

WORKSHOP REPORT – EXECUTIVE SUMMARY
FIRST FRENCH-AMERICAN WORKSHOP
PUBLIC TRANSPORTATION & INNOVATIVE FINANCING



TRANSPORT EXPERTISE

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FRENCH TRADE OFFICE
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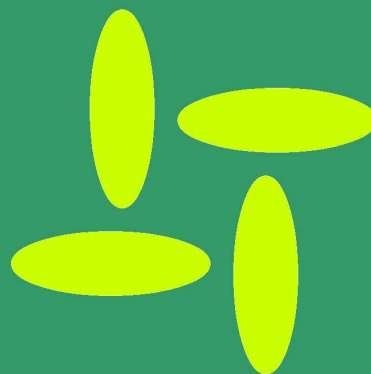


Table of Contents

1	Forewords	9
2	Public-Private Partnerships, French practices and evolutions	10
2.1	What really are PPPs and PFIs?.....	10
2.2	A bit of French PPP history: from the "Canal du Midi" to the "Contrats de Partenariats"	11
2.3	PPPs Regulation in France and Europe	13
2.4	The PPP market in France, as of February 2008	14
2.5	Some examples of recent PPP agreements in France	15
3	Sessions proceedings	18
3.1	Lyon, Rhône-Alpes Region – July 6-7, 2008	18
3.1.1	Welcome addresses and general introduction	18
3.1.2	Session 1: What's the point? Private sector involvement in developing and implementing transit systems	21
3.1.3	Session 2: What's hot? Current transit PPP projects in France and the United States	26
3.2	Saint Etienne, Saint Etienne Métropole – July 8, 2008	29
3.2.1	Session 3: What's new? Developing the transit systems of the future through PPPs.....	29
3.2.2	Session 4: Now, how do we get there? Financing public transportation projects.....	33
3.2.3	Session 5: Legal toolkit: the ABCs of PPPs	37
4	Conclusions: "And now, what's next?"	41
5	References about PPPs in France	43
5.1	Bibliographical references	43
5.1.1	Books, guides	43
5.1.2	Internet references	44
5.2	Regulatory references	45
5.2.1	In France.....	45
5.2.1.1	Law proposals/Law enacted	45
5.2.1.2	Executive orders.....	45
5.2.1.3	Guidebooks.....	46
5.2.1.4	Other official texts	46
5.2.1.5	Reports	50
5.2.2	In Europe – Textes officiels européens	50
6	Appendix	52
6.1	Attendees, speakers, and proceedings.....	52
6.1.1	List of participants	52
6.1.1.1	List of French participants.....	52

6.1.1.2 List of U.S. participants	53
6.1.2 Speakers profiles, by alphabetic order	55
6.1.3 Final program, proceedings list.....	68
6.1.3.1 Session 1: What's the point? Private sector involvement in developing and implementing transit systems	68
6.1.3.2 Session 2: What's hot? Current transit PPP projects in France and the United States	69
6.1.3.3 Session 3: What's new? Developing the transit systems of the future through PPPs.....	69
6.1.3.4 Session 4: Now, how do we get there? Financing public transportation projects.....	70
6.1.3.5 Session 5: Legal toolkit: the abcs of PPPs	71
6.2 Eleven examples of PPPs in France.....	72
6.2.1 Highways.....	72
6.2.1.1 A28 highway – concession	72
6.2.1.2 A19 highway -concession.....	73
6.2.1.3 A41 highway – concession	73
6.2.1.4 Millau viaduct – concession	74
6.2.1.5 A86 Paris super-ring – concession	74
6.2.1.6 The Avignon East-West link (LEO) - Partnership contract (shadow toll)	74
6.2.1.7 The Marseilles Northern link (L2) – Partnership contract (shadow toll)	75
6.2.2 Railways / High-Speed Rail lines.....	75
6.2.2.1 LGV Sud-Europe Atlantique (South East Atlantic High Speed Line) – concession	75
6.2.2.2 LGV Bretagne-Pays de la Loire (Brittany and Loire Country High Speed Line) – Partnership contract or concession TBD.....	76
6.2.2.3 Charles de Gaulle Express link – concession and private management of service.....	76
6.2.2.4 New cross-border HSL Perpignan-Barcelona (Spain) - concession ...	77
6.2.3 Examples of French PPP in other fields	77
6.3 Contacts.....	78
6.3.1 French Trade Office, French Embassy in the United States	78
6.3.2 Federal Transit Administration, U.S. Department of Transportation .	78
6.3.3 Transport Expertise.....	78

1 Forewords

The Federal Transit Administration (FTA¹) part of the United States Department of Transportation (U.S. DOT), the French Trade Office² of the French Embassy in the United States, and the French Ministry for Ecology, Energy, Sustainable Development, and Land Planning (*Ministère de l'Écologie, de l'Énergie, du Développement Durable et de l'Aménagement du Territoire*, MEEDDAT³) organized from July 6 to July 8 2008, a two days workshop on how to develop effective mass transit systems through private investment and innovative financing.

