

## **A Ratings' View on Roads**

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# S&P's View: Public Private Partnerships (P3s)

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- **Corporate/equity ownership**
- **Off-taker risk**
- **Political Acceptance of P3s**

## PPP Project Credit Drivers (criteria)

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- Construction analysis and risk mitigation
- Organization structure, covenants and legal framework
- Risk allocation
- Government counterparty credit analysis
- Operational profile analysis, including payment mechanism and abatement regime
- Financial profile analysis
- Stress testing sensitivity
- Asset handback and capital maintenance obligations

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## Current US P3 Market

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- **What may close**
- **What's been cancelled**
- **Why so limited?**
- **Three types of projects**
  - Privatizing existing assets
  - Availability projects
  - New greenfield construction

# Upcoming issues

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- **TIFIA**
- **Reauthorization**
- **National Infrastructure Bank**

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