The 2nd Annual PPP Americas Summit

The Government-Industry Forum on Public Private Partnership in the Americas

A TWO DAY CONFERENCE PLUS A ONE DAY PRE-CONFERENCE SEMINAR

5-7 December 2005
The Capital Hilton Hotel, Washington DC

ORGANISED BY CITY & FINANCIAL CONFERENCES

Co-Sponsored by: U.S. Department of Transportation **Federal Highway Administration**

City & Financial Conferences and the Federal Highways Administration of the U.S. Department of Transportation are delighted to be bringing the 2nd Annual PPP Americas Summit to Washington DC. This important multi-national event provides a platform for local and central governments and the private sector to share best practice in the development of public private partnerships and to discuss specific issues relating to the financing of infrastructure projects in the region, with an emphasis on the burgeoning American market. The purpose of the event is threefold:

- To share information on emerging PPP projects in different countries.
- To identify best practice by examining some of the most successful PPPs across the globe.
- To deal with some of the more intractable problems involved in making PPPs work through structured panel discussions.

Public Private Partnerships are not new to the U.S., however, both the public and private sectors have been slow to realise their full potential. The Department of Transportation's current initiative to increase awareness and encourage uptake of this model demonstrates a new commitment to explore the possibilities of PPPs. Similar initiatives are happening throughout Latin America and Canada where PPPs have enabled accelerated investment in a number of key areas, including the building of new hospitals and roads.

Building on the success of last year's Inaugural Americas Summit, this event will provide an excellent opportunity for the public and private sectors to share their experiences in the region and around the world.

We look forward to seeing you in Washington.

U.S. Federal Government addresses:

Norman Mineta, Secretary of Transportation*
Samuel W Bodman, Secretary of Energy*
Dr Henry Johnson, Assistant Secretary for Elementary and Secondary Education
Dr Jonathan Perlin MD PhD, Acting Undersecretary for Health, Veterans Administration
William A Armbruster, Deputy Assistant Secretary of the Army for Privatization
Haig Farmer, Privatization Coordinator, United States Environmental Protection Agency

State Government addresses:

Florida: Senator Mel Martinez*
Maryland: Secretary Robert Flanagan, Maryland Department of Transport
Minnesota: Congressman Jim Oberstar*
Utah: Congressman Chris Cannon

U.K. keynote addresses:

Barry Gardiner, Minister for Competitiveness, Department of Trade and Industry*

Presentations from the Americas:

Canada:

Larry Blain, Chief Executive, Partnerships British Columbia

Chile:

Jaime Estevez Valencia, Minister of Public Works, Transportation and Telecommunications

Mexico:

Eduardo Sojo, Chief of the Presidential Office for Public Policy
Eugenia de Leon-May, Undersecretary of Administration and Finance, Ministry of Health
Jorge Fernandez Varela, Undersecretary of Infrastructure, Ministry of Communications and Transport
Luis Alberto Ibarra, Head of Investment Unit, Ministry of Finance

U.S.A.:

Tyler Duvall, Acting Assistant Secretary for Transportation Policy, U.S. Department of Transportation
Otaviano Canuto, Executive Director, Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Panama, Philippines, Suriname and Trinidad & Tobago, World Bank
Mark Furhmann, Deputy General Manager, Metro Transit, Minnesota
Dennis E Flannery, Executive Vice President, Inter-American Development Bank
Ed Hamberger, President, Association of American Railroads
Cheri Heramb, Commissioner, Chicago Department of Transportation*
Ted Houghton, Commissioner, Texas Transportation Commission
Mark Menhinnit, President, Actus Lend Lease
Ronald Oden, Mayor, Palm Springs, California
Robert W Poole Jr, Director of Transportation Studies and Founder, Reason Foundation, Reason Public Policy Institute
Dan Tangherlini, Director, DC Department of Transportation

Overview and objectives of the summit

Public Private Partnerships (PPPs) not only provide governments with a mechanism for financing needed public services at lower costs, they also promote the delivery of higher quality public services. Public need is identified clearly and risk and reward are allocated fairly. Government maintains control of what it's best at and forms partnerships to benefit from commercial discipline and greater ability to innovate within the private sector.

Washington DC is an ideal location for the *2nd Annual PPP Americas Summit* because budgetary restraints are leading states across the U.S. as well as the Federal Government to turn to PPPs to finance necessary infrastructure development and improvements to aging infrastructure. Already 23 states have enacted legislation that enables the use of various PPP approaches and many more are currently debating the issue.

In Canada, which follows the British PFI model, the Government has also enabled accelerated investment in a number of key areas, including the building of new hospitals and roads and a number of projects are already underway across the territories.

