

THE BOND BUYER

Buttigieg highlights P3s, pledges flexible infrastructure funding

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Public-private partnerships have a big role to play in U.S. transportation infrastructure over the next decade, said Department of Transportation Secretary Pete Buttigieg.

Buttigieg spoke to the National Governors Association's winter meeting Saturday, fielding questions about P3s and promising flexibility and speed when partnering with states on the \$1.2 trillion IIJA.

The NGA helped craft the IIJA, which was [enacted in November](#), and in particular pushed for [the P3 provisions](#), which include an increased amount of private activity bonds.



“There is no mode of transportation where we don’t see a vital and central role for the private sector,” U.S. Department of Transportation Secretary Pete Buttigieg told the National Association of Governors. ***Bloomberg News***

“This is an area that we can do a lot of work in the next decade,” Buttigieg said in response to a question from Maryland Gov. Larry Hogan, who noted his state has some of the largest P3 projects in the world.

“We need to mobilize all the capital we can. The historic investment at the federal level with public funds needs to be coupled with private capital.”

In addition to financing, the private sector can play a role with delivery of projects, Buttigieg said, pointing to the IIJA’s [electric vehicle charging system program](#) as an example.

“There is no mode of transportation where we don’t see a vital and central role for the private sector,” he said. “We don’t ever view private activity as a substitute for appropriate public investment, but it can be crucially important.”

Arkansas Gov. Asa Hutchinson asked Buttigieg whether right-to-work states, where workers can’t be required to be part of a union, face the risk of being passed over for IIJA discretionary funding. There are 28 right-to-work states.

“We are very proudly pro-worker,” Buttigieg said, saying the hiring of union employees is one of several goals, including sustainability and safety, that states and cities should meet in order to win competitive grants.

“I also recognize the reality is different in a lot of states,” he said. “Sometimes you’ll see a project that is so outstanding with regard to safety that we don’t expect it to be a flagship program from maybe a climate or equity standpoint,” he said. “But we want to make sure that it’s not negative in those regards.”

“Of course, there’s a benefit to meeting as many of our policy goals together at the same time,” he added.

Buttigieg also acknowledged the desire for swift and flexible deployment of IIJA dollars. States can expect to hear “new news” from the department every few weeks on programs through the first half of 2022, Buttigieg said.

“I can commit to you right now we’ll work with you to ensure there’s the best level of flexibility we can deliver consistent with our core standards,” he said.