



## **Partners Project on Public-Private Partnerships (P3s/PPPs)**

State authorization and use of Public-Private Partnerships – also known as Public-Private Ventures, P3s, and PPPs – date back to the early 1990s. P3s cover as many as a dozen types of arrangements with the private sector ranging from outsourcing litter pickup to outright sale of a transportation asset. About two dozen states have enacted authority for a state transportation agency to consider and enter into P3s, and over 50 P3s have been completed in the states involving \$30 billion in investment. Several require the approval by the legislature for implementation of specific projects.

P3s have gained particular notoriety in the recent past as several states and localities have embarked on highly publicized experiments with this infrastructure financing mechanism and as the topic has become a political punching bag in Washington, D.C. Plans to “privatize” or “monetize” the Chicago SkyWay and the Indiana Toll Road received much press both as “sales” of public assets to private interest and as effective ways of leveraging those assets. The U.S. Department of Transportation, in the face of diminishing gas tax revenues to support the Highway Trust Fund and federal-aid transportation projects, has been touting P3s as a veritable silver bullet to solve transportation funding woes. On Capitol Hill, however, congressional leaders who will guide the next surface transportation authorization bill have lambasted P3s and suggested that state officials considering P3s are not looking out for the “public interest.” Caught in the middle of this political pickle, forced to seek innovative yet effective funding mechanisms to maintain and expand transportation infrastructure, and faced with conflicting opinions in the press, state legislators are in urgent need of reliable information and effective tools for evaluating the merits of P3s.

To meet this need, the NCSL Foundation for State Legislatures seeks to launch a Partners Project to link legislators, legislative staff, and interested private sector entities to analyze legislators’ needs and to develop nonpartisan, balanced, and useful materials to aid legislators’ decision-making, both in their respective states and as they consider state-federal relationships. The P3s Partners Project will largely focus on publicly held surface transportation systems – namely roadways – but may incorporate linked water-based systems or intermodal installations as Project time and resources permit. In particular, the 18-month Project will:

- Develop and offer educational sessions;
- Develop and provide a Legislative P3 Toolkit, including, but not limited to, items legislators and staff can use to:
  - Evaluate the merits of P3s when considering implementing legislation,
  - Assist state transportation officials as they evaluate tenders and bids,
  - Understand P3 contracts,
  - Oversee the operation and performance of P3s, and
  - Respond to public and press inquiries about P3s;

- Develop greater NCSL expertise on P3s, offer episodic technical assistance upon request from legislators and staff, and increase capacity to respond to information requests; and
- Inform the NCSL Transportation Committee's deliberation of P3s in the context of state-federal relations.

While NCSL's Transportation Committee, with the support of the Transportation Program, will take the lead on this Project, other potentially interested units of NCSL include:

- Budgets & Revenue Committee,
- National Legislative Performance Evaluation Society, and
- National Association of Legislative Fiscal Offices.

#### *Proposed Timetable*

June 2008 – Partners recruited to participate in Project; legislators and staff identified to guide Project

July 2008 – NCSL Legislative Summit, New Orleans ([www.ncsl.org/summit](http://www.ncsl.org/summit))– P3s Partners Project approved by NCSL Foundation Board; NCSL Transportation Committee, Budgets & Revenue Committee, and National Legislative Performance Evaluation Society hold joint session on PPP oversight; Partners Project announced and launched; initial Project Business Meeting held

September 2008 – ARTBA Public-Private Ventures Conference ([http://www.artba.org/meetings\\_events/2008/PPV/index.htm](http://www.artba.org/meetings_events/2008/PPV/index.htm)), preceded by P3s Partners Project pre-conference

December 2008 – NCSL Fall Forum, Atlanta, Georgia – P3s Partners Project Business Meeting, educational session, and update/report to Transportation Committee

April 2009 – NCSL Spring Forum, Washington, D.C. – P3s Partners Project Business Meeting, educational session, and update/report to Transportation Committee

July 2009 – NCSL Legislative Summit, Philadelphia, Pennsylvania -- P3s Partners Project Business Meeting, educational session, and update/report to Transportation Committee and NCSL Foundation Board

September 2009 – ARTBA Public-Private Ventures Conference, preceded by P3s Partners Project pre-conference

December 2009 – NCSL Fall Forum, location TBA -- P3s Partners Project Business Meeting, educational session, and final update/report to Transportation Committee

#### *Proposed Budget*

Taking into account the proposed deliverables and schedule, NCSL staff estimate a budget of \$120,000 for this Partners Project. It is recommended that 12 Partners contribute \$10,000 to the Project.

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