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# ANNUAL TRANSPORTATION FINANCE REPORT: 2026

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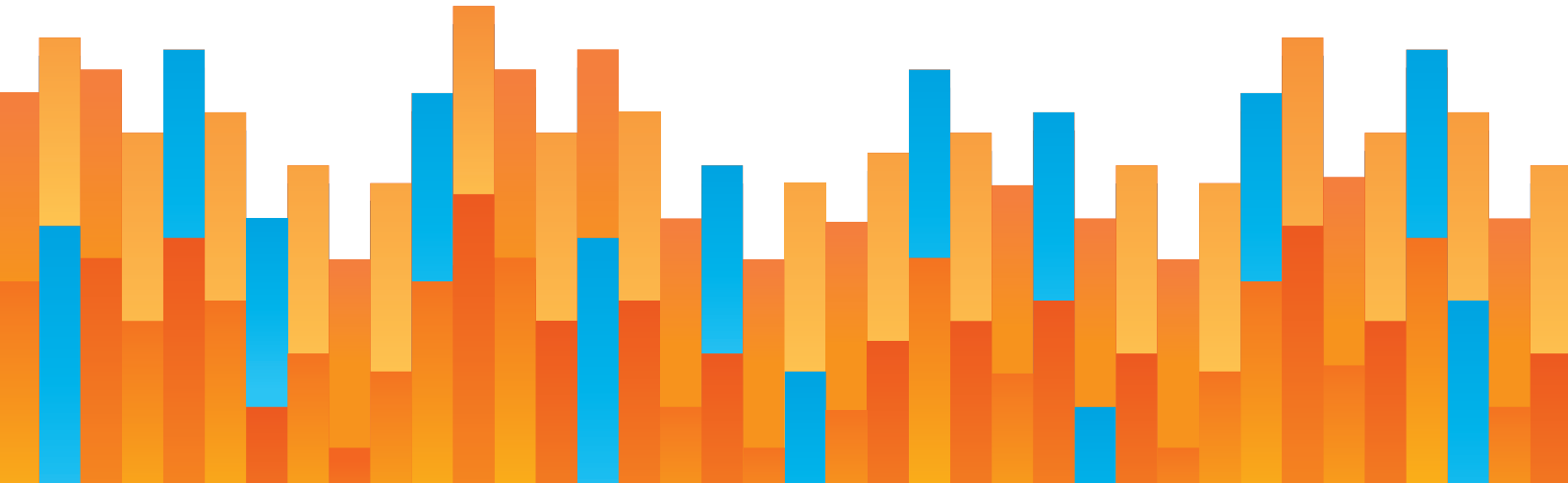


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# INTRODUCTION

Over the past four decades, governments worldwide have increasingly turned to the private sector to design, build, finance, operate, and maintain infrastructure, including electric, gas, and water utilities; airports, seaports, and toll roads; and pipelines and telecommunications facilities. Some existing infrastructure entities needing reconstruction or modernization have been "privatized" via either outright sale or long-term leases. (These are referred to as "brownfield" transactions.) For new infrastructure, governments may award long-term design-build-finance-operate-maintain (DBFOM) concessions via a competitive process. These long-term public-private partnerships (P3s) have terms typically between 30 and 50 years. These transactions for new projects are referred to as "greenfield" projects.

While the United States lags behind many countries in Europe, Asia/Pacific, and Latin America/Caribbean in using these kinds of P3s, this difference arises in part because in the United States much infrastructure that was state-owned and operated in Europe and other regions was historically investor-owned in the U.S.—such as telecommunications, electric and gas utilities, pipelines, and a fraction of water and wastewater utilities. On the other hand, major transportation infrastructure such as airports, seaports, and toll roads that have been widely privatized in Europe, Asia/Pacific, and Latin America/Caribbean countries are still mostly government-owned and operated in the United States.

Both brownfield and greenfield infrastructure projects require long-term financing. Facilities owned and operated by governments are often financed 100% by government revenue bonds or general-obligation bonds, which in the United States are exempt from federal taxation. When the private sector invests in infrastructure, it typically invests equity to cover part of the cost and finances the rest via long-term revenue bonds. To level the financial playing field for U.S. P3s, Congress has provided for tax-exempt private activity bonds (PABs), which are now widely used for such projects.

*Both brownfield and greenfield infrastructure projects require long-term financing.*

The large financing needs for privately financed infrastructure have led to the development and growth of infrastructure investment funds, which raise equity to be invested in privately owned or P3 infrastructure. Public-sector pension funds, seeking to increase the overall return on their investments, are also making significant equity investments in revenue-generating infrastructure, generally via infrastructure investment funds. Likewise, insurance companies and sovereign wealth funds are now making long-term investments in this kind of revenue-generating infrastructure.

This report reviews 2025 developments in private/P3 infrastructure investment, focusing on transportation infrastructure. While the report's scope is global, it pays particular attention to U.S. developments in P3 infrastructure and the continued growth in pension fund investment in this field. Part 2 reviews the ongoing role of infrastructure investment funds worldwide. Part 3 provides an update on the largest companies and major P3 projects under way globally and in the United States. Part 4 then reviews pension funds' increasing investment in revenue-generating infrastructure.

PART 2

# MAJOR INFRASTRUCTURE INVESTMENT FUNDS AND TRENDS

## 2.1 OVERVIEW OF INFRASTRUCTURE FUNDS

Each year *Infrastructure Investor* publishes a table of the amounts raised by the largest infrastructure funds over the latest five-year period. Originally covering the largest 50 funds, in 2021 the tally was changed to include the top 100. Table 1 lists the 2025 top-100 funds and five-year total each had raised by June 2025. For the third year in a row, the five-year total exceeded $1,000 billion.

