



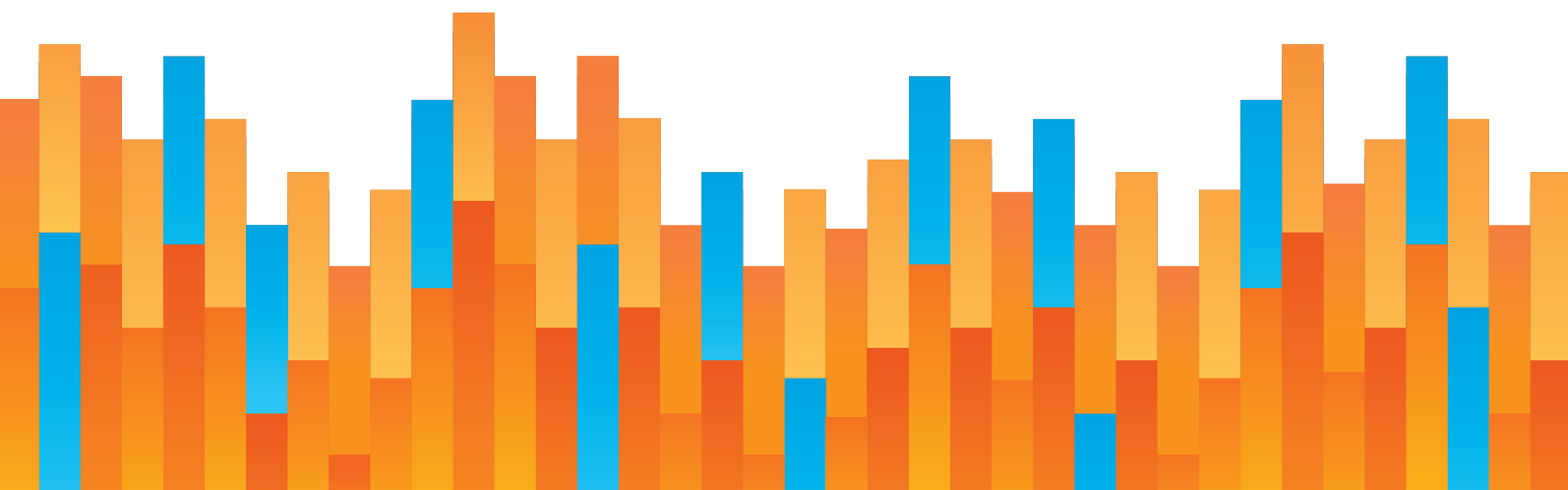
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# ANNUAL PRIVATIZATION REPORT 2024: SURFACE TRANSPORTATION

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by Baruch Feigenbaum and Jay Derr

May 2024





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# PART 1

## OVERVIEW

Governments have used long-term public-private partnerships (P3s) for surface transportation projects for the past 60 years. As documented by José A. Gómez-Ibáñez and John Meyer, the phenomenon began in the 1950s and 1960s, as France and Spain emulated the model pioneered by Italy prior to World War II.<sup>1</sup> Italy's national motorway systems were developed largely by investor-owned or state-owned companies operating under long-term franchises (called concessions in Europe). In exchange for the right to build, operate, and maintain the highway for a period ranging from 30 to 70 years, the company could raise the capital needed to build it (typically a mix of debt and equity). The model spread to Australia and parts of Asia in the 1980s and 1990s, and to Latin America in the 1990s and 2000s.

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*In exchange for the right to build, operate, and maintain the highway for a period ranging from 30 to 70 years, the company could raise the capital needed to build it (typically a mix of debt and equity).*

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<sup>1</sup> José A Gómez-Ibáñez and John R. Meyer, "Going Private: The International Experience with Transport Privatization," Brookings Institution, 1993. <https://trid.trb.org/view/405691> (6 June 2019).

Nearly all the projects in those regions from the 1950s to 1980s were financed based on the projected toll revenues to be generated once the highway was in operation. Some projects went bankrupt as a consequence of reduced traffic and revenues during severe economic downturns (e.g., the oil price shock of 1974), leading to the nationalization of some companies. In the late 1990s and early 2000s, however, the governments of France, Italy, Portugal, and Spain all privatized their state-owned toll road companies and formalized the toll concession P3 model. Australia has allowed several concession company entities to go through liquidation, with the assets (in each case major highway tunnels) being acquired by new operators at a large discount from the initial construction cost.

Other governments in Europe adopted a different form of highway concession. Generally, not favoring the use of tolls, they created the concept of availability payments as a means of financing long-term concession projects. In this structure, the company or consortium selected via a competitive process negotiates a stream of annual payments from the government sufficient (the company expects) to cover the capital and operating costs of the project and make a reasonable profit. The capital markets generally find such a concession agreement compatible with financing the project, via a mix of debt and equity. Since no toll revenues are involved, this model applies to a much broader array of transport and facility projects, including rail transit. In the highway sector, nearly all long-term concession P3 projects in Canada, Germany, the U.K., and a number of Central and Eastern Europe countries have been procured and financed as availability payment (AP) concessions.<sup>2</sup>

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*Of the top 10 worldwide surface transportation P3s that reached financial close in 2023, seven used availability payments, continuing what had been a growing trend over the last seven years.*



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In a small but growing number of cases—major bridges, as well as highway reconstruction that includes added express toll lanes, for example—governments collect the toll revenues

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<sup>2</sup> “PPPs on German Federal Trunk Roads,” Joint Workshop on Financing Transport Infrastructure, Geneva, 10 Sep. 2013. Lecture. (6 June 2019).

and use the money to help meet their availability payment obligations.<sup>3</sup> These cases are called “hybrid concessions” in this report.

Of the top 10 worldwide surface transportation P3s that reached financial close in 2023, seven used availability payments, continuing what had been a growing trend over the last seven years.<sup>4</sup> In 2022, five of the top 10 P3s used availability payments. The growing use of AP concessions has enabled P3s for projects that do not generate their own revenues, as well as hybrid concessions in which toll revenues help the government cover the costs of its AP obligations.

Many P3 project components, steps, or procedures are abbreviated using acronyms. The following abbreviations are used throughout this paper to refer to the different P3 contracts, P3 procedures, and relevant policies:

- AP: Availability Payment
- BOO: Build-Operate-Own
- BOT: Build-Operate-Transfer
- DBF: Design-Build-Finance
- DBFOM: Design-Build-Finance-Operate-Maintain
- DBFM: Design-Build-Finance-Maintain
- DBOM: Design-Build-Operate-Maintain
- IJJA: Infrastructure Investment and Jobs Act
- P3: Public-Private Partnership
- PAB: Private Activity Bond
- RFI: Request for Information
- RFP: Request for Proposals
- RFQ: Request for Qualifications
- RR: Revenue Risk
- TOT: Toll-Operate-Transfer
- TIFIA: Transportation Infrastructure Finance and Innovation Act

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<sup>3</sup> “Public-Private Partnership (P3) Procurement: A Guide for Public Owners,” Build America Bureau, U.S. Department of Transportation, Transportation.gov, 2019. [https://www.fhwa.dot.gov/ipd/pdfs/PPP/toolkit/PPP\\_procurement\\_guide\\_0319.pdf](https://www.fhwa.dot.gov/ipd/pdfs/PPP/toolkit/PPP_procurement_guide_0319.pdf) (27 June 2019).

<sup>4</sup> For the past seven years almost three-quarters of the largest P3 projects, by financial value, have used AP P3s.

## PART 2

# U.S. PRIVATE HIGHWAY PROJECTS

In surface transportation policy, P3s are far more common than privatized roads. However, there are 23 privately owned common use (not for tourist attractions or private residential communities) highways and bridges in the United States. Table 1 displays these facilities and includes the type of project, ownership, cost (when constructed), and year constructed.

**TABLE 1: PRIVATE ROADWAYS AND BRIDGES, U.S.**

Roadway/Bridge Name	State	Project Type	Owner	Cost \$ (M)	Year Constructed
Adams Avenue Parkway	UT	Bypass	Adams Avenue Parkway Inc.	\$8.9	2001
Alabama River Parkway Bridge	AL	Bridge	American Roads, LLC	\$12.0	1998
Ambassador Bridge	MI to Canada	Bridge	Detroit International Bridge Company & Canadian Transit Company	\$23.5	1929
Avery Island	LA	Bridge	Avery Island, Inc.	N/A	N/A
Black Warrior Parkway Bridge	AL	Bridge	American Roads, LLC	\$25.0	1998
Brownsville & Matamoros Express Bridge	TX to Mexico	Bridge	Brownsville & Matamoros Bridge Co	\$0.2	1910
Burke Mountain Toll	VT	Roadway	Burke Mtn Recreation, Inc	N/A	1935
Cline Avenue Bridge	IL	Bridge	Figg/American Infrastructure	\$150.0	2020
Dingman's Ferry Bridge	NJ to PA	Bridge	Dingman's Choice & DE Bridge Company	N/A	1900
Downbeach Express	NJ	Bridge	Margate Bridge Company	N/A	1929

Roadway/Bridge Name	State	Project Type	Owner	Cost \$ (M)	Year Constructed
Emerald Mountain Expressway	AL	Bridge	American Roads, LLC	\$4.0	1994
Foley Beach Express	AL	Highway	American Roads, LLC	\$25.0	2000
Fort Frances-International Falls International Bridge	MN to Canada	Bridge	Boise Inc./ Resolute Forest Products	N/A	1908
Fort Madison	IL to Indiana	Bridge	A.T. & S.F. Rdway Co; Topeka, KS	\$5.5	1927
Grosse Ile Toll Bridge	MI	Bridge	Grosse Ile Bridge Company	\$3.9	1913
Margate Bridge	NJ	Bridge	Margate Bridge Company, Margate, New Jersey	N/A	1938
Newell-East Liverpool Toll Bridge	WV to Ohio	Bridge	Newell Brdg & Rdwy Co, Newell, WV	\$0.2	1905
Orchard Pond Parkway	FL	Highway	Orchard Pond Parkway, LLC	\$17.0	2016
Plattsmouth Bridge	NE to IA	Bridge	Plattsmouth, Nebraska Bridge Commission	N/A	1929
Progreso International Bridge	TX to Mexico	Bridge	Progreso International Bridge Co.	N/A	1952
Rio Grande City-Camargo International Bridge	TX to Mexico	Bridge	Starr Camargo Bridge Company	N/A	1966
Seventeen Mile Drive	CA	Roadway	Pebble Beach Company	N/A	1892
South Norfolk Jordan Bridge	VA	Bridge	United Bridge Partners	\$142.0	2011

**Note: Table 1 does not include toll roads or bridges that provide access to private communities, resorts, or tourist destinations only.**

**Source: "Toll Facilities in the United States," May 2022, FHWA.DOT.gov**

The **Adams Avenue Parkway** is a one-mile private toll road in Washington Terrace, Utah that provides direct access from local communities to I-84.<sup>5</sup> The route provides an alternative to the traffic lights, low speed limits, and congestion of US 89 and local streets.

Drivers pay a toll to access **the Montgomery Expressway**, also known as the Alabama River Parkway northeast of Montgomery near SR 152.<sup>6</sup> The 12.5-mile Montgomery Expressway carries SR 143 from Montgomery to the northern residential suburbs of Coosada, Millbrook, and Prattville. Drivers cross the Alabama River Parkway Bridge to access the Expressway.

The **Ambassador Bridge** provides a direct connection between Detroit, Michigan and Windsor, Ontario.<sup>7</sup> The bridge connects Highway 3 in Canada with I-96 in Michigan and is

<sup>5</sup> "Welcome," adamsavenueparkway.com, Adams Avenue Parkway, INC., 2022. <http://www.adamsavenueparkway.com/index.htm> (19 Jan. 2022).

<sup>6</sup> "About Us." montgomeryexpressway.com, Montgomery Expressway, 2022. <https://www.montgomeryexpressway.com/About.aspx> (19 Jan. 2022).

<sup>7</sup> "About Us." ambassadorbridge.com, Ambassador Bridge, 2022. <https://www.ambassadorbridge.com> (7 Feb. 2022).



the only route between Detroit and Windsor that allows large trucks. The lanes on the Detroit-Windsor Tunnel, the only other road crossing between the cities, are too narrow for tractor-trailers.

The **Avery Island Bridge** connects Avery Island to the rest of Louisiana over the bayous that surround it.<sup>8</sup> The bridge, about 140 miles west of New Orleans, charges a flat \$1 toll and is frequently traveled by tourists coming to see the pepper fields.

The **Black Warrior Parkway Bridge**, also known as the Tuscaloosa Bypass, is a private toll bridge over the Black Warrior River west of downtown Tuscaloosa, Alabama.<sup>9</sup> The bridge, located near the Tuscaloosa National Airport, connects downtown with the city's northern and western suburbs.

The **Brownsville & Matamoros Express Bridge** is private toll bridge that connects the cities of Brownsville, Texas and Matamoros, Mexico across the U.S.-Mexico border. The bridge connects the larger Matamoros-Brownsville Metropolitan area.<sup>10</sup> The original bridge serves rail primarily while a parallel bridge constructed in 1997 handles automobile traffic.

