Congressional Caucus on Public-Private Partnerships (P3s)

The first bi-partisan Congressional P3 Caucus meeting was held on November 19 and was led by Congressman Mike Rogers (R-AL) and Congressman Gerry Connolly (D-VA). Congressman John Delaney (D-MD) was also present, and the other panelists included representatives from the Chamber of Commerce, George Mason University, Honeywell, and ACEC.

This Caucus will include lawmakers as well as additional public and private sector stakeholders, and the Caucus plans to take a broad approach to PPPs—including transportation infrastructure, defense, education, energy and more. Representative Rogers said that he hopes his colleagues will join the Caucus to learn more about public-private partnerships.

The representative from Honeywell discussed how PPP partnerships involve working together toward a common outcome, and that the government has intrinsic infrastructure that the private sector can leverage. He said that Honeywell is able to protect its profit margins when participating in PPP projects and that he views PPPs as an opportunity to grow profit over ten to fifteen years.

Porter Wheeler—from the George Mason University’s Center for Transportation Public-Private Partnership Policy—discussed lessons learned from PPP projects in Virginia and other states. Porter said that the “government cannot make bargains without authority” and that several states have passed enabling legislation to authorize PPP projects throughout the country.

The representative from the ACEC, Matt Reiffer, said that we are not currently engaging in enough PPP projects, and that these projects are a supplement to public policies, but not a replacement of traditional funding mechanisms.

Representative Connolly discussed the general public’s skepticism regarding PPP projects. He cited accountability as a main issue, and he also said that future PPP projects need to be perceived as “win-win” situations in order to garner public support. Virginia’s PPP projects to fund roads and bridges were seen positively, but Connolly said that the new Virginia plan to convert existing roads to toll roads are not seen by the public as “win-win” projects.

Representative Delaney commented that tax-deductible municipal bonds are the “ultimate public-private partnership.”

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