## TABLE 1: *INFRASTRUCTURE INVESTOR* TOP 100 FUNDS, 2025

| Rank | Fund Manager | HQ Location | Sum Raised ($M) | USA | Europe | Australia/NZ | Canada | Lat. Am/ Carib. | Asia | China |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Brookfield Asset Management | New York | $103,928 | $103,928 | | | | | | |
| 2 | Black Rock | New York | $85,991 | $85,991 | | | | | | |
| 3 | KKR | New York | $81,605 | $81,605 | | | | | | |
| 4 | Macquarie Asset Management | Sydney | $77,142 | | | $77,142 | | | | |
| 5 | EQT | Stockholm | $50,785 | | $50,785 | | | | | |
| 6 | Digital Bridge | Boca Raton | $48,948 | $48,948 | | | | | | |
| 7 | Stonepeak | New York | $48,572 | $48,572 | | | | | | |
| 8 | Blackstone | New York | $32,553 | $32,553 | | | | | | |
| 9 | Antin Infrastructure Partners | Paris | $28,792 | | $28,792 | | | | | |
| 10 | Copenhagen Infrastructure Partners | Copenhagen | $25,468 | | $25,468 | | | | | |
| 11 | I Squared Capital | Miami | $23,957 | $23,957 | | | | | | |
| 12 | Ardian | Paris | $16,838 | | $16,838 | | | | | |
| 13 | IFM Investors | Melbourne | $16,726 | | | $16,726 | | | | |
| 14 | Partners Group | Baar | $15,274 | | $15,274 | | | | | |
| 15 | Bridgepoint | London | $13,948 | | $13,948 | | | | | |
| 16 | CVC Capital Partners | Luxembourg | $13,203 | | $13,203 | | | | | |
| 17 | Igneo Infrastructure Partners | Sydney | $12,142 | | | $12,142 | | | | |
| 18 | Meridiam | Paris | $12,028 | | $12,028 | | | | | |
| 19 | Equitix | London | $11,189 | | $11,189 | | | | | |
| 20 | Morgan Stanley Investment Mgt. | New York | $10,898 | $10,898 | | | | | | |
| 21 | InfraVia Capital Partners | Paris | $10,196 | | $10,196 | | | | | |
| 22 | Swiss Life Asset Managers | Zürich | $9,235 | | $9,235 | | | | | |
| 23 | EnCap Investments | Houston | $8,761 | $8,761 | | | | | | |
| 24 | Actis | London | $8,239 | | $8,239 | | | | | |
| 25 | Asterion Industrial Partners | Madrid | $7,554 | | $7,554 | | | | | |
| 26 | Vauban Infrastructure Partners | Paris | $7,538 | | $7,538 | | | | | |
| 27 | Goldman Sachs Asset Management | New York | $7,395 | $7,395 | | | | | | |
| 28 | DWS | Frankfurt | $7,039 | | $7,039 | | | | | |
| 29 | The Carlyle Group | Washington, DC | $7,000 | $7,000 | | | | | | |
| 30 | AXA IM Alts | Paris | $6,418 | | $6,418 | | | | | |
| 31 | ArcLight Capital Partners | Boston | $6,098 | $6,098 | | | | | | |
| 32 | Schroders Greencoat | London | $6,042 | | $6,042 | | | | | |
| 33 | ICON Infrastructure | London | $5,994 | | $5,994 | | | | | |
| 34 | Basalt Infrastructure Partners | London | $5,802 | | $5,802 | | | | | |
| 35 | Northleaf Capital Partners | Toronto | $5,736 | | | | $5,736 | | | |
| 36 | Grain Management | Washington, DC | $5,695 | $5,695 | | | | | | |
| 37 | QIC Limited | Brisbane | $5,520 | | | $5,520 | | | | |
| 38 | Energy Infrastructure Partners | Zürich | $5,433 | | $5,433 | | | | | |
| 39 | Luxcara | Hamburg | $5,322 | | $5,322 | | | | | |
| 40 | Manulife Investment Management | Boston | $5,277 | $5,277 | | | | | | |
| 41 | Mexico Infrastructure Partners | Mexico City | $5,269 | | | | | $5,269 | | |
| 42 | SDC Capital Partners* | New York | $5,100 | $5,100 | | | | | | |
| 43 | Axium Infrastructure | Montreal | $4,869 | | | | $4,869 | | | |
| 44 | Patria Investments | Grand Cayman | $4,765 | | | | | $4,765 | | |
| 45 | GI Partners | Scottsdale | $4,618 | $4,618 | | | | | | |
| 46 | Morrison | Wellington | $4,267 | | | $4,267 | | | | |
| 47 | AIP Management | Copenhagen | $4,246 | | $4,246 | | | | | |
| 48 | ICG | London | $4,094 | | $4,094 | | | | | |
| 49 | Quinbrook Infrastructure Partners | London | $3,956 | | $3,956 | | | | | |
| 50 | Qualitas Energy | Madrid | $3,915 | | $3,915 | | | | | |
| 51 | Apollo Global Management | New York | $3,846 | $3,846 | | | | | | |
| 52 | Omnes Capital | Paris | $3,766 | | $3,766 | | | | | |
| 53 | Arcus Infrastructure Partners | London | $3,686 | | $3,686 | | | | | |
| 54 | Keppel Capital | Singapore | $3,675 | | | | | | $3,675 | |
| 55 | Ancala | London | $3,640 | | $3,640 | | | | | |
| 56 | BTG Pactual* | São Paulo | $3,597 | | | | | $3,597 | | |
| 57 | JPMorgan Asset Management | New York | $3,570 | $3,570 | | | | | | |