The **Burke Mountain Toll** runs alongside Burke Mountain in Vermont. Opened in 1935, the toll road is maintained by Burke Mountain Recreation, Inc.<sup>11</sup> The company offers all-day passes for vehicles, as well as individual passes and vehicle shuttling with bikes for summit trail riding.<sup>12</sup>

The **Cline Avenue Bridge** is a 1.7-mile bridge that creates a connection to the employment center of East Chicago across the Indiana Harbor to Lake Michigan. The new bridge, which was constructed in 2017, connects I-90 and I-80 to industrial employment, particularly mills, and Gary/Chicago International Airport.<sup>13</sup>

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<sup>8</sup> "Welcome to Avery Island: Home of Tabasco," tabasco.com, Tabasco. [https://web.archive.org/web/20120117113012/http://www.tabasco.com/tabasco\\_history/avery\\_island.cfm](https://web.archive.org/web/20120117113012/http://www.tabasco.com/tabasco_history/avery_island.cfm). (7 Feb. 2023).

<sup>9</sup> "The Fastest Route Between Tuscaloosa and Northport." Tuscaloosabypass.com, Tuscaloosa By-Pass, 2022. [www.tuscaloosabypass.com/Home.aspx](http://www.tuscaloosabypass.com/Home.aspx). (19 Jan. 2022).

<sup>10</sup> George C. Werner, "TSHA | St. Louis, Brownsville and Mexico Railway," Texas State Historical Association, 2020. [www.tshaonline.org/handbook/entries/st-louis-brownsville-and-mexico-railway](http://www.tshaonline.org/handbook/entries/st-louis-brownsville-and-mexico-railway).

<sup>11</sup> "Scenic Toll Road & Summit Bike Trail Access," Burke Mountain, skiburke.com. <https://www.skiburke.com/visit-burke/on-the-mountain/scenic-toll-road/>. (10 Feb. 2023).

<sup>12</sup> Ibid.

<sup>13</sup> "Cline Avenue Bridge: BACKGROUND," Cline Avenue Bridge, n.d. [www.clineave.com/background](http://www.clineave.com/background). (27 Feb. 2023).

The **Dingman's Ferry Bridge** was constructed in 1900, providing an alternative to ferry service to cross the Upper Delaware River.<sup>14</sup> The two-lane bridge connects Pike County, Pennsylvania to Sussex County in New Jersey.

The **Downbeach Express Toll Bridge** in Margate, New Jersey provides a connection between Margate City on Absecon Island and the New Jersey mainland via Margate Boulevard, which is also maintained by toll revenue.<sup>15</sup> The bridge allows drivers in Margate to avoid a route north through Atlantic City or south through Longport to access the mainland and the Garden State Parkway.

The 1.75-mile **Emerald Mountain Expressway** consists of a toll bridge over the Tallapoosa River and a road that connects Rifle Range Road and Wares Ferry Road in the northeast suburbs of Montgomery, Alabama.<sup>16</sup> The expressway bypasses a much lengthier 45- to 60-minute drive via US 231 by providing a direct 15-minute route between the communities of Emerald Mountain and eastern Montgomery.

The **Foley Beach Express (FBE)** is an arterial highway and tolled bridge that connects the Alabama communities of Gulf Shores and Orange Beach to more northern parts of Baldwin County, extending 14 miles north to Foley. A second, untolled connecting road, the Baldwin Beach Express, originates near the northern terminus of the FBE, and extends another 13 miles to I-10.<sup>17</sup> Paralleling SR 59, the highway has higher travel speeds and offers better travel time reliability during the peak tourist season.

The **Fort Frances-International Falls International Bridge** is a privately owned toll bridge that connects Fort Francis in Ontario with International Falls, Minnesota.<sup>18</sup> The bridge connects US 53 and US 71 with Trans-Canada Highway 71.

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<sup>14</sup> "History," dcdbc.com, Dingmans Choice and Delaware Bridge Company, 2022. [www.dcdbc.com/history.php](http://www.dcdbc.com/history.php) (23 Jan. 2022).

<sup>15</sup> "Welcome." downbeachexpress.com, Downbeach Express. 2021. [https://downbeachexpress.com/Home\\_Page.html](https://downbeachexpress.com/Home_Page.html) (19 Jan. 2022). [www.downtownbeachexpress.com/](http://www.downtownbeachexpress.com/)

<sup>16</sup> "Travel Fast Travel Smart." Emeraldmountainexpressway.com, Emerald Mountain Expressway, 2022, <https://www.emeraldmountainexpressway.com/Home.aspx> (19 Jan. 2022).

<sup>17</sup> "Non-Interstate System Toll Bridges and Tunnels in the United States." The Office of Highway Policy Information, fhwa.dot.gov, 2018. [www.fhwa.dot.gov/policyinformation/tollpage/page07.cfm](http://www.fhwa.dot.gov/policyinformation/tollpage/page07.cfm) (7 Feb 2022).

<sup>18</sup> Ibid.

The **Fort Madison Bridge**, also known as the Mississippi River Bridge, was the first bridge to span the Mississippi at Fort Madison in 1927.<sup>19</sup> It provides a connection between Fort Madison, Iowa and Niota, Illinois for rail traffic on the lower part of the bridge and automobile traffic on the upper portion.

The private **Grosse Ile Toll Bridge** connects Grosse Ile, the largest island on the Detroit River, with mainland Michigan.<sup>20</sup> The island, located south of Detroit and home to over 10,000 residents, is also connected to the mainland by the untolled Wayne County Bridge.

The **Margate Bridge** is privately owned in New Jersey, crossing the bays between Absecon Island and the mainland.<sup>21</sup> It was originally constructed in 1938 by the Margate-Northfield Highway Bridge Company.

The **Newell-East Liverpool Toll Bridge** over the Ohio River, connects Newell, West Virginia to East Liverpool, Ohio.<sup>22</sup> The bridge was constructed in 1905, and today provides interurban transportation for automobiles and pedestrians.

The **Orchard Pond Parkway** in northern Leon County acts as a bypass of Tallahassee, Florida, connecting the communities to the northwest and northeast of the city.<sup>23</sup> The eastern end of the parkway is at CR 155, while the western end terminates at CR 157.

The **Plattsmouth Bridge** between Nebraska and Iowa crosses the Missouri River and was built by Omaha Structural Steel Works in 1929.<sup>24</sup> The bridge is directly east of Plattsmouth, Nebraska.

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<sup>19</sup> "Historic Bridges in Iowa, Fort Madison Bridge," iowadot.gov, Iowa Department of Transportation, 2022. <https://iowadot.gov/historicbridges/historic-bridges/fort-madison-bridge> (23 Jan. 2022).

<sup>20</sup> "History of the Grosse Ile Toll Bridge," grosseillbridge.com, Grosse Ill Bridge Company, 19 Jan. 2022. [www.grosseilebridge.com/history/](http://www.grosseilebridge.com/history/) (19 Jan. 2022).

<sup>21</sup> "History Of The Margate Bridge, Linking Downbeach To The Mainland," Downbeach Buzz, downbeachbuzz.com, 2019. <https://downbeachbuzz.com/history-of-the-margate-bridge-linking-downbeach-to-the-mainland/>. (5 Feb. 2023).

<sup>22</sup> "Newell Bridge," historicbridges.org, Historic Bridges. 2022. [www.bridgestunnels.com/location/newell-toll-bridge/](http://www.bridgestunnels.com/location/newell-toll-bridge/) (23 Jan. 2022).

<sup>23</sup> "About," Orchardponparkway.com, Orchard Pond Parkway, 2022, [www.orchardpondparkway.com](http://www.orchardpondparkway.com) (19 Jan. 2022).

<sup>24</sup> "Historic American Engineering Record, Plattsmouth Bridge," National Park Service, Library of Congress, [tile.loc.gov](http://tile.loc.gov), 1995. <https://tile.loc.gov/storage-services/master/pnp/habshaer/ia/ia0400/ia0443/data/ia0443data.pdf>. (25 Jan. 2023).

The **Progreso International Bridge** connects Nuevo Progreso, Mexico and Progreso, Texas providing a transportation link for trucks, motorists, and pedestrians.<sup>25</sup> Since its construction in 1952, the bridge has served commercial purposes and made border crossings more efficient.

The **Rio Grande City–Camargo International Bridge** is a privately owned and operated bridge that spans the Rio Grande and connects Rio Grande City, Texas to Camargo in Mexico.<sup>26</sup> On the United States side, the bridge provides access via local streets to US 83.

The **Seventeen Mile Drive** is a toll road that links Carmel, California to Pebble Beach, an unincorporated community on the Monterey Peninsula.<sup>27</sup>

The **South Norfolk Jordan Bridge** carries State Route 337 between the Virginia cities of Portsmouth and Chesapeake over the Southern Branch Elizabeth River.<sup>28</sup> The cities are also connected by the Midtown and Downtown tunnels north of the bridge and a vehicular bridge farther south.

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<sup>25</sup> “About Us.” texasmexicobridges.com, Progreso International Bridge, 2022 <https://texasmexicobridges.com/who-we-are/> (23 Jan. 2022).

<sup>26</sup> “Non-Interstate System Toll Bridges and Tunnels,” FHWA.DOT.gov.

<sup>27</sup> “Scenic 17-Mile Drive in Picturesque Pebble Beach,” Pebble Beach Resorts, n.d. 2023. [www.pebblebeach.com/17-mile-drive/](http://www.pebblebeach.com/17-mile-drive/) (27 Feb. 2023).

<sup>28</sup> “About Us,” snjb.net, South Norfolk Jordan Bridge, 2021. <https://snjb.net/jordan-bridge-history/> (23 Jan. 2022).

## PART 3

# INTERNATIONAL SURFACE TRANSPORTATION INFRASTRUCTURE 2023

### 3.1

## LARGEST INTERNATIONAL SURFACE TRANSPORTATION P3S

Part 3 provides an overview of worldwide surface transportation P3 activity in 2023.<sup>29</sup> It was a strong year for global P3 activity with 98 project closings worth \$28.8 billion. These projects were mainly dispersed throughout Asia and Europe, followed by North America. In 2023 seven of these closings were worth more than \$1 billion each. This is a decrease from 11 project closings of more than \$1 billion each in 2022.<sup>30</sup> Table 2 displays the 10 largest agreements, which were compiled using the news source *Infraclogic*—the leading news publication for P3 data.

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<sup>29</sup> “Global Surface Transportation PPP Deals, January 1, 2023–December 31, 2023,” Infracognition.com Infracognition News, 2023. <https://www.Infracognition.com/deals/> (14 Jan. 2023).

<sup>30</sup> Ibid.

**TABLE 2: LARGEST GLOBAL SURFACE TRANSPORTATION P3 PROJECTS**

Project	Location	Country	Cost \$ (B)	Type	Duration (In Years)	Concessionaire
SH 288 P3 Sale	Houston, Texas	United States	\$4.2	DBFOM RR Toll	52	ACS, Abertis
Puerto Rico Toll Roads (PR-52, PR-20, PR-53, PR-66) P3	Puerto Rico	United States	\$3.0	Long-term brownfield lease RR Toll	40	Abertis
Tel Aviv Light Rail Green Line P3 Retender	Tel Aviv	Israel	\$1.9	DBFOM AP	25	Alstom, Dan, Electra
Tel Aviv Light Rail Purple Line P3	Tel Aviv	Israel	\$1.4	DBFOM AP	25	CAF, Shapir Construction
E10 / RV85 Tjeldsund-Langvassbukt Road P3	Lofoten/Narvik Airport	Norway	\$1.1	DBFOM AP/Toll Hybrid	25	Skanska
SH-130 P3 Refinancing	Austin	Texas	\$1.0	DBFOM RR	54	SVP
New Daegu – Busan Expressway P3 Refinancing	Busan/ Daejeon	South Korea	\$1.0	BOT AP/Toll Hybrid	30	Balhae Infrastructure Fund, Korea National Pension Service
Dongbu Expressway Underground Expansion P3	Seoul	South Korea	\$0.8	BOT AP/Toll Hybrid	30	Daewoo Engineering, KIAMCO, Macquarie Korea Infrastructure Fund, Woori Private Equity Asset Management
A2 Motorway P3 Phases 1 and 2 (Minority Stake)	Nowy Tomysl/Konin	Poland	\$0.7	DBFOM AP/Toll Hybrid	33 years (P1) 37 years (P2)	Meridiam Infrastructure Managers
Bogotá-Girardot Third Lane Concession (Via 40) P3	Bogotá/Girardot	Colombia	\$0.6	DBFOM AP	30 years	Vinci

**Note: SH 288 had four different sales.**

**Source: 2023 Transaction list from Infracore Infrastructure News**

The following are brief explanations of each project.

