

On September 9, 2014, the Treasury Department hosted an infrastructure investment summit to discuss opportunities for private investment in public infrastructure.

This Summit, attended by a broad cross section of public and private sector leaders, is part of the "Build America Investment Initiative" announced by President Obama in July. This federal government-wide initiative aims to increase infrastructure investment through engagement with state and local governments and private sector investors to encourage collaboration, expand the market for public-private partnerships (P3) and put federal credit programs to greater use. The Summit was co-hosted by Secretary Foxx and US Secretary of the Treasury Jack Lew.

"This Summit is an important step towards addressing the country's pressing infrastructure needs," noted Rodney Slater, former US Secretary of Transportation and now a Squire Patton Boggs lawyer based in our Washington DC office. "Private sector participation is a vital part of solution. As the recently closed I-4 Ultimate Project in Florida shows, great things can be achieved when the public and private sectors work together."

In July Secretary Slater, along with current US Secretary of Transportation, Anthony Foxx, noted in an open letter that "the United States of America is in a united state of disrepair, a crisis made worse by the fact that, over the next generation, more will be demanded of our transportation system than ever before. By 2050, this country will be home to up to 100 million new people ... [and] we'll have to move 14 billion additional tons of freight, almost twice what we move now."

The Summit addressed a wide range of issue and potential solutions, but certain common themes emerged. Key take-aways included:

- State and regional P3 "Centers of Excellence" can greatly assist the consumption of US P3s by applying best practices and increasing efficiencies.
- A properly structured P3 is not simply about risk transfer from the public to private sectors, but rather the rational allocation of risk to the party best placed to manage and mitigate.
- P3s and other forms of innovative infrastructure procurement can be significantly more complex than traditional procurement methods. The public sponsor's selection of qualified and experienced financial and legal advisors can be a key factor in the success or failure of a project.
- The private infrastructure investment sector is global in nature. The US is competing with Canada, Latin America, Europe, Asia and Australia for such investments.
- The US P3 sector would benefit from increased standardization and common "rules of the road."
- A long term solution to financing the Highway Trust Fund would bring stability to the transportation sector, encouraging private sector investment.

Public sector panelists included Penny Pritzker, Secretary of the Department of Commerce; Sarah Bloom Raskin, Deputy Secretary of the Department of the Treasury; Karen Dynan, Assistant Secretary for Economic Policy at the Department of the Treasury; Jeffrey Zients, White House Director of the National Economic Council and Assistant to the President for Economic Policy; Greg Nadeau, Federal Highway Administration; James Bass, Texas Department of Transportation; and Phillip Washington, Regional Transportation District in Denver.

Private sector panelists included Christopher Leslie, Macquarie Infrastructure; Jane Garvey, Meridiam Infrastructure; Nicolas Rubio, Cintra US; George Pierson, Parsons Brinckerhoff; Jim Barry, BlackRock; Marc Lipschultz, Kohlberg Kravis Roberts & Co; Laurie Mahon, Canadian Imperial Bank of Commerce; and Ed Smith Ullico Inc.

Squire Patton Boggs is actively engaged in the Build America Investment Initiative and is working with the leadership of the US Department of Transportation, the Environmental Protection Agency and other agencies to facilitate greater collaboration between the public and private parties in the infrastructure sector.

About Squire Patton Boggs

Squire Patton Boggs offers its clients a unique combination of expertise in P3s, public finance, bank finance and construction, coupled with a depth in public policy and governmental affairs unmatched by our competitor law firms. Our practice draws on lawyers throughout our global network in the US, Europe, Asia Pacific, Latin America and the Middle East. With 16 offices in the US (including in Virginia, Florida, Texas, Colorado and California), we also offer our clients extensive local knowledge and legal advice within a single integrated firm.

Contacts

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