| Rank | Fund Manager | HQ Location | Sum Raised ($M) | USA | Europe | Australia/NZ | Canada | Lat. Am/ Carib. | Asia | China |
|---|---|---|---|---|---|---|---|---|---|---|
| 58 | Infracapital | London | $3,368 | | $3,368 | | | | | |
| 59 | Generate Capital | San Francisco | $3,350 | $3,350 | | | | | | |
| 60 | Vision Ridge Partners | Boulder | $3,293 | $3,293 | | | | | | |
| 61 | F2i | Milan | $3,237 | | $3,237 | | | | | |
| 62 | EIG* | Washington, DC | $3,190 | $3,190 | | | | | | |
| 63 | Octopus Energy Generation | London | $3,181 | | $3,181 | | | | | |
| 64 | ESR Group | Hong Kong | $3,143 | | | | | | | $3,143 |
| 65 | Argo Infrastructure Partners | New York | $3,029 | $3,029 | | | | | | |
| 66 | Aquila Capital | Hamburg | $2,944 | | $2,944 | | | | | |
| 67 | NextEnergy Capital | London | $2,896 | | $2,896 | | | | | |
| 68 | Ullico Investment Advisors | Washington, DC | $2,848 | $2,848 | | | | | | |
| 69 | InfraRED Capital Partners | London | $2,836 | | $2,836 | | | | | |
| 70 | Capital Dynamics | Zug | $2,817 | | $2,817 | | | | | |
| 71 | Ares Management | Los Angeles | $2,783 | $2,783 | | | | | | |
| 72 | Arjun Infrastructure Partners | London | $2,729 | | $2,729 | | | | | |
| 73 | Allianz Global Investors | Munich | $2,726 | | $2,726 | | | | | |
| 74 | CBRE Investment Management* | New York | $2,726 | $2,726 | | | | | | |
| 75 | CIM Group | Los Angeles | $2,708 | $2,708 | | | | | | |
| 76 | LS Power Group | New York | $2,700 | $2,700 | | | | | | |
| 77 | Mirova | Paris | $2,615 | | $2,615 | | | | | |
| 78 | Oaktree Capital Management | Los Angeles | $2,591 | $2,591 | | | | | | |
| 79 | Five Point Energy* | Houston | $2,570 | $2,570 | | | | | | |
| 80 | Nuveen | New York | $2,479 | $2,479 | | | | | | |
| 81 | Aberdeen | Edinburgh | $2,388 | | $2,388 | | | | | |
| 82 | Tiger Infrastructure Partners | New York | $2,347 | $2,347 | | | | | | |
| 83 | Nat. Investment/Infrastructure Fund | Mumbai | $2,340 | | | | | | $2,340 | |
| 84 | GLIL Infrastructure | London | $2,317 | | $2,317 | | | | | |
| 85 | Sustainable Development Capital | London | $2,277 | | $2,277 | | | | | |
| 86 | Pacific Equity Partners | Sydney | $2,242 | | | $2,242 | | | | |
| 87 | Cube Infrastructure Managers | Luxembourg | $2,231 | | $2,231 | | | | | |
| 88 | Hamilton Lane* | Conshohocken | $2,224 | $2,224 | | | | | | |
| 89 | Patrizia | Augsburg | $2,155 | | $2,155 | | | | | |
| 90 | Silver Hill Energy Partners | Dallas | $2,150 | $2,150 | | | | | | |
| 91 | Fengate Asset Management | Toronto | $2,127 | | | | $2,127 | | | |
| 92 | Palistar Capital | New York | $2,119 | $2,119 | | | | | | |
| 93 | Hy24 | Paris | $2,106 | | $2,106 | | | | | |
| 94 | Sandbrook Capital | Stamford | $2,100 | $2,100 | | | | | | |
| 95 | Foresight Group | London | $2,022 | | $2,022 | | | | | |
| 96 | Commerz Real | Wiesbaden | $2,020 | | $2,020 | | | | | |
| 97 | Ridgewood Infrastructure | New York | $1,915 | $1,915 | | | | | | |
| 98 | Quaero Capital* | Geneva | $1,738 | | $1,738 | | | | | |
| 99 | DTCP | Hamburg | $1,706 | | $1,706 | | | | | |
| 100 | Harrison Street | Chicago | $1,679 | $1,679 | | | | | | * |

***Designates a fund not in the 2024 top 100**
**Source: Kalliope Gourntis, "The Top 100 Infrastructure Fund Managers," *Infrastructure Investor,* June 2025**

As the table shows, these infrastructure investment funds are based in many countries, but as in previous years, Europe and the United States represent the lion's share. Table 2 provides the geographical breakdown.

**TABLE 2: HEADQUARTERS LOCATION OF 2025 TOP 100 INFRASTRUCTURE INVESTORS**

| Location | 5-Year Total ($B) | Percent |
|---|---|---|
| United States | $542,613 | 51.87% |
| Europe | $349,949 | 33.45% |
| Australia/New Zealand | $118,039 | 11.28% |
| Latin America/Caribbean | $13,631 | 1.30% |
| Canada | $12,732 | 1.22% |
| Asia except China | $6,015 | 0.57% |
| China | $3,143 | 0.30% |
| Total | $1,046,122 | 99.99% |

**Percentage total does not total 100% due to rounding.**
**Source: Infrastructure Investor, June 2025**

The order in Table 2 is similar to last year's percentages, but U.S. funds have increased their lead over European funds, going from 43.2% in 2024 to 51.9% in 2025, while second-place Europe decreased from 39.5% to 33.5%. Canada moved down to fifth place in 2025, while Australia/New Zealand and Latin America/Caribbean moved up to third and fourth places.

For American elected officials who might worry about "foreign companies buying up American infrastructure," the data in Table 2 should be reassuring. The vast majority of infrastructure investment fund capital is being raised from U.S.-headquartered funds or funds based in the U.K. and the European Union. Our allies in Australia/New Zealand, Canada, and Latin America/Caribbean account for most of the rest, while Asia and China are very minor players.

For the most recent full year, *Infrastructure Investor* reported that nearly $300 billion was raised worldwide.[1] *Infralogic* reported separately that "2025 fundraising was driven by mega fund closes. But Limited Partners (LPs) of all sizes have also developed fresh appetite for infrastructure, while the mid-market everywhere is back in vogue."[2] This article reported that global infrastructure final closes reached $239.8 billion in 2025, a new record that exceeds the previous 2022 high of $171.3 billion by 40% and the much lower $114.3 billion raised in 2024. These totals include funds dealing with infrastructure, renewable energy, and power and energy asset classes.

1 "Fundraising in 2025 Smashes All Records," news release, *Infrastructure Investor*, 8 January 2026.

2 Christina Pantelly, Brendan Malkin, and Jessica Wong, "Fundraising Report: Global Fundraising Back in Business Following Record Year," *Infralogic*, 14 January 2026.

> *… global infrastructure final closes reached $239.8 billion in 2025, a new record that exceeds the previous 2022 high of $171.3 billion by 40% and the much lower $114.3 billion raised in 2024.*

An *Infralogic* analyst reported on an early-2026 survey of global project finance professionals carried out by CSC Global.[3] It found that 39% of respondents expected significant project finance activity in Europe in 2026 compared with 30% for the United States. That would contrast significantly with the five-year data in Table 2, showing the opposite trend for the period ending in the first half of 2025.