The **SH 288 P3 Sale** is a series of share sales in the SH-288 DBFOM RR that occurred throughout 2023, with the project involving the design, construction, financing, operation, and maintenance of a 10.3-mile set of four toll lanes in Harris County.<sup>31</sup> The largest sale reached financial close in December 2023, when 56% of the stake in SH 288 was sold from ACS to Abertis, a company owned by ACS, Mundys, and HOCHTIEF. The collective deals

<sup>31</sup> “SH 288 P3 Sale (56% Stake)(2023),” InfracoreNews.com, Infracore, 2023. <https://www.InfracoreNews.com/deals/14541277/sh-288-p3-sale-56--stake-2023.shtml> (10 Feb. 2023).

were valued at \$4.2 billion, with the last sale of 56% of the stake in the state highway being valued at \$2.6 billion alone.

The **Puerto Rico Toll Roads** 40-year long-term lease RR P3 project seeks to operate, maintain, finance, and improve toll roads and facilities on Puerto Rico State Highways 52, 20, 53, and 66 for the duration of the 40-year lease.<sup>32</sup> Metropistas was selected as the concessionaire by the Puerto Rico Public-Private Partnership Authority. The BOT contract, which reached financial close in December 2023, has remained in operation because of the \$1 billion in loans.

The **Tel Aviv Light Rail Green Line P3 Retender** is a DBFOM AP P3 in Tel Aviv, Israel for the Greater Tel Aviv metropolitan area's light rail system.<sup>33</sup> The P3 retender is for building the new project and for rolling stock for the duration of the 25-year lease. The 39-km. link will run between the towns of Rishon LeZion and Holon. TLV Metropolitan Tramway was selected by the Metropolitan Mass Transit System as the private partner for the P3. The retender package reached financial close in December 2023 and will cost \$1.9 billion.

The **Tel Aviv Light Rail Purple Line** is a DBFOM AP P3 in Tel Aviv, Israel for the Purple and Green Lines of the Greater Tel Aviv metropolitan area light rail system.<sup>34</sup> The line will connect Kiryat Ono and Yehud to Tel Aviv and be operated and maintained by the concessionaire for the 25-year lease. The grantor, the Metropolitan Mass Transit System, selected CAF/Shapir as the private partner for the P3. The project reached financial close in July 2023 and will cost \$1.4 billion.

Norway's **E10 / RV85 Tjeldsund-Langvassbukt Road** is a DBFOM RR P3 that constructs an 18 km.-long road section, 28 km. of new tunnels, and improves an existing 34-km. road section in Nordland and Troms counties.<sup>35</sup> It also involves construction and operation of 82 km. of new roads, seven new tunnels, and 22 bridges over the duration of the 25-year lease.

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<sup>32</sup> "Puerto Rico Toll Roads (PR-52, PR-20, PR-53 and PR-66) P3," InframationNews.com, Infralogic, 2023. <https://www.InframationNews.com/deals/12171766/puerto-rico-toll-roads-pr-52--pr-20--pr-53-and-pr-66-p3.shtml> (10 Feb. 2023).

<sup>33</sup> "Tel Aviv Light Rail Green Line PPP (Retender)," InframationNews.com, Infralogic, 2023. <https://www.InframationNews.com/deals/10035996/tel-aviv-light-rail-green-line-ppp-retender.shtml> (10 Feb. 2023).

<sup>34</sup> "Tel Aviv Light Rail Purple Line PPP," InframationNews.com, Infralogic, 2023. <https://www.InframationNews.com/deals/2883401/tel-aviv-light-rail-purple-line-ppp.shtml> (10 Feb. 2023).

<sup>35</sup> "E10 / RV85 Tjeldsund-Langvassbukt Road PPP," InframationNews.com, Infralogic, 2023. <https://www.InframationNews.com/deals/2722141/e10---rv85-tjeldsund-langvassbukt-road-ppp.shtml> (10 Feb. 2023).

Hålogalandsvegen AS was the concessionaire selected for the project. The project reached financial close in June 2023 and will cost \$1.1 billion.

The **SH-130 P3 Refinancing** involves the refinancing of Texas State Highway 130 by bank loan and private placement following the 2017 bankruptcy of SH 130 Concession Company LLC (comprised of Ferrovial and Zachry American Infrastructure).<sup>36</sup> The P3 itself operates and maintains segments five and six of SH 130 from Mustang Ridge to Seguin, Texas for the remainder of the 54-year lease. Following bankruptcy proceedings, Strategic Value Partners has taken control of SH 130 Concession Company for the remainder of the lease. The refinancing reached financial close in October 2023, with Strategic Value Partners taking out \$1 billion in bank loans and a private placement.

The **New Daegu – Busan Expressway P3** was refinanced in 2023 by concessionaire New Daegu Busan Express Co. Ltd.<sup>37</sup> The original P3 project was to build and operate an expressway linking Busan and Daegu in South Korea over the duration of a 30-year lease. The BOT contract, which reached financial close in December 2023, has remained in operation because of the \$1 billion in loans.

The **Dongbu Expressway Underground Expansion P3** seeks to construct and operate a new underground section of the existing Dongbu Expressway in Seoul, South Korea for the duration of a 30-year lease.<sup>38</sup> The BOT contract has plans to provide an alternate route for traffic through an underground section, and also build an eco-friendly waterside area. Current project schedules aim to have construction complete in five years. The grantor, Seoul Metropolitan City, selected partner Daewoo E&C SPV for the project. The project reached financial close in November 2023, and will cost \$803 million.

The **A2 Motorway P3 Phases 1 and 2** was the sale of a minority stake in two Polish road P3s.<sup>39</sup> Phase one, the first tolled motorway to be designed, built, financed, and operated

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<sup>36</sup> “SH-130 P3 Refinancing (2023),” InframationNews.com, Infralogic, 2023. <https://www.InframationNews.com/deals/14673623/sh-130-p3-refinancing-2023.thtml> (10 Feb. 2023).

<sup>37</sup> “New Daegu – Busan Expressway PPP Refinancing (2023),” InframationNews.com, Infralogic, 2023. <https://www.InframationNews.com/deals/14744452/new-daegu---busan-expressway-ppp-refinancing-2023.thtml> (10 Feb. 2023).

<sup>38</sup> “Dongbu Expressway Underground Expansion PPP,” InframationNews.com, Infralogic, 2023. <https://www.InframationNews.com/deals/3957461/dongbu-expressway-underground-expansion-ppp.thtml> (10 Feb. 2023).

<sup>39</sup> “A2 Motorway PPP Phases 1 and 2 (Minority Stakes) (2023),” InframationNews.com, Infralogic, 2023. <https://www.InframationNews.com/deals/10003091/a2-motorway-ppp-phases-1-and-2-minority-stakes-2023.thtml> (10 Feb. 2023).



under the P3 regime in Poland, runs from Nowy Tomysl to Konin, and is 148.9 km. long. Phase two similarly consisted of the design, construction, financing, operation, and maintenance of the A2 motorway from Swiecko to Nowy Tomysl, with the project covering 105.9 km. of motorway. Kulczyk Investments sold its 24.1% interest in A2 motorway phase one and its 40% stake in phase two to Meridiam Infrastructure Managers in August 2023, raising Meridiam's share in phase one to 50.1% and its stake in phase two to 80%. The deal reached financial close in August 2023, and was valued at \$749 million.

The **Bogotá-Girardo Third Lane Concession (Via 40) P3** is a DBFOM AP P3 that seeks to upgrade and operate 154.8 km. of road between Bogotá and Girardot in Colombia for the duration of the 30-year lease. The project reached the preferred proponents stage in August 2016 and languished for a time due to allegations of collusion levied against concessionaire Conconcreto. In 2022, Conconcreto withdrew from the project after it had reached the third lane of the highway between Bogotá and Girardot. The project finally reached financial close in April 2023 and is valued at \$636 million.

## 3.2

### COUNTRIES REACHING FINANCIAL CLOSE ON FIRST P3

In 2023, no new countries reached financial close on their first surface transportation P3.

## 3.3

### INTERNATIONAL P3 ACTIVITY BY REGION

The first transportation P3s were located in Australia and Europe, but today there is surface transportation P3 activity on every inhabited continent. In 2023, 18 different countries reached financial close on a surface transportation P3. Table 3 details the number of closes and value per region.

In **Asia**, three countries reached financial close on a surface transportation P3: India, South Korea, and Bangladesh.<sup>40</sup> Of the 63 closures, 60 were in India. South Korea was second, with two financial closes. However, the two highest priced deals were in South Korea. One project reached financial close in Bangladesh.

In **Europe**, eight countries reached financial close on a surface transportation P3: Norway, France, Poland, Greece, Portugal, Spain, the United Kingdom, and Belgium.<sup>41</sup> France had the

<sup>40</sup> "Transactions," InframationNews.com, Infralogic, 2023. <https://www.InframationNews.com/deals/> (5 Feb. 2023).

<sup>41</sup> Ibid.

most closures, with three. Norway, Greece, the United Kingdom, and Poland were all tied with two. Belgium, Spain, and Portugal were tied with one.

In **North America**, both the United States and Canada reached financial close on multiple surface transportation P3s.<sup>42</sup> The United States had seven financial closes, although four were sales of various stakes in State Highway 288. Canada had four.

In **the Middle East**, only Israel reached financial close on a surface transportation P3.<sup>43</sup> It had two closures, both involving light rail transit, notably the Green Line P3 retender and the Purple Line P3.

In **Australasia**, Australia reached financial close on three surface transportation P3s.<sup>44</sup>

In **Africa**, only one country reached financial close on a surface transportation P3: South Africa.<sup>45</sup> It had one P3 reach financial close.

In **Latin America**, two countries reached financial close on a surface transportation P3: Brazil and Colombia.<sup>46</sup> Brazil reached financial close on four P3s, and Colombia reached financial close on two.

**TABLE 3: GLOBAL SURFACE TRANSPORTATION P3S IN 2023**

Region	Number of Financial Closes	Value \$(B)
Africa	1	\$0.8
Asia	63	\$8.9
Australasia	3	\$1.4
Europe	12	\$3.4
Latin America	6	\$1.2
Middle East	2	\$3.3
North America	11	\$9.8

Source: 2023 Transaction list from Infralogic Infrastructure News

<sup>42</sup> Ibid.

<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

<sup>45</sup> Ibid.

<sup>46</sup> Ibid.

## PART 4

# U.S. SURFACE TRANSPORTATION CONCESSIONS, 2023

### 4.1

## LARGEST U.S. SURFACE TRANSPORTATION P3S

Over the past 35 years, 39 U.S. highway P3s and three U.S. transit P3s have reached financial close. While not impressive by international standards, the pace of P3 projects in the U.S. has accelerated over the past 10 years. Table 4 provides an overview of the FY 2023 U.S. surface transportation concession market, listed in order of the current value of each project. The length of each lease is provided for existing toll roads now leased to private concessionaires.

Most new P3 projects use a DBFOM contract with terms ranging from 30 to 70 years. Since 2012, the major trend in highway concessions has migrated away from toll-revenue-based financing toward AP-based financing. (Transit projects need to use AP-based financing because they do not generate sufficient revenue.) However, of the 39 highway projects in Table 4, 26 are financed based on toll revenues alone. Of the others, only five are financed on a pure AP basis, with six larger hybrid AP concessions all involving new toll revenues that will supplement the state's revenue sources. The total dollar value of the 42 concessions is \$56.2 billion, of which 65% is generated based on toll revenue financing,

with the other 35% financed based on the states' (and in the case of Goethals Bridge, the Port Authority of New York and New Jersey's) AP commitments.