Similar initiatives are happening throughout Latin America. It is estimated that in the next five years, US$70 billion is needed in infrastructure development in the region[1]. Traditional procurement schemes face budgetary

PPP BASICS – A PRACTICAL ONE DAY PRE-CONFERENCE SEMINAR – MONDAY 5 DECEMBER

The objective of the pre-conference seminar is to provide a practical introduction for those delegates less familiar with using the Public Private Partnership (PPP) model as an efficient and highly effective finance tool. Used in this way, PPPs facilitate financing high quality public services at the lowest costs to the public. Public need is clearly identified and risk and reward can be fairly allocated allowing the Government to maintain the necessary level of control over service delivery while at the same time benefiting from the private sectors commercial capabilities and freedom to innovate.

08.55 Chairman's opening remarks

Richard Payne, Director, Currie & Brown

09.00 Keynote address

J Richard Capka, Acting Federal Highway Administrator*

09.15 What are PPPs?

- Principles of PPPs
- Overview of different PPP models, including PFI
- Respective roles of the public and private sectors
- The advantages and disadvantages of different PPP structures
- Typical consortia structures
- What makes a deal "bankable"?

Shariq Alvi, Director, PricewaterhouseCoopers

09.55 Developing a PPP policy from a government perspective

- What are the benefits of a PPP policy?
- Early experiences
- Developing frameworks

Luis Alberto Ibarra, Head of Investment Unit, Ministry of Finance, Mexico

10.35 Morning coffee

10.55 Key Financial issues in PPPs

- Payment mechanisms and risks
- Typical financial structures
- Understanding the needs of equity investors and lenders
- Accessing the bond market for PPPs
- Refinancing
- Financing innovations

Jonathan Yellen, Deutsche Bank

11.35 Identification, evaluation and prioritisation of suitable PPP projects:

- The type and size of the ideal PPP project
- Project identification and appraisal
- Financial modelling of funding alternatives
- Demonstrating value for money
- Other evaluation issues

Bob Prieto, Senior Vice President, Fluor Corporation

12.15 Managing the tender process to get the best possible deal

- The specification challenge - specifying user needs in output terms
- Addressing the private sector's information requirements
- Identifying appropriate bidders and assessing the bids
- Negotiation strategies and closing the deal

Mark Menhinnit, President, Actus Lend Lease

12.55 Lunch

14.00 Understanding risk in PPP projects

- Identifying key project risks
- Basis for allocating risks to the parties
- Pricing and transferring risk
- Risk mitigation techniques
- Post-contract risk issues

Boe Pahari, Head of Infrastructure Capital for the Americas, ABN AMRO

14.40 Stakeholder consultation and employment issues

- The importance of consensus on project scope
- Long-term vision versus short term interests
- Related consultation processes – planning/central Government/staff and unions

Larry Blain, Chief Executive, Partnerships, British Columbia

15.20 Afternoon tea

15.40 Legal and contract issues

- Tendering under federal, state and local procurement rules
- Statutory processes arising in PPP contracts
- Shareholder agreements, operation and maintenance agreements and other documentation involved in PPPs
- Contract standardisation
- Penalties and termination
- Approaches to dispute resolution

Ned Neaher, Partner, White & Case

16.20 An analysis of the longer-term management issues

- Monitoring and managing consortium performance
- Contingency planning
- Management succession planning
- Dealing with circumstances not covered by the original legal agreements
- Refinancing and substitution of equity investors

John Williams, Senior Vice President and National Director of Government Markets and Planning, HDR

17.00 Question time

17.30 Close of seminar

constraints making PPPs the only realistic option for many Governments to meet their infrastructure needs. The Mexican Government has been studying the use of PPPs for some time as a way to help improve public services. Currently, pilot projects in health, roads and higher education are being initiated with an expectation of further projects to be developed shortly thereafter. In Chile, BOTs (Build Operate Transfer models) have been used to develop major roads and highways, and more recently, PPPs have been utilised for the development of prisons, airports, ports, and housing projects. These are just some of the initiatives in the region.

The PPP Americas Summit will bring together international financiers, contractors, and advisers specialising in PPPs with senior government officials and representatives. Government presentations from throughout the region will highlight the individual infrastructure needs of particular countries, as well as the progress that has been achieved so far. Some of the key issues in the development of PPPs will be discussed in roundtable sessions and best practice will be highlighted through the presentation of international case studies. *The PPP Americas Summit* has been developed to meet the specific needs of delegates from the Americas and provides an invaluable networking opportunity at the highest level for both the public and private sectors.