*Infralogic* analyst Andras Csillik reports that infrastructure investment funds finished 2025 with $2,560 billion in assets under management (AUM).[4] That compares with $2,300 billion in 2024. Despite the larger total of assets under management, 2025 also saw $396.4 billion in "dry powder"—amounts raised by infrastructure funds but not yet invested. That figure comes from IONGroup's *Infralogic* team, which notes that its database does not include performance data for all funds that are currently investing in infrastructure, but reports this as "a rough estimate based on the publicly available information for infrastructure funds."[5]

Table 3 provides a breakdown of 2025 private infrastructure investment by sector. As can be seen, transportation was again the largest category, at $62.7 billion, representing 67.8% of the investment and 60.1% of the projects. In 2024, the transportation total was $49.7 billion, representing 64% of the investment and 65% of the projects.

3 Chuck Stanley, "Europe May Snatch Infrastructure Momentum from U.S. in 2026," *Infralogic*, 7 January 2026.

4 Andras Csillik, email to Robert Poole, 2 February 2026.

5 Ibid.

**TABLE 3: GLOBAL INFRASTRUCTURE P3 TRANSACTIONS BY SECTOR, 2025**

| Sector | Value ($M) | % of Total | Number | % of Total |
|---|---|---|---|---|
| Transportation | $62,651 | 67.82% | 110 | 60.11% |
| Environment | $11,178 | 12.10% | 14 | 7.65% |
| Social | $9,227 | 9.99% | 42 | 22.95% |
| Power | $6,955 | 7.53% | 8 | 4.37% |
| Telecommunications | $1,499 | 1.62% | 2 | 1.09% |
| Energy | $636 | 0.69% | 3 | 1.64% |
| Renewables | $226 | 0.24% | 4 | 2.19% |
| Total | $92,372 | 100% | 183 | 100% |

**Source: *Infralogic*, data analysis for Reason Foundation, February 2026**
***Note: percentage totals reflect rounding**

## 2.2 ACQUISITIONS AND DIVESTITURES

Many infrastructure investment funds are "closed-end"—which means they are set up to acquire and manage a portfolio of infrastructure projects for a set period of time—most often 10 years. Other models include longer-term closed-end funds and open-ended funds, which are more like many mutual funds offered by companies such as Fidelity and Vanguard.

Regardless of the structure of an infrastructure fund, it has an interest in maximizing value for its investors, which may include long-term investors such as insurance companies and public-sector pension systems. Hence, at various times in most infrastructure funds' lifetimes, they will sell some holdings to realize increases in value (or divest others that have not done well) and acquire other holdings in hopes of creating a more diversified portfolio. This is an ongoing process that seeks to optimize the performance of each fund.

Below are some examples of such transactions during 2025 by various members of the Infrastructure Investor 100.

**BlackRock (#2):** One of the biggest infrastructure news events of 2025 was BlackRock's proposal (with several other investors) to acquire the two Panama Canal ports of CK Hutchison, the Hong Kong-based infrastructure company, due to U.S. government concerns about potential Chinese government control of Hutchison's ports at both ends of the

Panama Canal. No final resolution was in place by the end of the year.[6] However, in January 2026 the Panama Supreme Court ruled that the Hutchison ports concession was unconstitutional.[7] Also in May, BlackRock reached financial close on its first Middle East infrastructure fund ($1.2 billion).[8] On a larger scale, in June it reached the $25 billion target for its fifth flagship fund. At that point, it had $183 billion in assets under management.[9]

**KKR (#3):** The third-largest infrastructure fund set a fund-raising record in 2025, raising $129 billion.[10] It sold several assets in 2025. In August it announced that it planned to sell up to $0.3 billion of its stake in India-based toll road fund Vertis Infrastructure Trust. It was teamed with I Squared Capital (#11) in aiming to divest portions of their investments in both Vertis and Cube Highways, also in India. KKR's co-investor in Vertis is Ontario Teachers' Pension Plan (OTPP).[11] And in October KKR launched the sale process for Atlantic Aviation, a U.S. company that operates facilities servicing private planes.[12]

**Macquarie (#4):** In June Macquarie Asset Management reached financial close for its sixth infrastructure fund, MIP VI, with over $8 billion in commitments. These six funds are focused on U.S. infrastructure.[13] In June it agreed to invest $1.4 billion to acquire OTPP's stakes in London City Airport and two other U.K. airports.[14] And in August, Macquarie began the sale process for its portfolio of nine toll roads in India."[15]

**EQT (#5):** *The Economist* pointed out in a December column that EQT is "the sole European private-equity firm to hold a candle to America's giants."[16] In June EQT announced the

6 Jack Pitcher, Kevin T. Dugan, and Brian Schwartz, "Republicans Hated Him Until He Delivered the Panama Canal," *The Wall Street Journal*, 5 April 2025.

7 News release, "Panama Top Court Rules Port Concession Held by CK Hutchison Unit Unconstitutional," *Infralogic*, 30 January 2026.

8 Brendan Malkin, "BlackRock Closes First Middle East Infra Fund," *Infralogic*, 12 May 2025.

9 Liam Ford, "GIP Fund V Achieves Target 'Over' $25 Billion," *Infralogic*, 12 June 2025.

10 Jonathan Carmody, "KKR Highlights Infrastructure Fundraising and Deployment in Record 2025," *Infralogic*, 5 February 2026.

11 "KKR Could Sell $300 Million Stake in India Roads Trust," *Infralogic*, 6 August 2025.

12 Richard Tekneci, Jonathan Carmody, Amelia Weitzman, and Eugene Gilligan, "KKR Sale of Atlantic Aviation Launches Alongside IPO Consideration," *Infralogic*, 1 October 2025.

13 "Macquarie Reaches Final Close on MIP VI Fund," *Infralogic*, 17 June 2025.

14 Stefano Berra and Brendan Malkin, " Macquarie Pays £1.36 Billion for OTPP's Airport Portfolio," *Infralogic*, 27 June 2025.