**TABLE 4: LARGEST U.S. LONG-TERM SURFACE TRANSPORTATION CONCESSIONS AS OF 12/31/23**

Project	Location	Cost (\$ B)	Type	Most Recent Closing	Concessionaire
Indiana Toll Road	Indiana	\$5.7	75-Year Lease Toll	03/22	IFM Global Infrastructure Fund/California Public Employees' Retirement System/Allstate
PR-52/PR-20/PR-53/PR-66	Puerto Rico	\$3.0	40-Year Lease Toll	12/23	Abertis
I-4 Ultimate Managed Lanes	Orlando, FL	\$2.9	DBFOM AP/Toll	09/14	Skanska/Granite/Lane
Purple Line Transit	Montgomery/Prince Georges County, MD	\$2.7	DBFOM AP	04/22	Purple Line Transit Partners LLC
I-635 LBJ Managed Lanes	Dallas, TX	\$2.6	DBFOM AP/Toll	09/20	Cintra/Meridiam
Transform 66 P3 (Outside the Beltway I-66)	Fairfax County/Prince William County, VA	\$2.4	DBFOM RR/Toll	17/21	APG/Cintra/Ferrovial/John Laing/Meridiam Infrastructure North America II
Midtown Tunnel	Norfolk, VA	\$2.4	DBFOM RR/Toll	01/22	Abertis, Manulife Investment Management
North Tarrant Express (Phase I and 2W)	Fort Worth, TX	\$2.1	DBFOM RR/Toll	11/23	Cintra/APG/Meridiam
I-495 Express Lanes	Fairfax County, VA	\$2.1	DBFOM RR/Toll	03/22	Transurban/Fluor
Denver Eagle P3 Rail	Denver, CO	\$2.0	DBFOM AP	06/21	Fluor/Lang/Uberior
Moynihan Train Hall	New York City, NY	\$1.9	DBFOM AP	11/21	Empire State Development Corporation
I-595 Managed Lanes	Fort Lauderdale, FL	\$1.8	DBFOM AP/Toll	12/19	ACS Infrastructure, Teachers Insurance and Annuity Association
Chicago Skyway	Chicago, IL	\$1.8	89-year lease Toll	10/23	Ontario Teachers' Pension Plan/Atlas Arteria
Goethals Bridge	New York City, NY	\$1.4	DBFM AP/Toll	11/13	Macquarie/Kiewit
PR-22/PR-5	Puerto Rico	\$1.4	40-Year Lease Toll	08/21	Abertis/Goldman Sachs
SH 183 Managed Lanes	Dallas – Fort Worth, TX	\$1.4	DBFOM, AP/Toll	11/14	Kiewit
North Tarrant Express Phase 3A	Fort Worth, TX	\$1.4	DBFOM/RR Toll	11/23	Cintra/Meridiam/APG
I-75 Modernization Segment 3 P3	Michigan	\$1.4	DBFM AP	11/18	AECOM/Ajax/Dan's Excavating Inc/Jay Dee/John Laing
SH 130 Segments 5-6	Texas	\$1.3	DBFOM RR/Toll	10/23	SH 130 Concession Co.
ORB East End Crossing	Louisville, KY	\$1.3	DBFOM AP/Toll	9/21	Walsh/Vinci/Bilfinger Berger

Project	Location	Cost (\$ B)	Type	Most Recent Closing	Concessionaire
Central 70 P3	Denver, CO	\$1.3	DBFOM AP/Toll	9/21	Kiewit/Meridiam/Jacobs Engineering Group/WSP
Rapid Bridge Replacement	Pennsylvania	\$1.1	DBFM AP	03/15	Plenary/Walsh
Port of Miami Tunnel	Miami, FL	\$1.1	DBFOM AP	12/15	Meridiam
SH 288 Toll Lanes	Harris County, TX	\$1.1	DBFOM RR/Toll	12/23	ACS, Infrared, Abertis, Shikin & Binui, Northleaf, Clal Insurance, Star America
I-95 Express Lanes	Virginia	\$0.9	DBFOM RR/Toll	02/22	Transurban, AustralianSuper Investments, CPPIB Roads America, UniSuper Infrastructure
Presidio Parkway	San Francisco, CA	\$0.9	DBFOM AP	08/21	Meridiam, Aberdeen
I-95 Express Lanes Fredericksburg Extension	Virginia	\$0.8	DBFOM RR/Toll	07/19	Transurban Group
SR 125, South Bay Expressway	San Diego, CA	\$0.7	DBFOM RR/Toll	07/11	SANDAG
Portsmouth Bypass	Portsmouth, OH	\$0.7	DBFOM AP	06/21	ACS, Aberdeen Infrastructure, Star
I-77 Managed Lanes	Charlotte, NC	\$0.6	DBFOM RR/Toll	11/22	Cintra, Aberdeen, John Laing
I-495 NEXT	Fairfax County, VA	\$0.6	DBFOM RR/Toll	03/22	Transurban
Pocahontas Parkway	Henrico County, VA	\$0.6	99-Year Lease Toll	12/16	Globalvia
Northwest Parkway	Denver, CO	\$0.6	DBFOM RR/Toll	04/23	DIF/InfraRed/HICL/Northleaf
I-395 P3	Arlington County and Fairfax County VA	\$0.6	DBFOM RR/Toll	06/17	Transurban/Fluor
I-495 Next Lanes	Fairfax County, VA	\$0.5	DBFOM RR/Toll	02/22	Transurban/Fluor
Dulles Greenway Toll Road	Loudoun County, VA	\$0.4	DBFOM/RR Toll	02/17	Macquarie
Southern Connector, SC	Greenville, SC	\$0.2	DBFOM (63-20), Toll	08/12	SCDOT
91 Express Lanes	Orange County, CA	\$0.2	DBFOM RR/Toll	11/03	OCTA
US 36 HOT Lanes, Phase 2	Colorado	\$0.2	DBFOM RR/Toll	02/14	Plenary/Ames/Granite
Belle Chasse Bridge and Tunnel Replacement	Belle Chasse, LA	\$0.2	DBFOM RR/Toll	12/19	Plenary
Teodoro Moscoso Bridge	San Jose, Puerto Rico	\$0.1	DBFOM RR/Toll	01/92	Abertis
Camino Columbia Bypass	Laredo, TX	\$0.1	DBFOM RR/Toll	06/99	TXDOT

**Note: Before Private Activity Bonds (PABs) were authorized, non-profit corporations labeled 63-20s allowed a project to be financed with tax-exempt bonds. Since PABs are preferable, 63-20s are no longer used.**

**Source: "US Highway PPP Deals," Infracore Infrastructure News, Acuris.**

The continued expansion and redevelopment of U.S. highways with P3s provides cause for optimism in three different ways. First, it suggests that the more aggressive developers of new toll projects have an exit option after the project is operational and demonstrating traffic and revenue results. These purveyors may want to shift their capital to new projects.

Second, it shows that P3s can be successful in attracting much-needed investment in replacing the U.S.'s first-generation, largely untolled Interstate highways (which are nearing the end of their useful life). Such projects should be particularly attractive to pension fund investments, since they are lower risk than greenfield projects. Pension funds may also be seen as more politically acceptable to legislators and the public than global investment firms seeking higher rates of return.

Third, it reveals P3 actors' sustained commitment to roadway quality due to the long-term nature of P3 contracts and their handback provisions calling for infrastructure assets to be returned to agencies in good condition.

## 4.2

## 2023 SURFACE TRANSPORTATION P3S

During the 2023 calendar year (January-December), five surface transportation P3 projects worth \$8.56 billion reached financial close in the United States.<sup>47</sup> This is a decrease from the eight projects totaling \$12.1 billion that closed in 2022.

**TABLE 5: 2023 P3 FINANCIAL CLOSINGS AND REFINANCINGS**

Project	Location	State	Cost (\$ B)	Type	Duration (in years)	Concessionaire
SH-288 P3 Sales	Houston	Texas	\$4.2	DBFOM RR/Toll	52	ACS, Abertis
Puerto Rico Toll Roads (PR-52, PR-20, PR-53, and PR-66) P3	Island-Wide	Puerto Rico	\$3.0	40-Year Lease/Toll	40	Abertis
SH-130 P3 Refinancing	Austin	Texas	\$1.0	DBFOM RR/Toll	54	SVP
MTA Rapid Station Accessibility P3	New York City	New York	\$0.35	DBFOM AP	15	Autostrada Torino-Milano, Halmar International

<sup>47</sup> "Global Surface Transportation PPP Deals, January 1, 2022–December 31, 2022," *InframationNews.com* Infralogic, 2022. <https://www.InframationNews.com/deals/> (27 Feb. 2023).

Following are brief explanations of each project.

**The SH-288 P3 Sale** was discussed in section 3.1.

**The SH-130 P3 Refinancing** DBFOM Toll RR was discussed in section 3.1.

**Puerto Rico Toll Roads PR-52, -20, -53, and -66 P3** is a toll revenue risk 40-year lease in Puerto Rico.<sup>48</sup> The P3 involves operating, maintaining, and financing the toll roads throughout Puerto Rico. PR-52 generates \$79 million in value, followed by PR-66 generating \$39 million in value, then PR-53 at \$19 million, and finally PR-20 at \$3 million. The deal reached financial close in December of 2023.

**The MTA Rapid Station Accessibility Program P3** is a DBFM from the New York Metropolitan Transportation Authority aiming to make eight stations newly handicapped accessible.<sup>49</sup> Additionally, the project is set to rehabilitate elevators at five stations throughout the program, including Church Avenue, Sheepshead Bay, Rockaway Boulevard, and Kings Highway to name a few. The P3 was valued at \$351.5 million and reached financial close in May 2023.

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<sup>48</sup> “Puerto Rico Toll Roads (PR-52, PR-20, PR-53 and PR-66) P3,” InframationNews.com, Infralogic, 2023. <https://www.InframationNews.com/deals/12171766/puerto-rico-toll-roads-pr-52--pr-20--pr-53-and-pr-66-p3.shtml> (23 Jan. 2023).

<sup>49</sup> “MTA Rapid Station Accessibility Program P3,” InframationNews.com, Infralogic, 2023. <https://www.InframationNews.com/deals/9698331/mta-rapid-station-accessibility-program-p3.shtml> (25 Jan. 2023).

## PART 5

# FEDERAL POLICY ON P3 CONCESSIONS

## 5.1

### SURFACE TRANSPORTATION REAUTHORIZATION

In late 2021, Congress passed the Infrastructure Investment and Jobs Act (IIJA), which included a five-year reauthorization of federal surface transportation policy.<sup>50</sup> The law made significant changes to policies governing public-private partnerships as well as two financing tools used by many P3 projects: Transportation Infrastructure Finance and Innovation Act (TIFIA) loans and private activity bonds (PABs). It also regulates how tolling, the largest P3 funding source, can be used.

#### 5.1.1 IIJA AND P3 PROVISIONS

IIJA made several changes relating to P3 projects that use federal funding or financing. The law requires P3 projects costing more than \$750 million and using either a TIFIA or Railroad Rehabilitation and Improvement Financing (RRIF) loan to conduct a value-for-money (VfM) analysis.<sup>51</sup> A VfM analysis is used to compare the financial impacts of a P3

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<sup>50</sup> “Infrastructure Investment and Jobs Act, H.R. 3684” Congress.gov, congress.gov, Nov. 2021. <https://www.congress.gov/bill/117th-congress/house-bill/3684/text> (15 Feb. 2022).

<sup>51</sup> “AASHTO Comprehensive Analysis of the Bipartisan Infrastructure Bill,” policy.transportation.org, American Association of State Highway and Transportation Officials, 15 Sep. 2021. [www.policy.transportation.org/wp-](http://www.policy.transportation.org/wp-)



project against those for a publicly procured project.<sup>52</sup> A VfM analysis creates a public sector comparator to estimate the life-cycle cost of a project using a traditional approach, estimates the cost, and conducts an apples-to-apples comparison of the two approaches.

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*Often a P3 will appear more expensive when, over the long term, the opposite is true.*

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Often a P3 will appear more expensive when, over the long term, the opposite is true. For example, let’s compare a traditional bid with a P3 bid to extend variably priced toll lanes on an Interstate highway for two miles. The conventional delivery bid is \$60 million and the P3 bid is \$71 million.<sup>53</sup> Yet the P3 includes a \$21-million reduction due to risk-transfer and competitive neutrality as well as a net savings to the government of \$9 million. (A competitive neutrality adjustment calculates such factors as the tax revenue lost in a traditional procurement compared with a P3.) As a result, the government has a 7% value for money. Table 6 breaks down the different funding options for both delivery methods.

TABLE 6: VALUE FOR MONEY ANALYSIS OF PUBLIC SECTOR AND P3 PROJECTS		
Option	Public Sector	P3
Base Cost	\$60M	\$65M
Financing	\$15M	\$17M
Ancillary Costs	\$11M	\$15M
Retained Risk	\$20M	\$7M
Competitive Neutrality	\$8M	\$0M
<b>Total</b>	<b>\$114M</b>	<b>\$104M</b>

Source: Calculated by the authors based on industry average values

content/uploads/sites/59/2021/09/2021-09-15-AASHTO-Comprehensive-Analysis-of-IJIA-FINAL.pdf (15 Feb. 2022).

<sup>52</sup> “Value for Money Analysis for Public-Private Partnerships,” Federal Highway Administration, Center for Innovative Finance Support, fhwa.dot.gov, 2022. www.fhwa.dot.gov/ipd/fact\_sheets/p3\_toolkit\_03\_vfm.aspx (31 Jan. 2022).

<sup>53</sup> Ibid.

IJA also added a new requirement for public sponsors, which includes reviewing private sector compliance, certifying that the private party is adhering to the P3 terms, and notifying the public that a review has been conducted.<sup>54</sup> These steps are required for all projects worth more than \$100 million. While having a process to monitor P3 projects is important, P3s have not been a risky endeavor. Not a single P3 has been bailed out by federal or state taxpayers.<sup>55</sup> While it is unclear exactly what the U.S. Department of Transportation (DOT) will require, the provision seems unnecessary.

The law also authorizes grants to help increase the number of P3s.<sup>56</sup> Section 71001 of IJA establishes the asset concessions and innovative finance assistance program, and authorizes technical assistance grants that can be used for the following:

- Feasibility Studies
- Revenue Forecasting
- Cost-Benefit Analysis
- Other Economic Assessments
- Public Benefit Studies
- Value-for-Money Analysis
- Business Case Development
- Life-Cycle Cost Analysis
- Risk Assessment
- Financing and Funding Options Analysis
- Procurement Alternative Analysis
- Statutory and Regulatory Framework Analysis
- Financial and Legal Planning
- Early Assessment of Environmental Review
- Assistance Entering into an Asset Concession

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<sup>54</sup> Fernando Marin, Nicolai J. Sarad, and Liam P. Donovan. “Infrastructure Investment and Jobs Act: Selected Changes Impacting Public-Private Partnerships.” *The National Law Review*, 24 Nov 2021, National Law Review Online. [www.natlawreview.com/article/infrastructure-investment-and-jobs-act-selected-changes-impacting-public-private](http://www.natlawreview.com/article/infrastructure-investment-and-jobs-act-selected-changes-impacting-public-private) (15 Feb. 2021).