CONFERENCE DAY ONE – TUESDAY 6 DECEMBER

INTRODUCTION AND OVERVIEW

08.50 Welcome
Dan Tangherlini, Director,
DC Department of Transportation

09.00 Chairman's opening remarks

09.05 Keynote address: PPPs in the transportation sector
Norman Mineta, U.S. Secretary of Transportation*

NATIONAL PPP PROGRAMMES IN THE REGION

09.25 Mexico
Eduardo Sojo,
Chief of the Presidential Office for Public Policies

09.45 Canada
Larry Blain, Chief Executive, Partnerships British Columbia

PPP PROGRAMMES IN U.S. STATES

10.05 Maryland
Secretary Robert Flanagan,
Maryland Department of Transportation

10.25 Utah
Congressman Chris Cannon

10.45 Morning coffee

11.05 Delivering the promise of PPPs in the U.S. – What it takes from government, investors and contractors
Peter Raymond, Partner, PricewaterhouseCoopers

11.35 Panel Discussion: Taking PPPs forward in the U.S. Market
Chairman: **Congressman Chris Cannon,**
Co-Chair, Congressional Public Private Partnership Caucus

- Developing a supportive legislative environment
- Overcoming the perception problem
- Best practice for government accounting for PPPs
- Key lessons from PPPs in individual States

John Casola, Partner, PriceWaterhouseCoopers
Ed Hamberger, President, Association of American Railroads
Richard Norment, Director,
National Council for Public-Private Partnerships
Robert W Poole Jr, Director of Transportation Studies and Founder, Reason Foundation,
Reason Public Policy Institute
Bob Prieto, Senior Vice President, Fluor Corporation

12.30 Networking lunch

SECTOR FOCUS

TRANSPORTATION

13.45 Recent developments in transportation PPPs in the U.S.
Tyler Duvall,
Acting Assistant Secretary for Transportation Policy of the US Department of Transportation

14.10 Case study: Trans-Texas Corridor
Ted Houghton,
Commissioner Texas Transportation Commission

14.35 Case study: Chicago Skyway
Cheri Heramb, Acting Commissioner
Chicago Department of Transportation*

15.00 Case study: Hiawatha Light Rail
Mark Fuhrmann, Deputy General Manager, Metro Transit

15.25 Afternoon tea

15.45 PPPs in transport in Mexico
Arg. Jorge Fernandez Varela,
Under Secretary of Infrastructure,
Ministry of Communications and Transport, Mexico

WATER AND WASTEWATER

16.10 An introduction to PPPs in water and wastewater
Haig Farmer, Privatization Coordinator,
United States Environmental Protection Agency

16.35 Case study: City of Palm Springs Veolia Wastewater Partnership
Ronald Oden, Mayor, Palm Springs, California

17.05 Panel Discussion: Emerging lessons
Selection of the day's speakers

17.30 Close of day one

Its objectives closely mirror the three main objectives of the national PPP bodies that Governments around the world have set up to facilitate the widespread adoption of PPP models in their domestic market, except that the Summit seeks to meet these objectives on an international basis

a) Disseminating information about potential PPP projects
Through a series of country presentations given by government ministers and officials, private sector financiers, contractors, service providers and legal advisers, delegates will learn first-hand about the PPP projects in the pipeline in the Americas.

b) Resolving difficult issues
Structured panel discussions and detailed individual presentations will allow experience market participants from both the public and private sectors to share their insights on resolving some of the most common but most intractable, issues encountered in PPPs.

c) Sharing best practice
A key theme that will run throughout the Summit is the identification of best practice through the discussion of individual PPP transactions and the potential applicability of the solutions found to other transactions.

[1] Source: The World Bank [2] Source: Bloomberg news

CONFERENCE DAY TWO – WEDNDESDAY 7 DECEMBER

09:00 Chairman's opening remarks

09.05 Keynote address: PPPs in energy
Samuel W Bodman, U.S. Secretary of Energy*

09.25 Keynote address: PPPs in education
Dr Henry Johnson,
Assistant Secretary for Elementary and Secondary Education, U.S. Department of Education

09.45 Keynote address: Developing a national PPP Programme: Lessons Learned
Barry Gardiner, Minister for Competitiveness, Department of Trade and Industry

PPP PROGRAMMES IN US STATES

10.05 Florida
Senator Mel Martinez*

10.25 Minnesota:
Congressman Jim Oberstar*

PPP PROGRAMME IN THE REGION

10.45 Chile
Jaime Estevez Valencia, Minister of Public Works, Transport and Telecommunications

11.05 Morning coffee

11.25 Bridging the gap: Lessons learned managing public private partnerships in British Columbia
Larry Blain, Chief Executive, Partnerships British Columbia