15 Rouhan Sharma, "Macquarie Launches India Roads Portfolio Sale," *Infralogic*, 6 August 2025.

16 Buttonwood, "The Winner Takes It All," *The Economist*, 6 December 2025.

launch of its second active core infrastructure fund, with a €5 billion target. This new fund will be open-ended, while its 2023 Active Core Infrastructure fund has a 25-year term.[17]

**Stonepeak (#7):** In April Stonepeak announced the acquisition of Air Transport Services Group (ATSG), a global leader in aircraft leasing and air transport operations. The all-cash transaction valued ATSG at $3.1 billion.[18]

**Blackstone (#8):** In May, Blackstone-owned Applegreen acquired full control of Connecticut highway service plazas from partner investors TD Greystone and IST3 IG.[19] Blackstone Infrastructure Strategies raised $3.3 billion from individual investors during 2025.[20] Overall, its infrastructure platform grew by 40% in 2025.[21]

**I Squared (#11):** I Squared's Cube Highways completed its acquisition of the Chenani-Nashri Tunnelway in India in March 2025, though this transaction did not become known until a stock exchange filing in November.[22] And it launched a fourth flagship global infrastructure fund in November, seeking to raise $10 billion.[23]

**Ardian (#12):** In February Ardian announced its acquisition of Goldman Sachs' stake in Aviation Facilities Company Management (AFCO), for an undisclosed amount.[24] In October, Ardian announced most of the planned commitments to its sixth fund, raising $20 billion mostly from U.S. investors.[25]

17 Brendan Malkin, "EQT Marketing Second Core Infrastructure Fund, " *Infralogic*, 12 June 2025.

18 "Stonepeak Completes Acquisition of ATSG," *Infralogic*, 11 April 2025.

19 Liam Ford and Nick Roumpis, "Blackstone's Applegreen Buys Out Partners in Connecticut Service Plazas," *Infralogic*, 23 May 2025.

20 Natalie Boyer, "Blackstone Infrastructure Strategies Raises $3.29 Billion," *Infralogic*, 20 January 2026.

21 Andrew Vitelli, "Blackstone Infra Platform Grow 40% in 2025," *Infralogic*, 29 January 2026.

22 "I Squared's Cube Completes $600 Million Acquisition of Indian Tunnel Project," *Infralogic*, 20 November 2025.

23 Jessica Wong, Tony Goh, and Brendan Malkin, "I Squared's Fourth Infra Fund Targets $10 Billion First Close," *Infralogic*, 24 November 2025.

24 "Ardian to Acquire Goldman's Stake in AFCO," *Infralogic*, 19 February 2025.

25 Talva Misiri, "US Investors Dominate Ardian's Sixth Fund, Australian LPs Join," *Infralogic*, 29 October 2025.

**IFM (#13):** In July IFM Investors announced its acquisition of a 75% stake in Spanish company AirRail in a $0.3 billion deal.[26] And in December IFM was reported to be near first close on a new $2 billion Global Value Add Infrastructure Fund.[27]

**CVC Capital Partners (#16):** In July CVC and Road King Infrastructure announced plans to sell 100% of Indonesian toll road platform Road King Expressway International at an expected valuation of $1 billion. The process was reported as being in an early stage.[28]

**Meridiam (#18):** *The Wall Street Journal* featured Meridiam's success in raising $1.8 billion for its most recent infrastructure fund, which is focused on North America. The article mentioned Meridiam investments in the Georgia express lanes project on SR 400 as an example. It also noted some very large public employee pension funds as investors in its North America Fund IV.[29]

## 2.3 GUEST ESSAY: GETTING MORE AMERICAN CAPITAL INTO AMERICAN TRANSPORT INFRASTRUCTURE, BY MICHAEL BENNON

Transportation Secretary Sean Duffy joined the inaugural meeting of the Department of Transportation Advisory Board in summer 2025 at the White House. Overall, the meeting was promising for American transportation P3s. Secretary Duffy mentioned the need to find ways to leverage private investment and create projects that attract private capital, and he wants to reform things quickly. He told the Board that "the mission is speed. We've got to do this fast."

However, right out of the gate, the Secretary mentioned a more surprising concern: "In a number of our projects, what we see is opportunity for private capital. And often times…it's frustrating because it's a lot of foreign private capital. And it seems like there's some pretty good returns that they're making on American infrastructure. It'd be great if we were able to get American private capital into American infrastructure and see those returns go to American investors. I don't think we've done a very good job of that thus far."

Foreign investors: it seems they're a problem in *every country*. American voters want American firms and funds to develop American infrastructure. The same goes for every other country.

26 Nick Roumpis, "IFM Bags AirRail in €300 million Deal." *Infralogic*, 29 July 2025.

27 James Arbuthnott and Shaun Drummond, "IFM Nears First Close of Global Value Added Fund," *Infralogic*, 18 December 2025.

28 Mich Basa and Wong Kachun, "Road King, CVC Seek Full Exit from Indonesian Toll Road Business," *Infralogic*, 24 July 2025.

29 Luis Garcia, "Meridiam Raises $1.8 Billion for Infrastructure Projects," *The Wall Street Journal*, 6 October 2025.

Dismissing that sentiment as narrow parochialism, however, can lead one to neglect the very real political risk that it creates. People, and the politicians they elect, simply tend to see infrastructure as a more zero-sum transaction when foreign firms are investing.

And there are some legitimate concerns regarding foreign investment. National security concerns do overlap with some infrastructure projects. And with the rise of state-capitalism and state-owned enterprises in the infrastructure sector, there could be legitimate apprehension when those entities are investing, as opposed to private foreign firms or fund managers.

But the United States already has foreign investment policies that address those special cases, and they aren't the source of Secretary Duffy's concerns. His was the more generalized version: there is foreign capital in U.S. P3 projects and it is making "pretty good returns." And if any investors are making good returns in American infrastructure, he'd rather it be American investors.

There are some heavy-handed solutions which are technically possible but unworkable. We could outright ban "foreign" capital or put in place some kind of a procurement preference for American investors. But these would limit competition, destroy value-for-money, and increase costs for the public. Public sponsors tend to optimize their procurement policies for taxpayers, not investors. That should probably continue.