<sup>55</sup> “Public Private Partnerships (P3s),” Federal Highway Administration Center for Innovative Finance Support, [fhwa.dot.gov](http://fhwa.dot.gov), 2022. <https://www.fhwa.dot.gov/ipd/p3/> (28 Feb. 2022).

<sup>56</sup> Marin, et al., “Infrastructure Investment and Jobs Act.”

Additionally, USDOT is required to ensure that using an asset concession to rebuild a highway does not make it more challenging to build that project. And the costs of the project cannot be shifted to any taxpayer with an annual household income of \$400,000 per year or less. It is unclear how USDOT will interpret that provision.

Many public agencies use these grants to fund consultants and advisors. In terms of public information, the usefulness of the asset concession grants may be limited, as the Build America Bureau already provides a wealth of information on P3s. However, any process that educates public and private entities on P3s is a positive.

### 5.1.2 IIJA AND TIFIA

Congress created the TIFIA program to provide low-interest credit support for projects with dedicated revenue sources that can qualify for investment-grade ratings.<sup>57</sup> The law currently allows a TIFIA loan to cover up to 49% of a project's total costs for certain modes (detailed in the following paragraph) as well as for "truly exceptional projects." This is higher than the traditional 33% share. The 33% share is consistent with the law's original intent that TIFIA provide gap financing rather than being a project's primary source of debt finance. It also enables a given TIFIA budget allocation to support a larger total number of projects. Accordingly, TIFIA loans often are subordinated debt, which means senior loans or bonds are the first to receive project revenue. Only in the event of bankruptcy does the TIFIA loan shift to having equal status with other creditors.

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*Congress created the TIFIA program to provide low-interest credit support for projects with dedicated revenue sources that can qualify for investment-grade ratings.*

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<sup>57</sup> "Program Overview," Build America Bureau, [transportation.gov](https://www.transportation.gov), 29 Nov. 2021. [www.transportation.gov/buildamerica/financing/tifia](https://www.transportation.gov/buildamerica/financing/tifia) (15 Feb. 2022).

In October 2022 Secretary of Transportation Buttigieg announced that transit and transit-oriented development projects can now be funded at 49% of their cost.<sup>58</sup> This also includes ferry systems. Discretionary grant projects which received a “highly rated” definition but did not receive funding due to constraints may now also be funded at 49% of a project’s cost.<sup>59</sup>

While the IIJA keeps TIFIA program funding steady at approximately \$250 million per year, the legislation has made a number of programmatic changes. One of the most promising changes is a requirement for USDOT to create a streamlined application process for projects that can begin within 90 days after a TIFIA loan is awarded.<sup>60</sup> This provision addresses one of the biggest problems with TIFIA: the time from loan application to loan award. This reform could decrease loan processing time by 50%.



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*One of the most promising changes is a requirement for USDOT to create a streamlined application process for projects that can begin within 90 days after a TIFIA loan is awarded.*

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Earlier in 2021, USDOT took steps to speed up loan processing by creating TIFIA Lite. Under this program, experienced borrowers with strong credit and small, shovel-ready projects can use an expedited application process.<sup>61</sup> The accelerated process uses a loan template with standard terms to forgo the sometimes lengthy back-and-forth negotiations between the office and the applicant. Those loans are limited to \$100 million.

The TIFIA office has been under congressional pressure since the passage of the Moving Ahead for Progress for the 21<sup>st</sup> Century (MAP-21) reauthorization bill in 2012 to expedite

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<sup>58</sup> “U.S. Department of Transportation Expands its Financing Program to Help Even More Infrastructure Projects Move Forward,” U.S. Department of Transportation, [transportation.gov](https://www.transportation.gov/briefing-room/us-department-transportation-expands-its-financing-program-help-even-more), 4 Oct. 2022. <https://www.transportation.gov/briefing-room/us-department-transportation-expands-its-financing-program-help-even-more> (16 Mar. 2023).

<sup>59</sup> “TIFIA Extra,” Build America Bureau, [transportation.gov](https://www.transportation.gov/buildamerica/financing/tifia/tifia-extra), 13, Dec. 2023. <https://www.transportation.gov/buildamerica/financing/tifia/tifia-extra> (4 Mar. 2024).

<sup>60</sup> “AASHTO Comprehensive Analysis of the Bipartisan Infrastructure Bill,” [policy.transportation.org](https://policy.transportation.org).

<sup>61</sup> “TIFIA Lite,” Build America Bureau, [transportation.gov](https://www.transportation.gov/buildamerica/financing/tifia/lite), 28 Jun. 2021 [www.transportation.gov/buildamerica/financing/tifia/lite](https://www.transportation.gov/buildamerica/financing/tifia/lite) (15 Feb. 2022).

awarding loans.<sup>62</sup> Rather than treat TIFIA as a check-the-box process as Congress intended, USDOT had turned TIFIA into a discretionary program. Only time will tell if these changes speed up the application process, but the fact that USDOT finally recognized the problem by creating TIFIA Lite before Congress intervened with IIJA is encouraging. The changes also extend the timeframe for when contingent commitments must result in financial close from three to five years.<sup>63</sup> This change will make TIFIA more attractive for larger, more complicated deals that have multiple funding and financing sources.

Unfortunately, Congress also made one problematic change. It extended eligibility to transit-oriented development, airport projects, and wildlife acquisition activities.<sup>64</sup> To be sure, each of these project types can benefit from TIFIA loans. But TIFIA's \$250 million annual funding in the IIJA is far below its \$1 billion annual funding in 2014 and 2015.<sup>65</sup> Limited appropriations, combined with a steady stream of projects and an expedited review process, means TIFIA loans can finance a shrinking share of eligible projects.

### 5.1.3 IIJA AND PABS

Private activity bonds are especially useful to P3 projects because they are tax-exempt bonds that would not normally be available to projects that expect to earn a return on equity investments.<sup>66</sup> Congress authorized PABs for P3 surface transportation projects on the grounds that, since these projects serve a public purpose, public-sector entities should not have a built-in financial advantage over private-sector entities. By exempting interest income on these PABs from taxation, revenue bonds issued for P3 projects as PABs will carry interest rates similar to those available for the revenue bonds of state toll agencies.

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<sup>62</sup> William Mallett, "The Transportation Infrastructure Finance and Innovation Act (TIFIA) Program." [crsreports.congress.gov](https://www.crsreports.congress.gov), CRS Reports, 2022. [www.crsreports.congress.gov/product/pdf/R/R45516](https://www.crsreports.congress.gov/product/pdf/R/R45516) (15 Feb. 2022).

<sup>63</sup> Ibid.

<sup>64</sup> Rodriguez et al., "Infrastructure Investment and Jobs Act."

<sup>65</sup> Jeff Davis, "Was the FAST Act's 70 Percent Cut in TIFIA Funding Justified?" [enotrans.org](https://enotrans.org), The Eno Center for Transportation. 16 Dec. 2015. [www.enotrans.org/article/22938/](https://www.enotrans.org/article/22938/) (15 Feb. 2022).

<sup>66</sup> Aidan Vining, Anthony E. Boardman, and Finn Poschmann, "Public-Private Partnerships in the US and Canada: Case Studies and Lessons 1." International Public Procurement Conference Proceedings, ResearchGate, 2004. [www.researchgate.net/publication/237477965\\_PUBLIC-PRIVATE\\_PARTNERSHIPS\\_IN\\_THE\\_US\\_AND\\_CANADA\\_CASE\\_STUDIES\\_AND\\_LESSONS1](https://www.researchgate.net/publication/237477965_PUBLIC-PRIVATE_PARTNERSHIPS_IN_THE_US_AND_CANADA_CASE_STUDIES_AND_LESSONS1) (15 Feb. 2022).

After almost 10 years of lobbying, Congress in the IIJA finally increased the PAB cap from \$15 billion to \$30 billion.<sup>67</sup> Since the law has taken effect, USDOT has issued or allocated more than \$19 billion, which it could not have awarded without a doubling of the cap.<sup>68</sup>

For the next few years there will be plenty of room under the PAB cap. But the expanding number of uses will put pressure on Congress to adjust the cap in the future. The cap was originally instituted because PAB skeptics argued that demand for PABs might be low, given access to traditional municipal financing sources. Given the demonstrated importance of PABs in financing megaprojects, eliminating the cap would be a pragmatic, long-term solution.

Table 7 lists all current PABs and TIFIA loans for P3 surface transportation projects through the end of calendar year 2023.

**TABLE 7: HIGHWAY AND TRANSIT PROJECTS FINANCED BY TIFIA AND PABS**

Project	Year Originally Financed	TIFIA (\$M)	PABs (\$M)	Total Project (\$M)
Pocahontas Parkway (VA)	2007	\$150	\$0	\$597
SH 130, 5 & 6 (TX)	2007	\$430	\$0	\$1,328
I-495 HOT Lanes (VA)	2008	\$589	\$589	\$2,670
I-595 Express (FL)	2009	\$603	\$0	\$1,834
North Tarrant Expressway (TX)	2009	\$650	\$400	\$2,122
Port of Miami Tunnel (FL)	2009	\$341	\$0	\$1,113
NTE Phases 1 and 2W (TX)	2010	\$650	\$398	\$2,122
LBJ Express (TX)	2010	\$850	\$606	\$2,645
Denver Eagle P3 Rail (CO)	2010	\$280	\$396	\$2,043
South Bay Expressway (CA)	2011	\$140	\$0	\$658
Midtown Tunnel (VA)	2012	\$422	\$675	\$2,089
Presidio Parkway II (CA)	2012	\$150	\$0	\$852
I-95 Express (VA)	2013	\$300	\$253	\$923
NTE Phase 3A, 3B and 3C (TX)	2013	\$531	\$276	\$2,327
Goethals Bridge (NY/NJ)	2013	\$474	\$453	\$1,436
US 36, Colorado Phase 2 (CO)	2014	\$60	\$21	\$208
I-69 Section 5 (IN)	2014	\$0	\$244	\$560
I-4 Ultimate (FL)	2014	\$949	\$0	\$2,877
East End Bridge (IN/KY)	2015	\$162	\$508	\$1,319
PA Rapid Bridge Replacement (PA)	2015	\$0	\$722	\$1,118
I-77 Express Lanes (NC)	2015	\$189	\$100	\$636
Portsmouth Bypass (OH)	2015	\$209	\$227	\$634
SH 288 Toll Lanes (TX)	2016	\$357	\$299	\$1,064

<sup>67</sup> "AASHTO Comprehensive Analysis of the Bipartisan Infrastructure Bill," [policy.transportation.org](https://policy.transportation.org).

<sup>68</sup> "Private Activity Bonds," United States Department of Transportation Build America Bureau, [transportation.gov](https://www.transportation.gov/buildamerica/financing/private-activity-bonds), 24 Feb. 2022. <https://www.transportation.gov/buildamerica/financing/private-activity-bonds> (28 Feb. 2022).

Project	Year Originally Financed	TIFIA (\$M)	PABs (\$M)	Total Project (\$M)
MD Purple Line (MD)	2016	\$1,760	\$313	\$5,900
Transform 66 (VA)	2017	\$1,229	\$737	\$3,724
I-395 Express Lanes	2017	\$0	\$233	\$554
Moynihan Train Hall (NY)	2017	\$607	\$0	\$1,916
Central 70 (CO)	2017	\$455	\$121	\$1,271
I-75 Modernization Segment 3 (MI)	2018	\$0	\$610	\$1,400
I-95 Fredericksburg Express Lanes (VA)	2019	\$0	\$277	\$830
Pennsylvania Major Bridge Program (PA)	2022	\$0	\$1,800	\$2,300
I-495 Next Lanes (VA)	2023	\$133	\$212	\$735
<b>TOTAL</b>		<b>\$12,670</b>	<b>\$10,470</b>	<b>\$51,805</b>

Source: Projects financed by TIFIA and Private Activity Bonds on [www.transportation.gov](http://www.transportation.gov)

As the table shows, \$12.7 billion in TIFIA loans led to approximately \$51.8 billion in project activity over the past 15 years. PABs had a similar effect: \$10.5 billion in PABs helped make that \$51.8 billion in project activity a reality. Compare TIFIA and PABs to federal grants that provide 50%–90% of a project’s cost. If a grant covers 70% of the project costs, in order to receive the same benefit of \$12.7 billion of TIFIA loans, more than \$32.1 billion of grants would need to be disbursed. Clearly, TIFIA loans and PABs are more than useful financing tools. Compared with direct grant funding, they also allow leveraging taxpayer expenditures to stretch those taxpayer dollars further. Moreover, these programs provide a financial-feasibility requirement that reduces the likelihood of boondoggle projects.