The event and site visits have been held in Lyon-Charbonnières and Saint Etienne, France. U.S. Delegation Chief Sherry Little, FTA Deputy Administrator was pleased to welcome Representative John Mica⁴ (R-FL) and Representative Loretta Sanchez⁵ (D-CA).



This conference report will be divided in three main parts: the first part is a general overview of the French practices and evolutions in the Public-Private Partnerships (PPP) field; the second part includes a summary of each presentation from the five sessions; the third and last part includes French regulatory and bibliographical references to help understanding the complexity of Public-Private Partnerships.

The French Trade Office and the Federal Transit Administration, in addition to this report, will make all slideshows available. Also, a full list of participants, a final version of the sessions' agenda, and speakers profiles are attached to this report (see Part 6 Appendix).

¹ FTA Website: <http://www.fta.dot.gov/>

² French Trade Office Website: <http://www.missioneco.org/etatsunis/>

³ MEEDDAT Website: <http://www.developpement-durable.gouv.fr/>

⁴ Representative John Mica (R-FL): <http://www.house.gov/mica/>

⁵ Representative Loretta Sanchez (D-CA): <http://www.lorettasanchez.house.gov/>

4 Conclusions: “And now, what’s next?”

This two-day seminar demonstrated that PPPs have been successful in several sectors of infrastructure, and is a viable option in urban transport projects, providing important side benefits through renewed initiatives. As mentioned by most speakers, many things must be taken into account before signing a PPP contract: risk evaluation and allocation between public and private partners, defining the role of the private entity and ensuring it will get paid, etc. However, once these examples and best practices, successes or failures have been presented, PPPs can be taken to the next level in the United States.

The French PPP models: already in America!

What could PPPs bring to the U.S. transport sector, and how? Through its subsidiary Cofiroute Vinci (a major concessionaire/toll road operator in France and around the world) won the operation of the SR-91 Express Lanes in California in 1995, and thus became a precursor of PPPs in the United States⁶. Then came Veolia Transportation (one of the three major urban transit operators in France) in 2001, under the name Connex North America, at first with the operation of Baltimore’s (Maryland) Yellow Transportation⁷, and which now is the largest private operator of public transport systems in the United States. This was only the early beginning, and more private involvement in public transport infrastructure and operation will come.

“How to?” or “the role of U.S. officials in developing PPPs”

U.S. public authorities now benefit from lots of materials, examples and success stories from Europe. The questions to answer now are concerning “how public bodies will make private involvement acceptable by all?” Transport officials will have to gain the confidence of both the political side, and the people’s side. Respectively their public money and tax dollars will have to be used wisely. The first step for project managers will be to show the positive aspects of PPPs, especially that such mechanisms will help deconsolidate public debt, while guaranteeing the public interest and making public investment accountable, with faster delivery.

Less national public funding, more PPPs: France is there too...

In France, and more generally in Europe, the PPP market is quite mature, and companies are already “exporting” their know-how and expertise in this area. While the shortfall in public funding is a problem most western countries are facing, Treasury Departments tend to delay projects to reduce public spending. Private money leveraging through PPPs could however not exist without public investment, as “starters” being here to balance and build confidence towards projects. U.S. politicians, at every Government level, will have to provide evidence that these financing solutions will allow faster transport networks and services development, with limiting public spending, to the benefit of the whole population.

⁶ The contract was reconducted in 2006 for five more years. See Vinci/Cofiroute website for more details: <http://www.cofiroute.fr/communiqués.nsf/cofiroute/B86A1C56748C91E7C12570A700330A0B?OpenDocument>

⁷ See Veolia Transportation website: <http://www.veoliatransportation.com/History.aspx>

Conclusions: "And now, what's next?"

How far is it possible to go with PPPs?

PPPs got a good start in the United States, and will continue to develop either in road infrastructure projects, or public transport services. In France, construction and infrastructure companies, builders and operators, are going even beyond: this report gives examples of different kind of projects financed through PPPs from roads to hospitals, bridges to prisons. One of the next major steps will be the financing of the French high-speed rail network in Southwest France. Among others companies, Alstom, the French high-speed train manufacturer is already involved; not only in France though, but also in Argentina with the Buenos Aires-Cordoba high-speed rail link... *And now, what's next?* Why not a similar high-speed PPP in California?

