

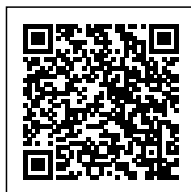
US OPEN TO OUTSIDE PROJECTS INFLUENCE - HUNTON & WILLIAMS

Posted on 17/07/2010



Fernando Alonso

Category: [Uncategorized](#)



With public resistance to increased taxation, cash-starved federal, state and local authorities are looking for new means and ways of funding the investment shortfall, says Fernando Alonso, banking and finance partner with Hunton & Williams in Miami.

“While the vast majority of public-private partnerships (PPPs) are inevitably initiated by local or state authorities, or in some instances the federal government, there is now however a growing willingness to accept unsolicited project proposals to address evident or emerging transportation or infrastructure needs.”

Obviously such proposals have to conform with the necessary regulatory or legislative guidelines, as well as meet environmental criteria, but the companies that initiate such proposals are inevitably in a strong position to ultimately win the work should a proposal be accepted.

"A public bidding process will always likely be undertaken; however, there are advantages in being the initiator of the proposal."

Sixteen US States currently have a framework for accepting unsolicited project plans, with those of Florida, Texas and Virginia among the most developed, says Alonso. A notable example of a project initiated in this way being the I-495 Beltway high occupancy toll (HOT) lanes project in Virginia, just outside of Washington, DC.

"Such proposals address the shortfalls in public funding, present an accelerated completion schedule and adequately share both the risks and rewards of the project. But the US is very much open to the skills and know-how of foreign business and companies in the infrastructure and transportation arena."

To date around a fifth of all PPP developments in the US have been awarded to Spanish companies, who are able to bring both technical and physical expertise, but also the necessary financing packages, he believes.

"Spanish banks are now emerging as major infrastructure and projects players in the US, having brought innovative financial models and structures to the market, while also working with construction and infrastructure companies to present a 'packaged' bid in tender processes. It plays to the market need for a very 'joined-up' approach."