### 5.1.4 IIJA AND TOLLING POLICY

IIJA made several changes to federal tolling policy. The \$250 million congestion relief program (\$50 million per year) allows states to use cordon pricing or congestion pricing for up to 10 urbanized areas.<sup>69</sup> The program limits DOTs to charging tractor trailers no more than five times the rate of automobiles. Program funding can be used for other purposes such as parking pricing and multi-modal stations.



<sup>69</sup> “U.S. Senate Approves the Infrastructure and Jobs Act: A Summary and Analysis for the Toll Industry,” [ibtta.org](https://www.ibtta.org/sites/default/files/documents/Advocacy/GA049-IBTTA%20Infrastructure%20Investment%20and%20Jobs%20Act%20Bill%20Summary%202021-0817.pdf), International Bridge Tunnel and Turnpike Association, 17 Aug. 2021. <https://www.ibtta.org/sites/default/files/documents/Advocacy/GA049-IBTTA%20Infrastructure%20Investment%20and%20Jobs%20Act%20Bill%20Summary%202021-0817.pdf> (28 Feb. 2022).

*... a new pilot program created a toll credit marketplace to assess the benefits of states selling toll credits.*



In addition, a new pilot program created a toll credit marketplace to assess the benefits of states selling toll credits.<sup>70</sup> The selling state may use the proceeds for any highway-related project. The buying state may use the credit for the state or local match to any highway-related project. Finally, the bill guarantees that over-the-road buses have the same access to HOV and HOT lanes as transit buses.<sup>71</sup>

This pro-tolling momentum could be considered a win for tolling proponents because the House-passed Moving Forward bill that was discarded in favor of IIJA would have restricted tolling.<sup>72</sup> While the American Automobile Association (AAA) national board and several state chapters of the American Trucking Associations have dropped their hostility to tolling, there is resistance to allowing states to toll and rebuild their Interstate systems.<sup>73</sup>

## 5.2

### OVERVIEW OF FINANCING TOOLS

Federal support for surface transportation P3s comes largely from several entities within the Federal Highway Administration (FHWA) the U.S. Department of Transportation.

The Center for Innovative Finance Support (CIFS—previously the Office of Innovative Program Delivery), which provides vital support for P3s, is housed within the larger new Office of Innovative Program Delivery; both entities are units of FHWA. CIFS was created during the George W. Bush administration and expanded under both the Obama and Trump administrations, developing a large array of educational and analytical materials to assist state DOTs and others in getting up to speed on innovative finance and P3s in transportation infrastructure. CIFS is also likely to provide guidance on asset concession grants.<sup>74</sup> Table 8 details the P3 toolkit provided by the center.

<sup>70</sup> “Toll Credits,” Center for Innovative Financial Support, fhwa.dot.gov, 2024. [https://www.fhwa.dot.gov/ipd/finance/tools\\_programs/federal\\_aid/matching\\_strategies/toll\\_credits.aspx](https://www.fhwa.dot.gov/ipd/finance/tools_programs/federal_aid/matching_strategies/toll_credits.aspx) (4 Mar. 2024).

<sup>71</sup> Ibid.

<sup>72</sup> “How We Are INVESTing in America,” transportation.house.gov, The House Committee on Transportation and Infrastructure. 2021. <https://transportation.house.gov/invest-in-america> (31 Jan. 2022).

<sup>73</sup> Kathleen Bower, “AAA Supports Tolling in Certain Situations,” Email, Dec. 2015.

<sup>74</sup> Rodriguez et al., “Infrastructure Investment and Jobs Act.”



**TABLE 8: CENTER FOR INNOVATIVE FINANCE SUPPORT TOOLS**

<b>Program Category</b>	<b>Tool</b>	<b>Purpose</b>
Publications	Fact Sheets	Provides overview of key P3 elements
	Primers	Details in-depth explanations of specific elements of P3 projects
	Model Contract Guides	Provides overview of P3 contracting process and best practices
	Other Guides	Covers miscellaneous topics from the federal review process and financing
	Reports, Discussion Papers	Provides in-depth analysis of policies, case studies and other policy assessments
Analytical Tools	P-3 Value	Provides spreadsheet-based calculation tools for conducting feasibility assessments of potential P3 projects including risk assessment, value for money, benefit/cost analysis and financial analysis
	P-3 Screen	Provides a checklist of key factors and analyses involved in making decisions about possible P3 procurements
	Contracting Alternatives Suitability Evaluator	Evaluates and aids in selecting the most effective short and long-term alternative contracting methods
Webinars	Recordings	Documents and recordings that enhance toolkit materials
Programs	SEP-15	Explains experimental new process for the FHWA to evaluate P3 project delivery with four major components: contracting, compliance with environmental requirements, right-of-way acquisition, and project finance
	Build America Bureau	The Bureau provides access to and credit and grants
	BATIC Institute	The BATIC Institute facilitates coordination and information-sharing of public projects
	TIFIA	Transportation Infrastructure Finance and Innovation Act provides credit assistance to select projects of regional importance
	PABs	Provides tax-exempt debt instruments authorized by USDOT on behalf of private entities for highway and freight projects
	GARVEEs	Allows a state DOT to issue debt that will be repaid with future federal-aid highway funding

Source: The Center for Innovative Finance Support's website: <https://www.fhwa.dot.gov/ipd/p3/>

Stressing the importance of increasing infrastructure investment, former Secretary of Transportation Anthony Foxx created the Build America Bureau, which aims to speed up the time it takes for transportation P3s to reach financial close.<sup>75</sup> The American Association of State Highway & Transportation Officials (AASHTO) launched the BATIC Investment Center as a new center of excellence to assist state DOTs in capacity-building in the area of project finance and P3s. The Center hosts multiple events throughout the country educating policymakers on transportation financing.

<sup>75</sup> Anthony, Foxx, "Removing the Roadblocks to Smarter Investment in American Transportation," mckinsey.com, McKinsey & Company 1 June 2015. [www.mckinsey.com/business-functions/operations/our-insights/removing-the-roadblocks-to-smarter-investment-in-american-transportation](http://www.mckinsey.com/business-functions/operations/our-insights/removing-the-roadblocks-to-smarter-investment-in-american-transportation) (15 Feb. 2022).

## 5.3

## OTHER FEDERAL TOLLING POLICY

States are banned from imposing tolls on existing Interstate lanes or rebuilding an Interstate highway and imposing tolls on rebuilt lanes that previously were untolled. However, states can implement four types of tolling projects. While these options don't *require* P3s, many tolling projects are P3s.

The first and most popular option is for states to add variably priced managed lanes, which price lanes dynamically to manage congestion and maintain high throughput.<sup>76</sup> Some are conversions from poorly operating high-occupancy vehicle (HOV) lanes, while others are new construction. Many large metro areas—including Atlanta, Dallas/Fort Worth, Denver, Houston, Los Angeles, San Diego, San Francisco, Seattle, South Florida, and Washington, D.C.—have, are building, or are planning to build networks of variably priced managed lanes. While these lanes work best in urban areas, a Reason study highlighted several Interstate corridors that pass through more-rural areas in which variably priced lanes may be feasible.<sup>77</sup>

The second option is the FHWA Value Pricing Pilot Program (VPPP), which allows a state to charge variable tolls on all lanes of an Interstate to reduce congestion.<sup>78</sup> Oregon has applied for the program to put variable tolls on all lanes of I-5 in the Portland metro area. In November 2021 the state began planning for the project, inviting community feedback through local workshops as it awaits approval for the program.<sup>79</sup> In November 2022, the state began an Environmental Impact Assessment of the tolling project. Oregon also completed a 50-day comment period that informed the public about the environmental assessment.<sup>80</sup> In fall 2023, Oregon's Department of Transportation (ODOT) received responses to a tolling survey issued earlier in the year to gauge public opinion on the

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<sup>76</sup> States adding managed lanes include California, Colorado, Florida, Georgia, Maryland, Minnesota, North Carolina, Texas, Utah, Virginia, and Washington State.

<sup>77</sup> Baruch Feigenbaum, "Managed Lanes Connecting Metro Areas: The Pragmatic Solution." Reason Foundation. 2019. [www.reason.org/wp-content/uploads/managed-lanes-between-metro-areas-the-pragmatic-solution.pdf](http://www.reason.org/wp-content/uploads/managed-lanes-between-metro-areas-the-pragmatic-solution.pdf) (15 Feb. 2022).

<sup>78</sup> Value Pricing Pilot Program." [ops.fhwa.dot.gov](http://ops.fhwa.dot.gov), U.S. Department of Transportation Federal Highway Administration. 2021. [www.ops.fhwa.dot.gov/congestionpricing/value\\_pricing/index.htm](http://www.ops.fhwa.dot.gov/congestionpricing/value_pricing/index.htm) (15 Feb. 2022).

<sup>79</sup> Scott Keillor, Lucinda Broussard, and Gareth Prior, "Oregon Toll Program Region 1 Area Commission on Transportation+ Toll Work Group Meeting #2," Oregon Department of Transportation, [Oregon.gov](http://Oregon.gov), 1 Nov 2021. [www.oregon.gov/odot/Get-Involved/Documents/110121-R1ACTplus-presentation.pdf](http://www.oregon.gov/odot/Get-Involved/Documents/110121-R1ACTplus-presentation.pdf) (15 Feb. 2022).

<sup>80</sup> "Regional Mobility Pricing Project, Oregon Tolling: State of Oregon," Oregon Department of Transportation, 2022. [www.oregon.gov/ODOT/tolling/Pages/I-5-Tolling.aspx](http://www.oregon.gov/ODOT/tolling/Pages/I-5-Tolling.aspx) (27 Feb. 2023).

tolling options.<sup>81</sup> ODOT has also stated that the earliest tolling could begin in 2026.<sup>82</sup> Currently, the state has not made a commitment over whether it will take part in the program. There is no limit on the number of slots/roadways that can take part in the VPPP.



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*The second option is the FHWA Value Pricing Pilot Program (VPPP), which allows a state to charge variable tolls on all lanes of an Interstate to reduce congestion.*

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The third option is the Interstate System Reconstruction and Rehabilitation Pilot Program (ISRRPP), which allows a state to use toll financing to rebuild one of its Interstate highways.<sup>83</sup> Currently, there are three slots open in the program. Since congestion is worst in urban areas, the Value Pricing Pilot Program is a better fit in urban regions, while the ISRRPP is a better choice to rebuild a long-distance corridor.

The fourth option is for states to rebuild their untolled bridges and tunnels with tolled bridges and tolled tunnels using a provision in the 1998 Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21).<sup>84</sup> There is no limit on the number of bridges and tunnels that can be rebuilt using tolling. (A state can impose tolls on reconstructed bridges and tunnels on its Interstate system but cannot do the same for Interstate segments that do not include bridges and tunnels.)



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<sup>81</sup> Ibid.

<sup>82</sup> Ibid.

<sup>83</sup> “Interstate System Reconstruction and Rehabilitation Pilot Program,” U.S. Department of Transportation Federal Highway Administration, [fhwa.dot.gov](http://fhwa.dot.gov), October 2018. [www.fhwa.dot.gov/ipd/tolling\\_and\\_pricing/tolling\\_pricing/interstate\\_rr.aspx](http://www.fhwa.dot.gov/ipd/tolling_and_pricing/tolling_pricing/interstate_rr.aspx) (31 Jan. 2022).

<sup>84</sup> Robert S. Kirk, “Tolling U.S. Highways,” Congressional Research Service, [crsreports.congress.gov](http://crsreports.congress.gov), 4 Aug 2017. [www.sgp.fas.org/crs/misc/R43575.pdf](http://www.sgp.fas.org/crs/misc/R43575.pdf) (15 Feb. 2022).

*Rhode Island, which has the largest percentage of structurally deficient bridges in the country, created a program to toll trucks (but not light-duty vehicles) for their use of 12 bridges or bridge-groups in the state.*



Rhode Island, which has the largest percentage of structurally deficient bridges in the country, created a program to toll trucks (but not light-duty vehicles) for their use of 12 bridges or bridge-groups in the state.<sup>85</sup> Rhode Island's stated goal is to bring the bridges to a state of good repair by 2025. FHWA approved the truck toll program in 2016, leading to an ongoing lawsuit from the American Trucking Associations challenging the constitutionality of tolling trucks but not cars.<sup>86</sup>

In September 2022, a federal Rhode Island District Court judge ruled that the program was an unconstitutional restraint of interstate commerce by discriminating against out-of-state heavy trucks and halted Rhode Island's bridge tolls.<sup>87</sup> In February 2023, the state appealed the district court decision, which was supported by an amicus brief submitted by the International Bridge, Tunnel, and Turnpike Association.<sup>88</sup> The U.S. Court of Appeals for the First Circuit heard oral arguments in September 2023.<sup>89</sup> Its decision is expected later in 2024, but Rhode Island Attorney General Peter Neronha suggested that the state might appeal a potential appellate court loss to the U.S. Supreme Court.<sup>90</sup>

<sup>85</sup> "The RhodeWorks Tolling Program," Rhode Island Department of Transportation, dot.ri.gov. 31 Jan. 2022. [www.dot.ri.gov/tolling/index.php](http://www.dot.ri.gov/tolling/index.php) (15 Feb. 2022).

