



Navigating Public-Private Partnerships Around Connected Technology

IN SHORT

The Situation: With aging infrastructure threatening to slow implementation of automated vehicles ("AVs") and other connected technologies, the public-private partnership (variously referred to as "PPP," "P3," or "3P") is gaining traction as a model for next generation infrastructure improvements.

The Result: Increased collaboration among public and private entities to promote emerging technologies is resulting in the implementation of vehicle-to-everything ("V2X") technology and other intelligent systems in cities across the country.

Looking Ahead: Public-private partnerships generally create complex relationships that require careful navigation, particularly in the technology sector. Public and private partners should carefully evaluate prospective partnerships and related agreements to ensure that legal issues are appropriately addressed and analyze any national security concerns prompted by foreign investment and cross-border projects.

As AVs increasingly occupy space on roads across the United States, public and private actors are considering infrastructure demands underlying wide-scale deployment of AVs and other connected technologies. Public-private partnerships are one of the proposed solutions that have emerged to meet this demand. However, there is no perfect solution; while P3s offer a host of potential benefits, they also present their own challenges in implementation and risks that should be considered by parties before entering into them.

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THREE KEY TAKEAWAYS

1. Connected technology in autonomous vehicles, smart cities, and nearly every other sector is constantly evolving, yet it often relies on aging infrastructure. P3 arrangements have emerged to address this reality, but they create complex relationships between public and private partners that require careful navigation before and after an agreement has been reached.
2. P3 arrangements can provide the necessary financing and speed to make improvements that would be cost-prohibitive and time-consuming for a public entity acting alone. Municipalities are constrained by tax revenues and variable federal funding and often must rely on traditional procurement to finance and schedule improvements. P3s are not so constrained and can potentially mitigate cost overruns and schedule delays.



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3. As P3 arrangements are increasingly utilized in the United States, partners should implement appropriate safeguards to ensure compliance with state and federal law and protection of their interests in any resulting contract(s) and consider how other legal concerns, such as CFIUS and export controls, can impact them in the future.

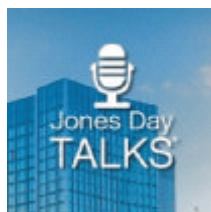
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