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## **New York Train Tunnel Project Hires Expert in Public-Private Finance.**

NEWARK, N.J. — The Gateway Program, which includes building a new tunnel underneath New York's Hudson River, has hired a private financing expert from French bank Societe Generale as interim chief financial officer, the program said on Thursday.

Gateway Program Development Corporation trustees said at a board meeting that Francis Sacr, who headed Societe's infrastructure finance team for the Americas, will oversee financing for the \$24 billion joint effort between national rail company Amtrak, New Jersey and New York to improve a critical train traffic chokepoint on Amtrak's Northeast Corridor.

The infrastructure program, among the largest and most urgently needed in the country, will almost certainly use a public-private partnership (P3) to build and finance some portions.

With P3s, more commonly used in Europe, Australia and Canada, a private consortium of companies usually designs, builds and finances a project. A public entity like a state or authority still owns the asset and pays the builders over the lifetime of the bridge, roadway or tunnel.

The corporation also said on Thursday that it had formally asked the private sector to provide ideas about funding, construction, risk allocation and other components. The response deadline for that so-called "request for information" is Sept. 15.

Sacr is based in New York and first joined Societe's project finance team in Australia in 1995, according to his biography. He advised the \$4 billion public-private renovation of the central terminal at New York's LaGuardia Airport, a project that is underway.

LaGuardia is the biggest airport P3 in the country. Its size and complexity made a P3 model especially beneficial because of the potential for cost overruns, Sacr said at an infrastructure panel discussion in September, according to a Bond Buyer story.

The Port Authority of New York and New Jersey, which operates the airport, has long said it preferred the so-called P3 model for its LaGuardia project because of the ability to shift construction risk to the private sector.

The model, as written for LaGuardia, makes the private sector – instead of the Port Authority – responsible for paying additional expenses if there is a problem or delay with construction.

"Finding multiple sources of capital was the most important part of the solution," Sacr said, according to the Bond Buyer.

By REUTERS

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(Reporting by Hilary Russ; Editing by Daniel Bases and Richard Chang)

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