<sup>86</sup> "ATA Sues Rhode Island Over Unconstitutional Truck Toll Program," trucking.org, American Trucking Associations. 9 July 2018, [www.trucking.org/news-insights/ata-sues-rhode-island-over-unconstitutional-truck-toll-program](http://www.trucking.org/news-insights/ata-sues-rhode-island-over-unconstitutional-truck-toll-program) (15 Feb. 2022).

<sup>87</sup> John Gallagher, "Court rules against Rhode Island's truck-only toll program," FreightWaves, 2022. [www.freightwaves.com/news/court-rules-against-truck-only-tolling-in-rhode-island](http://www.freightwaves.com/news/court-rules-against-truck-only-tolling-in-rhode-island) (13 Mar 2023).

<sup>88</sup> Ryan Witkowski, "Rhode Island's truck toll appeal gets international group's support," Land Line Magazine, 2023. [www.landline.media/international-group-throws-support-behind-rhode-islands-appeal-of-truck-toll-verdict/](http://www.landline.media/international-group-throws-support-behind-rhode-islands-appeal-of-truck-toll-verdict/) (13 Mar 2023).

<sup>89</sup> Tamara Sacharczyk, "NBC 10 I-Team: Rhode Island's truck toll appeal wraps up, could Supreme Court be next?" 10 WJAR, 2023. <https://turnto10.com/i-team/rhode-island-attoenry-general-exclusive-interview-truck-toll-appeal-decision-governor-supreme-court-ridot-transportation-american-trucking-association> (6 Feb. 2023).

<sup>90</sup> Ibid.

Other states are developing toll plans in hopes that the federal ban on states tolling their Interstates is repealed. Connecticut proposed and then abandoned a plan to toll trucks on 12 sites throughout the state.<sup>91</sup> Indiana and Wisconsin examined the technical and political feasibility of rebuilding their Interstates via tolling.<sup>92</sup> Michigan completed a similar study in 2022, which found tolling many of its Interstates and other freeways would be realistic from both fiscal and implementation perspectives.<sup>93</sup> Thus far none of these systemwide tolling plans has moved forward.

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<sup>91</sup> “Connecticut Governor Drops Plans for Tolls on Highways Including Interstate 684.” *lohud.com*, Lohud, 20 Feb. 2020. [www.lohud.com/story/news/local/westchester/2020/02/20/connecticut-governor-ned-lamont-drops-plan-tolls-highways-684/4817501002/](http://www.lohud.com/story/news/local/westchester/2020/02/20/connecticut-governor-ned-lamont-drops-plan-tolls-highways-684/4817501002/) (15 Feb. 2022).

<sup>92</sup> “Statewide Interstate Tolling Strategic Plan,” Indiana Department of Transportation, *in.gov*, Nov. 2018. [www.in.gov/indot/files/tolling\\_strategic\\_plan.pdf](http://www.in.gov/indot/files/tolling_strategic_plan.pdf) (15 Feb. 2022).

<sup>93</sup> “State of Michigan Tolling Study (PA 140 of 2020),” House Appropriations Subcommittee on Transportation, *house.mi.gov*, 28 Apr. 2021. [www.house.mi.gov/hfa/PDF/Transportation/Transportation\\_Subcmte\\_Presentation\\_HNTB\\_4-28-21.pdf](http://www.house.mi.gov/hfa/PDF/Transportation/Transportation_Subcmte_Presentation_HNTB_4-28-21.pdf). (15 Feb. 2022).

## PART 6

# P3 LEGISLATION AND HIGHWAY ACTIVITY PER STATE

## 6.1 OVERVIEW OF STATE P3 LEGISLATION

The FHWA Center for Innovative Finance Support lists 36 states, the District of Columbia, and Puerto Rico as jurisdictions that have P3 authority for transportation infrastructure.<sup>94</sup> However, the enabling acts vary in authority provided from state to state. Further, many of these states with authority have entered into DBFs or DBMs but not DBFMs or DBFOMs. Full P3s have been implemented in only 12 states, in Puerto Rico, and in projects under the auspices of the Port Authority of NY/NJ.

Legislators in the other states have failed to enter into P3s for one or more of several reasons: Some legislation contains language that makes entering into P3s a poor choice for the public partner, the private partner, or both. Other states have had political challenges in which the governor or a state's legislative body was opposed to P3s. Some states have not found a project that is a good fit for a P3. Table 9 lists the type of P3 authority in states with authorizing legislation.

<sup>94</sup> "State P3 Legislation." Center for Innovative Finance Support, fhwa.dot.gov, 2018. [www.fhwa.dot.gov/ipd/p3/legislation/](http://www.fhwa.dot.gov/ipd/p3/legislation/) (15 Feb. 2022).

**TABLE 9: P3 STATES BY AUTHORITY**

Broad Authorization	Restricted Authorization	States Entering into Full P3s
Arizona	Alabama	Colorado
Arkansas	Alaska	Florida
Colorado	California	Indiana
Connecticut	District of Columbia	Louisiana
Delaware	Florida	Maryland
Georgia	Hawaii	Michigan
Illinois	Indiana	North Carolina
Kentucky	Kansas	Ohio
Maryland	Louisiana	Pennsylvania
Massachusetts	Maine	Texas
Minnesota	Michigan	Virginia
Mississippi	Missouri	Port Authority of NY/NJ
Nebraska	New Hampshire	Puerto Rico
Nevada	North Dakota	
New Jersey	Pennsylvania	
North Carolina	Puerto Rico	
Ohio	South Dakota	
Oklahoma	Tennessee	
Oregon	West Virginia	
South Carolina		
Texas		
Utah		
Virginia		
Washington		
Wisconsin		

Sources: Association for the Improvement of American Infrastructure: P3 Legislation. [AIAI-infra.org](http://AIAI-infra.org). “State P3 Legislation,” Dec. 2020, [fhwa.dot.gov](http://fhwa.dot.gov).

## 6.2 2023 STATE LEGISLATIVE P3 ACTIVITY

Over the past year, three states debated bills establishing or expanding P3 authority. Table 10 summarizes that activity. This section provides more details on the states’ 2023 P3 activities.

**TABLE 10: 2023 P3 LEGISLATIVE ACTIVITY BY STATE**

State	Bill	Pass/Fail/ Pending	Summary
Illinois	S 1919 & H 3927	Fail	Authorizes public entities to develop and enter into P3s for qualifying projects which result in the availability of such projects in a more timely and less costly fashion. Also creates the Infrastructure Investment Commission to identify, track, conduct outreach, promote best practices, and develop a project development fund for P3s.
Illinois	H 2531	Pass	Expanded on existing P3 legislation to shorten the prequalification process to six months.
Nebraska	L 166	Pending	Expands on Nebraska's contracting guidelines for projects, as well as existing criteria for P3 proposals.
Nebraska	L 266	Pending	Amends L 166 to provide for unsolicited P3 proposals, allows for a one-step proposal and qualification processes if the contracting agency determines it's in the agency's best interest.
New Mexico	H 213	Fail	Allows public partners to enter into P3 agreements to facilitate public projects, creates the P3 partnership board, the P3 project fund, and provides exemptions to procurement code. Authorizes grants, loans, bonds, and administrative fees.
Rhode Island	HB 6001	Fail	Allows qualifying transit agencies to enter into P3 agreements to deliver projects.
Texas	SB 1984	Fail	Expands P3 authority state-wide by increasing number of qualifying/eligible projects.

Source: National Conference of State Legislatures, <https://www.ncsl.org/transportation>

**Illinois: Senate Bill (S) 1919** failed in 2023.<sup>95</sup> The bill would have authorized public entities to enter into P3s for projects if the result would be the project being completed in a more timely and less costly fashion. It also would have created the Infrastructure Investment Commission to help agencies conduct P3s in accordance with best practices and also would have created a project development fund for P3s. The bill received no action aside from Senate assignments during 2023 and failed to receive action past March.

**Illinois: House Bill (H) 3927** also failed in 2023 and was the companion bill to the above Senate Bill 1919.<sup>96</sup> It was referred between the House Committee on Rules, State Government Administration, and then back to the Rules Committee where it died after March 2023.

<sup>95</sup> "2023 IL S 1919," custom.statenet.com, State Net, 2023. [https://custom.statenet.com/public/resources.cgi?id=ID:bill:IL2023000S1919&ciq=ncsl17&client\\_md=b60861a2a989eba0ccade03822c1ee2f&mode=current\\_text](https://custom.statenet.com/public/resources.cgi?id=ID:bill:IL2023000S1919&ciq=ncsl17&client_md=b60861a2a989eba0ccade03822c1ee2f&mode=current_text) (30 Jan. 2024).

<sup>96</sup> "2023 IL H 3927," custom.statenet.com, State Net, 2023. [https://custom.statenet.com/public/resources.cgi?id=ID:bill:IL2023000H3927&ciq=ncsl17&client\\_md=245bf6634a95b22ccc2c2df09dc946d1&mode=current\\_text](https://custom.statenet.com/public/resources.cgi?id=ID:bill:IL2023000H3927&ciq=ncsl17&client_md=245bf6634a95b22ccc2c2df09dc946d1&mode=current_text) (30 Jan. 2024).



**Illinois: House Bill (H) 2531** was introduced in February 2023.<sup>97</sup> The bill expanded on the existing P3 legislation, shortening the prequalification process down to six months, and allowed unsolicited proposals for transportation projects. The bill passed both houses and was signed by the governor in July 2023.

**Nebraska: Legislative Bill 166** was introduced in early January 2023.<sup>98</sup> The bill expanded on contracting authority in Nebraska for traditional delivery methods (like design-build contracts) and also expanded on the criteria required to be in a P3 proposal, notably requiring that proposals include the private partner's experience and financial, personnel, and equipment resources available for projects. The bill failed to receive any action and was carried over to the second regular session where it is still listed as "pending."

**Nebraska: Legislative Bill 266** was introduced in January of 2023.<sup>99</sup> The bill provides for combining qualification and proposal steps for a P3 (typically separate steps) into one, as well as provides a process for procuring services through unsolicited proposals. The bill received no action following a hearing scheduled for March 7<sup>th</sup>, and it was carried over to the Second Regular Session and is still listed as "pending."

**New Mexico: House Bill 213** was introduced in January 2023.<sup>100</sup> This bill would create a group of state-level supporting bodies to better facilitate P3s in New Mexico, from a project fund and a P3 partnership board that would advise state agencies and provide exemptions to the procurement code for the state. Also included are necessary authorizations. The bill had a promising start, passing through the House Committees on Transportation, Public Works & Capital Improvements and the Judiciary. It was then passed to the House floor, amended, and passed. It failed in the Senate Judiciary Committee.

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<sup>97</sup> "2023 IL H 2531," custom.statenet.com, State Net, 2023. [https://custom.statenet.com/public/resources.cgi?id=ID:bill:IL2023000H2531&ciq=ncsl17&client\\_md=29683a1a6a3af915230be78df00c1a8f&mode=current\\_text](https://custom.statenet.com/public/resources.cgi?id=ID:bill:IL2023000H2531&ciq=ncsl17&client_md=29683a1a6a3af915230be78df00c1a8f&mode=current_text) (30 Jan. 2024).

<sup>98</sup> "2023 NE L 166," custom.statenet.com, State Net, 2023. [https://custom.statenet.com/public/resources.cgi?id=ID:bill:NE2023000L166&ciq=ncsl17&client\\_md=d0dd085444ea8e5182ef1a3fe3cdeaf9&mode=current\\_text](https://custom.statenet.com/public/resources.cgi?id=ID:bill:NE2023000L166&ciq=ncsl17&client_md=d0dd085444ea8e5182ef1a3fe3cdeaf9&mode=current_text) (30 Jan. 2024).

<sup>99</sup> "2023 NE L 226," custom.statenet.com, State Net, 2023. [https://custom.statenet.com/public/resources.cgi?id=ID:bill:NE2023000L226&ciq=ncsl17&client\\_md=eb77aa99c0ef51b57bb5a302157c4815&mode=current\\_text](https://custom.statenet.com/public/resources.cgi?id=ID:bill:NE2023000L226&ciq=ncsl17&client_md=eb77aa99c0ef51b57bb5a302157c4815&mode=current_text) (30 Jan. 2024).

<sup>100</sup> "2023 NM H 213," custom.statenet.com, State Net, 2023. [https://custom.statenet.com/public/resources.cgi?id=ID:bill:NM2023000H213&ciq=ncsl17&client\\_md=8f8ab8da462d7f4df8afc4d8520ba38c&mode=current\\_text](https://custom.statenet.com/public/resources.cgi?id=ID:bill:NM2023000H213&ciq=ncsl17&client_md=8f8ab8da462d7f4df8afc4d8520ba38c&mode=current_text) (30 Jan. 2024).

