

THE BOND BUYER

Dot Taps P3 Center to Help with Rollout of Infrastructure Law

By

Caitlin Devitt

Published

04/25/2022, 1:40pm EDT

With all eyes on implementation of the \$1.2 trillion infrastructure law, the U.S. Department of Transportation has tapped a new academic center to push for more public-private partnerships and provide assistance to the thousands of local governments in line for a slice of the transportation funding.

The DOT on April 8 announced a \$5 million grant to the University of Maryland to establish the Build America Center. It replaces a similar project finance center hosted by the American Association of State Highway and Transportation Officials, which primarily represents state departments of transportation.

The Build America Center won the USDOT grant in part because it proposed expanding assistance and research to smaller, local governments that will for the first time be receiving direct federal funds under the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law, said Qingbin Cui, professor of civil engineering at the University of Maryland and director of the new Build America Center.



“The \$1.2 trillion is not sufficient to modernize our U.S. infrastructure, so we need to leverage the public funds and engage private capital,” said Qingbin Cui, director of the new Build America Center housed at the University of Maryland. **Qingbin Cui**

“Eighty to 90% of the efforts right now at the U.S. DOT are focused on implementation of the bill; everyone is talking about that,” Cui said. More than 60,000 government agencies will have access to federal transportation funds, “which is not the typical way the USDOT has done business before,” he said. “Those local governments haven’t worked with the USDOT before, so there’s a tremendous need to educate” them, he said. “That aligns very well with what the USDOT is looking for. They have very high expectations for us.”

With UMD as the lead, and kicking in a 20% local funding match, the center’s regional partners include Virginia Tech, Georgia Tech, Purdue and Stanford.

The BAC will support the Build America Bureau – the DOT’s P3-focused office – and the Federal Highway Administration by helping transportation agencies consider alternative financing of transportation projects.

“The \$1.2 trillion is not sufficient to modernize our U.S. infrastructure, so we need to leverage the public funds and engage private capital,” Cui said. “We see that as great potential, and that’s why the Build America Bureau is our big collaborator as we look to engage the local governments to apply and use innovative financing in addition to applying for the federal grants.”

In other P3 work, the center is developing standards for conducting a value-for-money analysis, a key part of the P3 process and one that the IIJA requires for certain federally funded projects.

A set of industry-accepted VfM analysis standards would help the FWHA and others defend value-for-money analyses from frequent critics, like unions, Cui said.

“There’s room for the P3 industry to improve the value-for-money analysis and we need some widely accepted principles,” Cui said, adding that the center is consulting with the industry for the principles, which will be “very high level.”

Another BAC initiative is to work with the National Governors Association to create some type of peer exchange program for state infrastructure czars to share their experiences, Cui said.

The center held an official launch ceremony on April 11. Speaking by video, Undersecretary of Transportation Carlos Monje said the BAC would play a key role in the rollout of the new infrastructure law.

“Our administration believes the historic level of funding for transportation can be leveraged by bringing together our state and local partners and private industry to build transformative infrastructure projects,” Monje said in a video speech. “The new Build America Center is important to our success.”