But hope is not lost. Select improvements to the U.S. P3 industry will absolutely bring more American capital in, and some policy reforms under Secretary Duffy's purview could help them along. Below is *Public Works Financing*'s three-step guide to better Americanize American infrastructure.

**First, a Disclaimer**

First, this broad concern over foreign investors doesn't make very much sense. It isn't even technically true, at least for investments by fund managers. The executives from a foreign fund manager may be from another country, but much of the capital in their funds is from limited partners, including American public pension funds in many cases.

And in those cases in which a public sponsor runs a competitive procurement for a project, and a consortium with some foreign investors wins, the public benefits from this competition. If foreign investors are truly getting pretty good risk-adjusted returns from American transportation infrastructure, why aren't American investors piling in? It doesn't stand to reason that American investors are simply unaware of the opportunity.

Foreign investors are participating in the U.S. P3 market. If the Secretary sees that as a problem, the solution should account for the reason those investors are competing and competitive here in the first place.

**Step 1: Grow the Market**

The Secretary's problem is not "foreign" capital per se. It is actually European, Australian, and Canadian firms that invest here. They all have much deeper and more developed P3 markets, relative

to the United States. This is why they may have a competitive edge in the U.S. P3 market. Governments in Europe along with the U.K., Canada and Australia developed larger and more stable P3 industries by procuring more P3 projects, and this allowed firms and funds from those countries to develop the expertise and investment portfolios to then invest in transportation P3s globally.

This was especially important for strategic investors like large construction companies. It is very difficult for a construction business to transition into P3 development. They are small-margin businesses, which makes any single P3 investment very risky. However, once a portfolio of de-risked projects is developed, it acts as a very nice hedge for that cyclical construction business.

If the United States eventually develops such a project pipeline, more American firms and fund managers will be able to successfully enter the industry. There are many examples of large U.S. construction or engineering firms that have created but eventually shuttered new P3 lines of business.

Of course, the Department of Transportation doesn't make state or local procurement decisions. It does, however, have tools to incentivize the use of P3s among the public sponsors it works with, including existing discretionary grant programs. It can also help sponsors increase the predictability of procurements.

**Step 2: Cut Transaction Costs**

The transaction costs of any industry consist of the costs of pursuing and making an investment, and high transaction costs are always a barrier to entry for new (American) competitors. Infrastructure investment is by definition a very high transaction cost sector. In the United States, however, those transaction costs are especially high, and those early investments are especially uncertain.

This may help explain why American funds and firms aren't piling into P3s the way they pile into other investment opportunities. Those costs aren't limited to the direct costs of proposals, but also the amount of time projects spend in planning and early permitting.

Major environmental studies of U.S. transportation projects, which are needed for the large-scale projects most appropriate for P3s, now routinely take much longer to complete than the term of any mayor, governor, or presidential administration, exposing the projects to considerable political risk. Even the P3 procurement process, measured from RFQ to commercial close, still often takes years to complete.

The best evidence that transaction costs are keeping American firms and funds out of the P3 sector is that they are investing in infrastructure outside of P3s. Sectors like energy and telecommunications attract plenty of competition from American infrastructure investors. So does privately held transportation infrastructure like ports or logistics companies.

The good news is that the Secretary's team is already focused on trying to reduce transaction costs, including by streamlining permitting. Anything else the federal government can do to standardize or reduce the costs of P3 procurements will induce more competition from American investors.

**Step 3: Stop Cancelling Projects**

In the United States, transaction and pursuit costs are not just very high, they are also extraordinarily risky, because of the tendency of American public sponsors to cancel projects. P3 investors typically spend years and millions of dollars competing for and planning a single project. When it is cancelled, the losses can be significant.

Projects are easy to cancel because the U.S. development process is very long, and stakeholders have a lot of power to block or delay things. This isn't just a problem for P3s, but it has dire consequences for the P3 industry because it drives up the risk associated with those high development costs.

A brief survey of the foreign firms and fund managers that are successfully competing in the U.S. P3 industry yields a simple quality that many of them have in common: *wherewithal*. They tend to stick with a potential project despite the high costs and delays and the constant risk of a cancellation. That is a tall order for a new entrant.

Anything that the federal government can do to promote stability and reduce the high rate of cancellation would reduce those barriers. There is even a justification for the department making grants and other forms of federal support contingent on public sponsors following through on P3s they procure. Every time an individual sponsor cancels a project, it impedes competition for the entire P3 industry.

Fewer large federal discretionary grants would actually help on this front. Some recent opposition for U.S. P3 projects was fueled by anti-toll sentiment, as opposed to opposition to the P3 itself. That opposition was buoyed by the hope (not always unfounded) that cancelling the P3 would eventually result in a big federal grant replacing the toll funding. At the very least, the department could take a recent cancellation into account when a public sponsor turns around and submits a grant application for a project that was recently cancelled as a P3.

**Better Policy → Better Industry → More Competition**

To sum things up, it is difficult for American firms to invest in American transportation P3 infrastructure because it is difficult to invest in American transportation infrastructure. The only advantages that foreign firms or funds have is that they were able to cut their teeth in countries or regions with a more stable P3 project pipeline and, frankly, better infrastructure policies. Thankfully, this is a problem that Secretary Duffy and his advisors at the Transportation Advisory Board can help solve. Improve American infrastructure policies and you can improve America's P3 market. Improve the market and American funds and firms will invest.

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PART 3

# P3 COMPANIES AND PROJECTS

## 3.1 GLOBAL COMPANIES AND PROJECTS

During 2025 infrastructure investors financed $92.4 billion worth of P3 infrastructure transactions, including transportation projects. While Table 3 in Part 2 provided a breakdown by the kind of infrastructure (transportation, energy, etc.), Table 4 shows the type of transaction, such as greenfield, brownfield, and other categories. Greenfield projects, a main focus of this report, constituted $61.2 billion—66.2% of the 2025 total. Last year's figure was 54.8% greenfield.

