



**Remarks of Jeffrey N. Shane  
Under Secretary for Policy  
U.S. Department of Transportation**

**Corporate Council on Africa Infrastructure Conference  
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It is a great pleasure to be able to speak to you tonight, and to represent the U.S. Department of Transportation as a co-sponsor of the Corporate Council on Africa's first U.S. – Africa Infrastructure Conference.

Tonight's theme, indeed the theme of this event, is "The Importance of Infrastructure in Africa." I think we are all here tonight because we already to a large extent understand the importance of infrastructure to Africa.

Certainly anyone who has lived on or visited the African continent and needed to receive a shipped piece of equipment, who took public transport between major African cities, or who needed to travel by air from West Africa to East Africa certainly understands the importance of transportation infrastructure in Africa. Adequate, well maintained infrastructure is no less than a prerequisite to Africa's successful participation in the global economy. It is essential to Africa's long term economic development.

Ironically, the place of transportation infrastructure in economic development of a country, or indeed a region, while never denied, has sometimes been overlooked. In past decades, transportation infrastructure was often viewed by national decision makers as a second tier investment priority, pitted against more immediate socially-oriented poverty reduction programs. In the face of fiscal pressures, spending on the upkeep of transportation infrastructure, let alone on the building of new infrastructure, was often the first to be postponed, indeed cancelled.

We are now experiencing a resurgence of understanding of the fundamental impact of transportation on economies, in the stimulation of growth and in the reduction of poverty. Consequently, the volume of funding for transportation infrastructure is increasing, and it is not surprising these days to find transportation components included as important elements of projects designed to address urban poverty, agricultural productivity, even human service delivery across the African continent, and around the world. But we have to be candid with ourselves; it seems unlikely that public sector spending in Africa, or in the United States for that matter, will ever be able to keep up with existing and future demand for critical transportation infrastructure.

But I think that this is one of the reasons we are here. As I reviewed the agenda for this conference, I noticed some key themes that resonate deeply with me.

Among the most important from my transportation-focused perspective, is the need to continue to unlock the power of the private sector on the African continent. Indeed, from my vantage point, even though the context may be different, this is a message as relevant in Denver as it is in Dakar, and as important in Jacksonville as it is in Johannesburg.

For our part, we have recognized in the United States that prior laws, regulations and practices have not provided an environment conducive to private participation in development of transportation infrastructure. We have engaged in a concerted effort in recent years to identify obstacles to private investment in infrastructure, and we believe we are now making considerable progress in addressing these constraints, and in changing the basis of how investors view our infrastructure development market.

Many of our States are passing new Public Private Partnership legislation, and there are many prospective private transportation projects in development. Our States have enjoyed success in leveraging public funds and attracting new private investment through State Infrastructure Banks, a mechanism that is being replicated in many places around the world, and which holds some promise for African nations. Even where State transportation agencies have opted to retain control of infrastructure, they have developed innovative contracting approaches, such as performance-based highway maintenance contracting to ensure the most efficient provision of transportation infrastructure possible to the public. Again, an approach easily adapted by African decision-makers.

Importantly, we in the United States have recognized that we have much to gain from the expertise of overseas firms. International companies have teamed with U.S. firms and local project sponsors to develop projects in the United States, and the products of their efforts reflect substantial hybridization to fit the local, legal, regulatory, economic and social environment in which they must operate.

Similar to our own experience, I believe that the pace and nature of integration of the private sector role in infrastructure development in Africa should, and will be set by local desires and conditions. There is a continuum of options for private involvement in transportation infrastructure, from outsourcing of operations and maintenance to outright private ownership of transportation assets. Each approach offers varying levels of control, speed and quality of delivery, and levels of risk and return. Some approaches can be implemented in the immediate term, others will require the laying of a solid foundation to create a predictable and stable environment in which private firms can accurately assess and allocate the risks of their participation. Strong commitment and consistent governance will be a fundamental condition for success.