11.55 PPPs in health: The Mexican experience
Lic. Ma. Eugenia de Leon-May,
Under Secretary of Administration and Finance, Ministry of Health, Mexico

12.25 Emerging developments in the region
Santiago Klein, Director, Currie & Brown

12.55 Lunch

14.00 Panel discussion: The role of PPPs in Development in Latin America
Dennis E Flannery, Executive Vice President, Inter-American Development Bank
Otaviano Canuto, Executive Director, Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Panama, Philippines, Suriname and Trinidad & Tobago, World Bank
Santiago Klein, Director, Currie & Brown

14.45 Afternoon tea

CASE STUDIES: PPPs IN OTHER SECTORS

15.05 Case study: Military Housing Privatization Initiative
William A Armbruster,
Deputy Assistant Secretary of the Army for Privatization
Mark Menhinnit, President, Actus Lend Lease

15.30 Case study: VistA-Office EHR translating electronic health records
Dr Jonathan Perlin MD PhD,
Acting Under Secretary for Health, Veterans Administration

15.55 Case study: An American experiment going global: C-TPAT Customs Trade Partnership Against Terrorism
Hallock Northcott,
President American Association of Exporters and Importers

16.20 Panel discussion: Emerging lessons
A selection of the day's speakers

16.50 Close of conference

**Subject to final confirmation*

ABOUT THE ORGANISER

City & Financial

City & Financial is a research-based conference organiser and publisher with a particular focus on PPP/PFI. Internationally, City & Financial is the organiser of the premier international gathering on PPPs, the PPP Global Summit, which is hosted by a different national government each year. The Danish Government is hosting this year's Global Summit in Copenhagen in November. We also organise two annual regional events: the PPP Americas Summit and the PPP Asia Summit. The Mexican Government hosted the former in Mexico City October 2004, while the Hong Kong Government hosted the latter in Hong Kong. In the U.K., we organise a number of high-level PPP/PFI conferences under joint ventures with government departments, government agencies and leading organisations including HM Treasury, the Scottish Executive, Partnerships UK, Partnerships for Schools, Partnerships for Health and the National Audit Office. For further information, please visit our website: www.cityandfinancial.com.

ABOUT OUR SPONSORS

Currie & Brown is one of the world's largest consultancies dedicated to advising clients in respect of the procurement, construction and management of the built environments. The Currie & Brown Group is client-focused through four operating divisions. Internationally these are Consulting, Project Management, Cost Management and Building Surveying. Whilst the Currie & Brown Group in general acts largely for 'blue chip' project sponsors nationally and internationally, Consulting is focused on the needs of the financial community, acting for lenders, insurers and law firms, in connection with construction project finance, risk management and dispute resolution, as well as acting for various governments on regulatory and economic policies with a specific view on concession models, especially Public Private Partnerships (PPP) and the Private Finance Initiative (PFI). Currie & Brown is the number one technical advisor on PFI in the UK with contracts involving projects in excess of £31 billion.

PricewaterhouseCoopers is the leading provider of financial, procurement, tax and accounting advisory services to the public and private sectors on PPP and project finance projects around the world. Voted the Thomson Financial Global Advisor of the Year 2004, they have provided advice on over 220 signed projects, with a total capital value in excess of US $40 billion. Their experience in the UK PPP/PFI market over the last ten years includes advising public sector bodies on projects in a wide range of sectors such as transport (e.g. London Underground PPP, the largest PPP created to date), defence, prisons, education and health. They are also leading advisers to the private sector in raising limited recourse debt to fund PPP projects, such as the Ministry of Defence Main Building and Colchester Garrison projects, and to refinance existing contracts, for example Fazackerly Prison and Dartford & Gravesham Hospital. Within the international market PwC has established PPP frameworks in countries including Ireland, South Africa, Japan and Germany, and advised on a range of projects in other territories including Canada and Australia. For further information about how PwC's expert team can help you please visit www.pwc.com/igu.

ABOUT OUR MEDIA PARTNER

Published six times a year, *PPP Bulletin* is dedicated to the needs of PPP/PFI practitioners in the public and private sectors. While most current information sources are limited to shorter news articles, PPP Bulletin provides "thought leadership" with in-depth and original coverage of a single topic in each issue. To order a complimentary copy, please call City & Financial Publishing on +44 (0) 1483 720 707

The 2nd Annual PPP Americas Summit

5-7 December 2005

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