**TABLE 4: GLOBAL INFRASTRUCTURE P3 TRANSACTIONS BY TYPE, 2025**

| Type | Value ($M) | % of Total | Number | % of Total |
|---|---|---|---|---|
| Greenfield | $61,166 | 66.22% | 86 | 46.99% |
| Refinancing | $16,588 | 17.96% | 39 | 21.31% |
| M&A | $9,318 | 10.09% | 28 | 15.30% |
| Additional Financing | $5,300 | 5.74% | 30 | 16.39% |
| Total | $92,372 | 100% | 183 | 100% |

**Source: *Infralogic*, data analysis for Reason Foundation, January 2026**

Table 5 lists the 15 largest global transportation projects privately financed in 2025, totaling $29.9 billion. These were all greenfield projects, and their lead developers are a more diverse group than in the comparable table in last year's report. In 2024, an unprecedented 91.5% of the top 15 projects worldwide were in the roadway sector (highways and bridges). In 2025, the corresponding number was 72.2%. Rail projects made up the balance, with the one high-speed rail project at $3.5 billion accounting for more than 11% of the total. Rail transit projects accounted for 10.6% and conventional inter-city rail for another 7%.

**TABLE 5: 15 LARGEST P3 TRANSPORTATION PROJECTS FINANCED IN 2025**

| Country | Project | Sector | Value $B | Lead Developers |
|---|---|---|---|---|
| USA | SR 400 Express Lanes P3 | Highways | $8.7 | Meridiam Infrastructure North America IV; Acciona; Grupo ACS |
| Portugal | Nova Linha Porto-Lisboa (NLPL) High-Speed Railway P3 (Phase 1) (Porto - Oia) | High-Speed Rail | $3.5 | Teixeira Duarte; Alves Ribeiro S.A.; Casais Invest; Construtora Duriense SA (CONDURIL); Construçoes Gabriel A.S. Couto; Lineas - Concessões de Transportes; Grupo Mota-Engil |
| Türkiye | Antalya - Alanya Road P3 | Highways | $2.8 | Limak Construction |
| Netherlands | Via15 (A15/A12) Road P3 | Highways | $2.0 | BESIX Group; Dura Vermeer; HOCHTIEF; John Laing |
| Brazil | Rio de Janeiro-Governador Valadares Highway (EcoRioMinas) (BR-16/RJ, BR-116/MG, BR-493/RJ, BR-465/RJ) | Highways | $1.6 | Ecorodovias |
| Türkiye | Ankara-Kirikkale-Delice Road P3 | Highways | $1.6 | Fernas |
| Brazil | Baixada Santista Rail Line P3 | Rail | $1.4 | MRS Logistica |
| South Korea | Daejang–Hongdae Metropolitan Railway P3 Project | Urban Rail Transit | $1.3 | Hyundai Engineering & Construction, Dongbu; Corporation, Daewoo; Engineering |
| Colombia | Buenaventura-Loboguerrero-Buga Highway | Highways | $1.1 | Sacyr |
| Brazil | Parana Highways Concession (BR-153, BR-277, BR-369, PR-092, PR-151, PR-239, PR-407, PR-408, PR-411, PR-508, PR-804 and PR-855) (Lot 2) | Highways | $1.1 | Equipav, Perfin Asset Management |
| Canada | Yonge North Subway Extension - Advanced Tunnel P3 | Urban Rail Transit | $1.0 | AECON, Dragados SA, Grupo Ghella, National Bank of Canada (NBC / NBF), Exp Services, Técnica y Proyectos (TYPSA) |
| Türkiye | Çeşmeli Taşucu Motorway P3 | Highways | $1.0 | Kolin Construction |

| Country | Project | Sector | Value $B | Lead Developers |
|---|---|---|---|---|
| Brazil | Lote Noroeste Highway P3 (Noroeste Paulista) | Highways | $1.0 | Ecorodovias |
| Canada | Yonge North Subway Extension—Stations, Rail and Systems P3 | Urban Rail Transit | $1.0 | AECON, FCC Construcción, Grupo Ghella |
| Angola | Lobito Atlantic Railway (Port of Lobito to Luau) P3 | Rail | $0.8 | Trafigura, Grupo Mota-Engil, Vecturis |

**Source: *Infralogic*, data analysis for Reason Foundation, February 2026**

Table 6 lists the world's largest transportation P3 developers ranked by the number of DBFOM projects each has in operation or under construction. Some projects are developed by a consortium of two or more companies, so if, for example, Cintra and Meridiam collaborated on a project, it would be included in the project total for each of them. Hence, the numbers of projects should not be added together. Projects counted in Table 6 include highway, railway, airport, seaport, and ancillary projects costing $.050 billion or more.

## TABLE 6: WORLD'S 20 LARGEST TRANSPORTATION P3 DEVELOPERS, 2025

| Company | Projects | US | Canada | Home Country | Other |
|---|---|---|---|---|---|
| Vinci (France) | 58 | 6 | 3 | 22 | 27 |
| Meridiam (France) | 56 | 11 | 3 | 6 | 36 |
| Sacyr (Spain) | 45 | 1 | 0 | 11 | 33 |
| ACS Group (Spain) | 43 | 6 | 11 | 17 | 9 |
| Macquarie (Australia) | 39 | 6 | 0 | 5 | 28 |
| Abertis (Spain) | 37 | 3 | 0 | 6 | 28 |
| Ferrovial/Cintra (Spain) | 29 | 7 | 3 | 4 | 15 |
| ASTM/Itinera (Italy) | 25 | 0 | 0 | 13 | 12 |
| Transurban (Australia) | 24 | 3 | 1 | 20 | 0 |
| Egis (France) | 22 | 0 | 0 | 7 | 15 |
| Invesis (Netherlands) | 20 | 0 | 0 | 6 | 14 |
| Aleatica (Spain) | 20 | 0 | 0 | 5 | 15 |
| John Laing | 15 | 6 | 1 | 1 | 7 |
| Plenary (Australia) | 16 | 6 | 6 | 4 | 0 |
| FCC (Spain) | 13 | 0 | 0 | 11 | 2 |
| Balfour Beatty (UK) | 13 | 1 | 0 | 12 | 0 |
| Fluor (US) | 9 | 5 | 0 | 5 | 4 |
| Skanska (Sweden) | 8 | 2 | 0 | 0 | 6 |
| Acciona (Spain) | 8 | 0 | 1 | 3 | 4 |
| Shikun & Binui (Israel) | 8 | 3 | 0 | 4 | 1 |

**Source: "World's Largest Transportation Developers," *Public Works Financing*, January 2026.**

As in previous years, companies headquartered in Europe totaled 15 out of the 20 developers in Table 6—75% of the total. This should not be surprising, since the DBFOM P3 model originated in Europe dating back to the 1970s. And Australia, despite its relatively small size, also pioneered DBFOM projects prior to 2000, so it is not surprising that three of the 20 firms are Australia-based. Only one U.S. firm (Fluor) made it into the top 20 global players, though a lengthier table would have included Star Americas and Kiewit, which are in the top-25 global transportation P3 developers.

