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## P3S Could Speed Construction of Port and Inland Waterway Infrastructure, Army Corps Testifies.

The Army Corps of Engineers and lawmakers have high hopes that a newly created public-private partnership pilot program could help dent the backlog of critical infrastructure projects at the nation's ports and inland waterways, an agency official told the House Transportation and Infrastructure Committee's P3 Panel July 10.

The P3 pilot program, established in the recently enacted Water Resources Reform and Development Act, is designed to push the corps to seek private investment to speed work on port and inland navigation projects.

Using public-private partnerships will be a new way for the Corps of Engineers to finance the completion of infrastructure projects, said Jim Hannon, chief of the agency's operations and regulatory division. "We think there are some benefits that provide better value for money to the taxpayer by investigating opportunities to use these [P3] financing tools."

Applying P3s to water projects may prove to be more complex than initially imagined. Hannon noted that the corps does not have the authority to charge tolls or user fees for many of its projects and would need to find ways to spread the costs to other stakeholders beyond ports, shippers and private sector partners.

"How do we account for the federal investment share of the project in the budgeting process?" said Hannon. "Does it get counted upfront or is it accounted for over the entire length of the agreement."

The corps currently faces a massive backlog of more than 1,000 projects and studies on with an estimated price tag of $60 billion to $80 billion, according to the Heritage Foundation. Of the 257 locks in operation in 2009, 10 percent were built in the 1800s and the average age of federally owned locks was 60 years old.

"We approach the P3 opportunity as another way to get toward those other lock and dams improvements that are going to wait 20 to 30 years under the current program to get going," Mike Toohey, president and CEO of the Waterways Council, told the panel.

The panel also heard from John Crowley, executive director of the National Association of Waterfront Employers, and Dave Kronsteiner, president of the board of commissioners at the Port of Coos Bay, Ore.

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