and defining benchmarks.

### 23 Selecting Public–Private Partnerships for Transportation Projects: From Episodic to Programmatic Public-Sector Decision Making

*Geoffrey S. Yarema*

During the 25 years of U.S. experience with public–private partnerships, an evolution has occurred in the way that transportation agencies have selected projects. The author identifies three generations in the evolution, describes the underlying rationales for each, and notes the components of a programmatic approach to integrated project selection.

### 28 Protecting the Public Interest in Long-Term Highway Concessions

*Robert W. Poole, Jr.*

The author analyzes findings from three U.S. studies of public–private partnerships, as well as initiatives in Florida and Texas, and concludes that long-term concessions for selected large highway projects have merit, and that the public interest can be protected through provisions in the agreement, drawing on the experience of other countries.



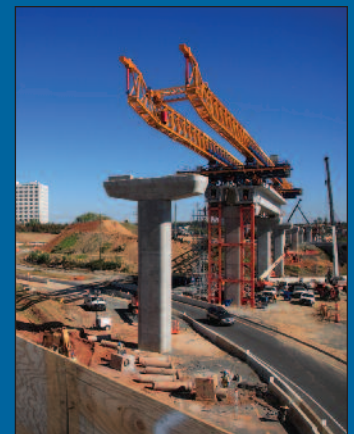
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COVER: A public–private partnership is responsible for the design and construction of a major Washington, D.C., Metrorail connection to Dulles International Airport. (Photo by Tom Saunders, Virginia Department of Transportation)

features articles on innovative and timely research and development activities in all modes of transportation. Brief news items of interest to the transportation community are also included, along with profiles of transportation professionals, meeting announcements, summaries of new publications, and news of Transportation Research Board activities.

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## COMING NEXT ISSUE

With the 10th anniversary of the terrorist attacks of September 11, 2001, approaching, the July–August 2011 *TR News* assembles feature articles exploring the state of security and critical infrastructure protection, including an assessment of U.S. infrastructure resiliency, North American perimeter security and the movement of trade, the security of bridges and tunnels, measures to protect rail and transit from attacks, the effects of piracy on the global supply chain, and the relative threats from airline passengers and air cargo. Also highlighted are findings and applications for state transportation agencies from Cooperative Research Programs projects, including emergency response planning, physical security basics, communicating with vulnerable populations in emergencies, and an all-hazards guide for costing asset protection.



PHOTO: JUSTIN SUZUKI, GETTY IMAGES

New York City police officers prepare to search trucks entering the Lincoln Tunnel, November 13, 2001. Truck searches at the tunnel are routine since the September 11, 2001, attacks.