**Rhode Island: House Bill 6001** was introduced in March 2023.<sup>101</sup> This bill would have enabled transit agencies in Rhode Island to enter into P3 agreements to deliver projects throughout the state. The bill was referred to the House Finance Committee, which elected to hold the bill for further study.

**Texas: Senate Bill 1984** was introduced in March 2023.<sup>102</sup> This bill would expand on existing P3 authority in Texas and expand the eligible types of projects throughout the state to include public works such as roads, bridges, and wastewater facilities. The bill was left pending in the Business and Commerce Committee, where it died.

## 6.3

## STATE CONCESSION ACTIVITY

In 2023, 10 states and Puerto Rico had major proposed highway and transit concession activity detailed in this section.

**TABLE 11: MAJOR STATE SURFACE TRANSPORTATION P3 CONCESSION ACTIVITY**

Project	Location	Status	Cost \$ (B)	Type	Duration (In Years)	Concessionaire
Maryland Managed Lanes, I-495 and I-270, New American Legion Bridge (Phase One) P3	Maryland	Canceled	\$7.6	DBFOM Toll	50	Macquarie, Transurban Group
SH 288 P3 Sale	Texas	Financial Close	\$4.1	DBFOM RR	52	ACS, Abertis
Puerto Rico Toll Roads (PR-52, PR-20, PR-53, PR-66) P3	Puerto Rico	Financial Close	\$3.0	DBFOM RR	40	Abertis
I-10 Calcasieu River Bridge Replacement P3	Louisiana	Preferred Proponents	\$2.1	DBFOM RR	50	Expected to reach financial close in April 2024 with Calcasieu Bridge Partners
SH-130 P3 Refinancing	Texas	Financial Close	\$1.0	DBFOM RR	54	Strategic Value Partners
I-495 NEXT	Virginia	Financial Close	\$0.5	DBFOM RR	80	Transurban, Fluor Corporation
MTA Rapid Station Accessibility Program P3	New York	Financial Close	\$0.4	DBFM AP	15	Autostrada Torino-Milano, Halmar International
East Contra Costa County Dynamic Personal Micro Transit P3	California	Preferred Proponents	\$0.5	DBFOM AP	N/A	Preferred proponents are Glydways and Plenary Americas
SR 400 Express Lanes	Georgia	Shortlisted Proponents	N/A	DBFOM Toll/RR	N/A	Winner to be announced in Q3 2024

<sup>101</sup> “Legislative Status Report,” Rhode Island Legislature, [rilegislature.gov](https://status.rilegislature.gov), <https://status.rilegislature.gov> (4 Mar. 2024)

<sup>102</sup> “Bill: SB 1984,” Texas Legislature, [capitol.texas.gov](https://capitol.texas.gov/BillLookup/History.aspx?LegSess=88R&Bill=SB1984), <https://capitol.texas.gov/BillLookup/History.aspx?LegSess=88R&Bill=SB1984> (4 Mar. 2024).

Project	Location	Status	Cost \$ (B)	Type	Duration (In Years)	Concessionaire
I-24 Nashville-Murfreesboro Managed Lanes P3	Tennessee	Pre-Launch	N/A	DBFOM Toll/RR	N/A	Winner will be announced in Q2 2026
Anaheim Bus Rapid Transit (BRT) P3	California	Pre-Launch	N/A	DBFO AP	N/A	N/A
San José Airport Connector P3	California	Preferred Proponents	\$0.5	DBFOM AP	N/A	N/A
Dorrance Street Transit Center Phase I P3	Rhode Island	Preferred Proponents	N/A	DBFOM AP	N/A	Update on financing due in 1H 2024

Source: Infraclogic Infrastructure News, <https://infraclogic.com>

**Maryland:** Maryland’s I-495/I-95 Capital Beltway and I-270 managed lanes DBFOM Toll P3 was canceled.<sup>103</sup> The procurement would have built new tolled capacity along the Capital Beltway, I-495, and I-270, as well as provided for the construction of the New American Legion Bridge. The consortium selected as the preferred proponent (a group consisting of Transurban Group and Macquarie) terminated its contract in March 2023. This termination was likely due to various lawsuits, delayed environmental approvals, and the election of a new governor in Maryland.<sup>104</sup>

**Texas:** Texas had two P3s reach financial close: one refinancing, and one stake sales in 2023. Both procurements were also in the top-10 highest-value P3 procurements for the year. First, stakes in SH 288 were sold between companies throughout the year. In January 2023, ACS bought a 12.11% stake in SH-288 from Call Insurance for \$246.4 million.<sup>105</sup> In February, ACS bought a 44.65% stake in SH 288 from InfraRed Capital Partners, Northleaf Capital Partners, and Star America for \$902.5 million.<sup>106</sup> In September, ACS also bought

<sup>103</sup> “Op Lanes Maryland – I-495 and I-270 Corridors Improvements and New American Legion Bridge (Phase One) P3,” Infraclogic.com, Infraclogic, 2024. <https://www.infraclogic.com/deals/1241712/op-lanes-maryland---i-495-and-i-270-corridors-improvements-and-new-american-legion-bridge-phase-one-p3.shtml> (21 Feb. 2024).

<sup>104</sup> Angela Woolsey, “Plan to replace American Legion Bridge revived with request for federal funding,” FFXnow, 21 Aug. 2023. <https://www.ffxnow.com/2023/08/21/plan-to-replace-american-legion-bridge-revived-with-request-for-federal-funding/> (5 Mar. 2024).

<sup>105</sup> “SH 288 P3 Sale (12.11% Stake) (2023),” Infraclogic.com, Infraclogic, 2024. <https://www.infraclogic.com/deals/12879986/sh-288-p3-sale-12-11--stake-2023.shtml> (21 Feb. 2024).

<sup>106</sup> “SH 288 P3 Sale (44.65% Stake) (2023),” Infraclogic.com, Infraclogic, 2024. <https://www.infraclogic.com/deals/12250641/sh-288-p3-sale-44-65--stake-2023.shtml> (21 Feb. 2024).

Shikun & Binui's 21.6% stake for \$421 million.<sup>107</sup> Finally, in December 2023, Abertis (a firm owned by ACS, Mundys, and HOCHTIEF) bought a 56% stake from ACS for \$2.6 billion.<sup>108</sup>

The SH-130 P3 was discussed in Part 3.1

**Puerto Rico:** Puerto Rico's P3 project was discussed in Part 3.1

**Virginia:** I-495 NEXT is a project expanding the existing HOT lanes—including a refinancing deal—that aims to expand the existing I-495 express lanes for two miles between Dulles Toll Road and George Washington Memorial Parkway.<sup>109</sup> This refinancing and project expansion package reached financial close in March 2022. The project was put on hold due to legal challenges from the NOVA Citizen's Association, detailing health and environmental impacts of the construction. However, a federal judge ruled in early April 2023 that construction could continue during the lawsuit.<sup>110</sup>

**Louisiana:** In December 2020, the Louisiana Joint Transportation Committee approved a P3 procurement to replace the then-67-year-old Calcasieu River Bridge.<sup>111</sup> The deadline for RFQs from firms that submitted letters of interest was set for the 8<sup>th</sup> of June 2021. Calcasieu Bridge Partners was selected from the three shortlisted proponents in July of 2023. The original proposal, which required legislative approval, was voted down in October 2023.

**New York:** In December 2022, New York's Metropolitan Transportation Authority advertised an RFQ to select three to four respondents who would be issued an RFP for the MTA Rapid Station Accessibility Program P3 procurement.<sup>112</sup> The P3 seeks to improve accessibility in 13 New York subway stations and make eight stations newly accessible, and to rehabilitate

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<sup>107</sup> "SH 288 P3 Sale (21.6% Stake) (2023)," InframationNews.com, Infralogic, 2024. <https://www.InframationNews.com/deals/12537696/sh-288-p3-sale-21-62--stake-2023.thtml> (21 Feb. 2024).

<sup>108</sup> "SH 288 P3 Sale (56% Stake) (2023)," InframationNews.com, Infralogic, 2024. <https://www.InframationNews.com/deals/14541277/sh-288-p3-sale-56--stake-2023.thtml> (21 Feb. 2024).

<sup>109</sup> "I-495 HOT Lanes Refinancing and I-495 NEXT Project Expansion (2022)," InframationNews.com, Infralogic, 2024. <https://www.InframationNews.com/deals/12285076/i-495-hot-lanes-refinancing-and-i-495-next-project-expansion-2022.thtml> (27 Feb. 2024).

<sup>110</sup> Angela Woolsey, "UPDATED: Construction on I-495 toll lanes can continue during lawsuit, judge says," FFXnow, 7. Apr. 2023. <https://www.ffxnow.com/2023/04/07/lawsuit-seeking-to-stop-i-495-express-lanes-project-goes-to-court-today/> (27 Feb. 2024).

<sup>111</sup> "I-10 Calcasieu River Bridge Replacement P3," InframationNews.com, Infralogic, 2024. <https://www.InframationNews.com/deals/3390626/i-10-calcasieu-river-bridge-replacement-p3.thtml> (10 Feb. 2024).

<sup>112</sup> "MTA Rapid Station Accessibility Program P3," InframationNews.com, Infralogic, 2024. <https://www.InframationNews.com/deals/9698331/mta-rapid-station-accessibility-program-p3.thtml> (22 Feb. 2024).

existing elevators at five stations throughout the program. The P3 reached financial close in May 2023 and was awarded to Halmar International and ASTM North America.

**Georgia:** GDOT's procurement for the SR 400 Express Lanes project received a schedule extension in June 2023. GDOT had selected a shortlist of teams around the same time. Currently, the project could be awarded to a team consisting of Cintra Infrastructures SE, Macquarie Infrastructure Developments LLC, and John Laing Limited, or a team consisting of Acciona Concesiones S.L., Meridiam SR-400, LLC, and ACS Infrastructure Development, Inc. The procurement is expected to be awarded in Q2 2024.

**Tennessee:** In December 2023, the Tennessee Department of Transportation (TDOT) identified the Nashville area for the state's first managed lanes P3, which the state calls Choice Lanes.<sup>113</sup> Still in the prelaunch phase, the procurement seeks to provide new managed lanes between Nashville and Murfreesboro on I-24. TDOT plans to issue an RFQ in February 2025.

**California:** California has two P3s still early in the process, and one in the preferred proponent's stage as of December 31, 2023.

The East Contra Costa County Dynamic Personal Micro Transit P3 is a procurement from the Contra Costa Transportation Authority and Tri Delta Transit.<sup>114</sup> The initial RFP was issued in April 2022. The P3 seeks to provide 24-7 on-demand transit service with no shared vehicles in the east county cities of Pittsburg, Antioch, Oakley, and Brentwood. East County Connection Partners (a consortium including Glydways and Plenary Americas) is the current preferred proponent as of July 2023.

The Anaheim Bus Rapid Transit P3, sought by the Anaheim Transportation Network (ATN), seeks to use a DBFO P3 for a bus rapid transit line that will operate in an east-west corridor with microtransit support.<sup>115</sup> ATN issued an RFP for a financial advisor in October 2023.

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<sup>113</sup> "I-24 Nashville-Murfreesboro Managed Lanes P3," *InframationNews.com*, Infralogic, 2024. <https://www.InframationNews.com/deals/14737327/i-24-nashville-murfreesboro-managed-lanes-p3.html> (22 Feb. 2024).

<sup>114</sup> "East Contra Costa County Dynamic Personal Micro Transit P3," *InframationNews.com*, Infralogic, 2024. <https://www.InframationNews.com/deals/5076641/east-contra-costa-county-dynamic-personal-micro-transit-p3.html> (22 Feb. 2024).

<sup>115</sup> "Anaheim Bus Rapid Transit (BRT) P3," *InframationNews.com*, Infralogic, 2024. <https://www.InframationNews.com/deals/14642512/anaheim-bus-rapid-transit-brt-p3.html> (22 Feb. 2023).

In May 2021, the city of San José issued an RFP for consulting services for the San José Airport Connector P3.<sup>116</sup> The procurement seeks to develop, build, finance, operate, and maintain an airport connector between San José's Diridon Station (a passenger rail station located downtown) with Mineta San José International Airport. In April 2023, Plenary's San José Connection Partners was selected as the preferred proponent for the P3.

**Rhode Island:** In January 2023, the Rhode Island Public Transit Authority (RIPTA) issued an RFP for the DBFOM of the Dorrance Street Transit Center Joint Development Project.<sup>117</sup> The project seeks to move RIPTA's hub from nearby Kennedy Plaza to farther southeast in downtown Providence. Phase one and phase two are anticipated to include 27,000 square feet of vertical construction for the intermodal transit center, and 36,000 square feet of ground floor bus berth space.

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<sup>116</sup> "San Jose Airport Connector P3," *InframationNews.com*, Infralogic, 2024. <https://www.inframationnews.com/deals/8564081/san-jose-airport-connector-p3.html> (21 Feb. 2023).

<sup>117</sup> "Dorrance Street Transit Center Phase I P3," *InframationNews.com*, Infralogic, 2024. <https://www.inframationnews.com/deals/10425451/dorrance-street-transit-center-phase-i-p3.html> (22 Feb. 2023).

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