



SJSU Research Center
210 N. Fourth St., 4th Fl.
San José, CA 95112

Tel // 408.924.7560
Fax // 408.924.7565

www.transweb.sjsu.edu

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Contact: Donna Maurillo

831-234-4009

donna.maurillo@sjsu.edu

Mineta Transportation Institute Issues a Report on “Policy Issues in US Transportation Public-Private Partnerships: Lessons from Australia”

Researchers deliver valuable findings that can be applied to U.S. projects.

San Jose, Calif., October 5, 2010 – The [Mineta Transportation Institute](http://www.transweb.sjsu.edu) (MTI) has released its newest research report, [Policy Issues in US Transportation Public-Private Partnerships: Lessons from Australia](http://www.transweb.sjsu.edu/MTIportal/research/publications/summary/2807_09-15.html), which explores these public-private partnerships (PPPs) and the lessons that can be derived for the use of PPPs in the United States. Australia has decades of experience in transportation PPP and has used the approach to deliver billions of dollars in project value. David Czerwinski, PhD, was principal investigator, working with R. Richard Geddes, PhD.

Although this report explores a range of issues, the authors focus on four policy issues that have been salient in the US: how the risks inherent in PPP contracts should be distributed across public and private sector partners; when and how to use non-compete (or compensation) clauses in PPP contracts; how concerns about monopoly power are best addressed; and the role and importance of concession length.

The study examines those and other questions by surveying the relevant literature on PPP international use. The authors also interviewed 23 Australian PPP experts from the academic, public and private sectors, and distilled lessons from those interviews.

The authors summarize the main findings of this study by listing several “dos” and “don’ts” when approaching transportation PPPs in the United States. Some of these findings relate directly to the four questions above, while others surfaced during the course of interviews as critical issues for consideration. The findings include:

- Do plan for a long-term partnership;
- Do recognize that PPPs are important, complex commitments requiring substantial public sector experience;
- Do focus on performance-based contracts;
- Do use concession length strategically;
- Don’t fail to “bring the public along” through public relations efforts that explain PPP contracts, its benefits to the public, and its progress;
- Don’t attempt to maximize up-front concession fee payments on greenfield projects.

Several other findings are included in the full report, which may be downloaded at no charge from http://www.transweb.sjsu.edu/MTIportal/research/publications/summary/2807_09-15.html. Or visit www.transweb.sjsu.edu, click “Research,” then “Publications” and scroll down to the report.

NCIPAL INVESTIGATOR

David Czerwinski, PhD, Mineta Transportation Institute research assistant, is assistant professor in the Department of Marketing and Decision Sciences at San José State University. His research involves the application of techniques from operations research and statistics to problems in the private and public sectors. Aside from surface transportation, areas of particular interest are airline safety, health care quality, and drug safety surveillance.

R. Richard Geddes is an associate professor in the Department of Policy Analysis and Management at Cornell University. Dr. Geddes also was a commissioner on the National Surface Transportation Policy and Revenue Study Commission, which submitted its report to Congress in January 2008. He is a research associate for the Mineta Transportation Institute. In 2009 he was a Fulbright Senior Scholar studying transportation public-private partnerships in Australia. He has been a senior economist on the Council of Economic Advisers, a visiting faculty fellow at Yale Law School, and a national fellow at the Hoover Institution at Stanford University. He received his Ph.D. in economics from the University of Chicago and his bachelor's degree in economics and finance from Towson State University.

ABOUT THE MINETA TRANSPORTATION INSTITUTE

The [Mineta Transportation Institute](http://www.transweb.sjsu.edu) (MTI) was established by Congress in 1991 as part of the Intermodal Surface Transportation Efficiency Act (ISTEA) and was reauthorized under TEA-21 and again under SAFETEA-LU. The institute is funded by Congress through the US Department of Transportation's (DOT) Research and Innovative Technology Administration, by the California Legislature through the Department of Transportation (Caltrans), and by other public and private grants and donations, including grants from the US Department of Homeland Security. DOT selected MTI as a National Center of Excellence following competitions in 2002 and 2006. The internationally respected members of the MTI Board of Trustees represent all major surface transportation modes. MTI's focus on policy and management resulted from the Board's assessment of the transportation industry's unmet needs. That led directly to choosing the San José State University College of Business as the Institute's home. MTI conducts research, education, and information and technology transfer, focusing on multimodal surface transportation policy and management issues. Visit www.transweb.sjsu.edu

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