There are extraordinary U.S. and international resources, many represented in this very room, both public and private, to assist African decision makers in this task. Needless to say, we at the Department of Transportation are pleased to share our experience with Public Private Partnerships with our African counterparts as they move forward, and we hope that we may learn from their efforts.

U.S. companies have long been involved in transportation development throughout Africa. It is particularly encouraging to see U.S. companies involved in toll road concessions in West Africa, and in railroad concessions in Southern Africa. Their presence has dramatically improved operations, and efficiency of these operations, and I believe that if the conditions are right, it foreshadows a much bigger U.S. involvement in transportation public private partnerships across the African continent.

Another important theme of this conference is the potential role of technology in improving infrastructure utilization. When applied appropriately and implemented systematically, new information technologies and management tools have the potential to assist African transportation decision makers to better manage and leverage their transportation assets. Specialized information technologies and applications, wireless communications, GPS-based systems, and other supply chain logistics innovations are already widely in use around the world. They allow us the benefit of doing more with what we have, and in appropriate circumstances, the promise of minimizing the cost and disruption of new construction when not absolutely necessary. In many cases, they enable us to enhance the safety of the traveling public. Importantly, these technologies are only useful when implemented as part of a whole, sustainable system, which includes provision for adequate maintenance, and ongoing training of operators, managers and maintenance staff. Hopefully, by now, we have learned that delivery of boxes of computers to an office does not a project make. But somehow, I think we need to keep reminding ourselves.

And a final and equally important theme, the issue of capacity building is fundamental to Africa's goals to build an adequate transportation infrastructure. Know-how, the "invisible infrastructure," is essential to encouraging private participation in African infrastructure, is necessary to the application of appropriate transportation technology, and ultimately, is integral to the sound planning and management of safe and efficient transportation systems in Africa.

We at the Department of Transportation have been actively engaged in transportation capacity building with our counterparts across the African continent on several fronts. Most of these programs are implemented within the framework of the Africa Growth and Opportunity Act, AGOA, often in coordination with other U.S. agencies. We were pleased to see transportation as a focus of the annual AGOA meeting, held this past June in Washington, DC.

Notably, we are very proud of our Safe Skies for Africa program, which seeks to assist African nations to improve aviation safety and security operations and thereby meet international aviation standards. Our mix of technical assistance, training and provision of critical equipment under this multi-country program is aimed at, among other things, enabling African nations to have access to the U.S. travel market. There have been many major achievements under the Safe Skies for Africa program, but to highlight one major accomplishment, I am happy to tell you that as a result of their involvement in this program, Cape Verde now is ICAO and FAA compliant, and has a carrier, TACV, that flies directly to the United States.

Our Nigeria Technical Assistance Project has similar aviation objectives, and has assisted Nigeria's airports, ports and railroads. Last year, our Federal Railroad Administration completed an assessment of Nigeria's railroads, and made recommendations for the improvement of the rail infrastructure and for the concessioning of the rail lines. Let me add that this effort, as well as others, has been conducted, in part, utilizing the U.S. private sector.

Our Federal Highway Administration has worked with local counterparts to establish Technology Transfer Centers in nine Southern African countries. These T-square Centers, as we call them, provide local transportation planners and managers with access to best practices and a strong link to the international technology arena, all to promote the exchange of innovations in transportation that stimulate local economic growth and trade.

Our Federal Aviation Administration, Federal Transit Administration, and Maritime Administration have all been active in technical exchanges with their counterparts in African nations, to impact the delivery of transportation services and the operation of transportation infrastructure.

We at the Department of Transportation have worked, and will continue to work in close collaboration with our fellow agencies in the U.S. government that are so active in transportation on the African continent – TDA, USAID, MCC, Ex-Im Bank, OPIC and the Commerce and State Departments. We have also cooperated closely with the World Bank in supporting projects in Africa, and we look forward to deepening that relationship as we move forward.

I believe, as many others in this room do, that the United States and the nations of Africa, as different as our experiences may be, share a common opportunity to put new energy and resources into our respective transportation systems, and in doing so, to become closer than ever. We look forward to working with our African friends to bring this opportunity to fruition.

Thank you for your kind attention.

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