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WASHINGTON, April 16, 2013 (GLOBE NEWSWIRE) -- Nearly 100 industry experts and thought-leaders gathered in downtown Washington, DC, Monday to discuss the opportunities and challenges facing the use of public-private-partnerships (P3) as a viable funding option to satisfy the United States' massive infrastructure investment needs.

The full day of events -- which were hosted by global standards body, RICS, and supported by the National Council For Public-Private Partnerships -- began with two workshop sessions at the International Monetary Fund (IMF) and concluded with a networking event later that evening at the National Press Club.

During the workshops, a number of questions were asked, leading to very spirited discussions on how well the model could work in the U.S. One of the more talked about subjects revolved around the question of the principal motives for rolling out P3 within the U.S.

"P3's work relatively well," said Richard Norment, Executive Director of the National Council For Public-Private Partnerships. "While the shortage of money is well documented and a reason to look at P3, more people are looking at the model because it works well, if properly structured and executed."

Jon Buttarazzi, Principal and Founder of strategic consulting firm, Liberty Hall Advisors, said the motives for the model revolves around "politics and money."

"Speed and, on a secondary basis, financing are significant drivers for the P3 model," according to John Keegan, Vice President of Gilbane Development Co.

One of the biggest impediments to a more robust P3 market in the U.S. is the lack of understanding of the funding model. "Average public officials simply don't know how they work," a passionate Norment explained. "Educating policy makers is key to a successful P3 environment."

In framing the topics for the workshops, the moderator, Alastair Adair FRICS, Pro Vice Chancellor University of Ulster, global P3 expert and lead researcher for RICS' P3 Research, said that roughly $40 trillion is required for global infrastructure requirements through 2030. "P3 is a model that can bridge the gap in funding. Greater transparency and collaboration are required between the public and private sectors."

Brad Rodgers, President at Moreland Advisors Inc., agreed that a significant shortfall in infrastructure funding exists, but issued a stern caution on looking at the P3 model strictly for its cash infusion. "Access to private money shouldn't be a reason for P3. There are other methods for funding such as bonds that could be cheaper over the life of a project. I understand looking at the P3 model for the expertise that private entities can bring to the construction, planning and building aspects of a project. It's important to not that the P3 model isn't for every project."

Many of the participants echoed that sentiment. "P3 is a very important element in the toolkit, but shouldn't be considered the answer" according to David Parkhurst, General Counsel for the National Governors Association. The U.S. is a unique market and P3 is one of many funding delivery models that should be used."

What does the future hold for P3 use in the U.S. over the next 5-10 years?

The U.S. has huge unpaid bills coming due for its infrastructure as a generation of investments in world-class infrastructure in the mid-twentieth century is now reaching the end of its useful life.

"The large multi-hundred million dollar and up megaprojects are the sexy items that get talked about when discussing P3, but the smaller, municipal sector deals -- such as street light and parking -- are what we'll start to see more of on a P3 model over the next few years," according to Buttarazzi.

"There's a real opportunity to invest in reconstruction infrastructure projects, like highways," said Jacob Falk, Director, Office of Infrastructure Finance and Innovation at the U.S. Department of Transportation. "The bundling of projects may also present opportunity," he added.

While the majority of P3 spending, so far, has been on the state level, there's reason to believe that the federal government is poised to get involved in the P3 arena over the next decade.

"The GSA (U.S. General Services Administration), along with the Defense Department will be a big part of the federal government's infrastructure investment," according to Norment. "We're seeing a shift in mindset from the feds," Norment stated, citing President Barack Obama's State of the Union address in January and his infrastructure investment comments last month in Miami.

The President has called on the Congress to fund new proposals to expand public-private programs to build and repair modern ports, pipelines, schools and other infrastructure. He said that strengthening the nation's infrastructure should be a non-partisan issue because it serves the public's interest, creates jobs for the construction industry, and helps American business.

During the networking reception at the National Press Club, Mahlon (Sandy) Apgar, IV - who designed and launched the U.S. Army's award-winning public-private partnerships to improve soldiers' quality of life during the Clinton Administration -- stood on the principles of the president's comments as part of his keynote address, which was one of the highlights of the days' events.

Apgar - a housing, infrastructure, and real estate consultant to global corporations and government agencies -- provided the blueprint for effective P3's.

"P3's can perform if it has robust public policies; qualifications-selection process; and shared risk elements." Apgar also cited a very recent piece of legislation that was passed encouraging the use of P3 as a model to look at.

The P3 law places Maryland among a growing list of states that have recently enacted laws that seek to encourage innovative types of infrastructure financing. While the use of P3's is not a new concept in Maryland, this approach has been limited by the absence of comprehensive legislative and regulatory guidance. The law provides Maryland's first statewide policy on P3's, formalizes the process for evaluating both solicited and unsolicited proposals, and clarifies the requirements for any P3 agreement. It offers increased transparency, efficiency, and predictability in effort to attract private investors.

The P3 law promises not only to strengthen Maryland's infrastructure, but also to create new jobs. The O'Malley-Brown administration estimates that increased use of P3's "could contribute between 6 and 10 percent of Maryland's $3.1 billion annual capital budget and create up to 4,000 jobs."

Private equity, corporations and other investors have lined up billions to spend on projects that offer a financial return over time or other benefits, such as tax breaks, and would go a long way toward solving the country's infrastructure funding shortfall.

According to Apgar, "this is a positive step for the model that should be looked at."

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