Just as infrastructure funds adjust their portfolios of projects, so do major P3 developers. Some maintain a portfolio of completed projects. Others tend to retain only some projects, selling others once they are in operation and demonstrating good performance. Here are illustrative examples of these kinds of transactions in 2025.

- Sacyr sold its portfolio of toll road concessions in Colombia to an investment fund, Actis. The latter invested in the toll roads on behalf of its Long Life Infrastructure Fund. Sacyr received $1.6 billion for the toll roads.[30]
- Atkins Realis sold its 6.8% stake in Ontario Highway 407 ETR in June, for an estimated price of $2.6 billion. The buyers were Canadian pension fund CPP Investments and a subsidiary of infrastructure developer/operator Ferrovial.[31]
- Developer/operator Abertis in July announced its search for partners in India, being handled by its new office in Mumbai. Abertis began investing in Indian toll roads in 2016, when it acquired two concessions from Macquarie.[32]
- Grupo Aeroportuario del Sureste (ASUR) agreed to acquire URW Airports for an enterprise value of $0.3 billion. That business manages commercial programs at U.S. airports including terminals at Los Angeles International (LAX), Chicago O'Hare (ORD), and New York's Kennedy International (JFK).[33]
- Acciona announced a partial shift from renewables to infrastructure projects, including U.S. express toll lanes. It has partnered with Meridiam on the 2025 SR 400 P3 in Atlanta and in the 2024 financing of Louisiana's Calcasieu Bridge replacement P3 concession.[34]

30 Razak Musah Baba, "Sacyr Sells $1.6 Billion Colombia Toll Roads Portfolio to Actis," *IP&E Real Assets*, 10 June 2025.

31 Press Release, "Atkins Realis Completes Sale of 6.76% Stake in 407 ETR," *Infralogic*, 6 June 2025.

32 Rouhan Sharma, "Abertis Seeks Partnership for Indian Road Investments," *Infralogic*, 8 July 2025.

33 Press release, "ASUR to Acquire URW Airports for $295 Million,"*Infralogic*, 31 July 2025.

34 Brendan Malkin, "Acciona's Pivot to Global Infrastructure Concessions," *Infralogic*, 1 August 2025.

- Reliance Infrastructure announced its plans to sell a major toll road concession to Cube Highways. Cube will acquire 100% of the Pune Satara Toll Road. The article noted that in 2020 Reliance sold its Delhi-Agra Toll Road concession to Cube Highways.[35]
- Vinci agreed in August to acquire a 35.7% stake in RIOgaleau Airport from airport managing company Changi. The latter company will retain 15.3% and the government's Infraero will retain 49%. The article also noted that an early 2026 auction is planned under which Infraero will sell its stake.[36]
- Eiffage in October announced that it had agreed to acquire another 7.1% stake in Getlink, the concession company of the Channel Tunnel, for €0.7 billion. That will bring Eiffage's stake in Getlink to 27.7%. Getlink's other large investor is Mundys, which acquired a 15.5% stake in 2018.[37]
- In November Mexican airport company ASUR reached an agreement to buy from Brazilian conglomerate Motiva (formerly CCR) its airports portfolio for $0.9 billion. That airport portfolio includes 20 airports, 17 in Brazil and one each in Costa Rica, Curaçao, and Ecuador.[38]
- In December a competition got under way for the A22 motorway in Italy. The principal contenders are Sacyr and ASTM (which is backed by Ardian Infrastructure). The current concession for the A22, held by Autobrennero has expired and that company is seeking to have it renewed. The $8.4 billion tender is for 50 years and includes significant improvements to the motorway.[39]
- Also in December, Mexico-based airport company GAP received shareholder approval to acquire Cross Border Xpress (CBX). CBX provides a bridge across the border between San Diego County and the Tijuana Airport. It operates a U.S.-based terminal with the bridge across the border to the Mexican airport.[40]

Table 7 zeroes in on P3 transportation developers active in the United States, listed in order by the number of DBFOM projects for which each has been involved. The more

35 BL Mumbai Bureau, *Businessline*, "Reliance Infrastructure to Sell Pune Satara Toll Road to Cube Highways," 22 August 2025.

36 News release, "Vinci to Acquire 35.7% Stake in RIOgaleao from Changi," *Infralogic*, 28 August 2025.

37 News release, "Eiffage Increases Getlink Stake to Over 27%," *Infralogic*, 23 October 2025.

38 Gabriela Valente, "Asur to Acquire Motiva's Airport Portfolio," *Infralogic*, 18 November 2025.

39 Antonio Fabrizio, "Sacyr, ASTM Vie for Italy's €8 Billion A22 Motorway," *Infralogic*, 4 December 2025.

40 News release, "GAP Shareholders Approve Cross Border Xpress Business Combination," *Infralogic*, 16 December 2025.

detailed table from which Table 7 is derived lists each of the individual projects each company has been involved with, either alone or in a joint venture with other developers. Hence, as with Table 6, the numbers of projects or total investment should not be added together. The more detailed source table, from the *Public Works Financing* Major Projects Database, includes 11 additional firms that have invested in only one project each.

**TABLE 7: LARGEST U.S. TRANSPORTATION P3 DEVELOPERS, 2025**

| Company | Headquarters | US Projects | Project Cost Total ($M) |
|---|---|---|---|
| Meridiam | France | 11 | $27,633 |
| Ferrovial/Cintra | Spain | 7 | $21,200 |
| ACS | Spain | 7 | $19,699 |
| Fluor | U.S. | 6 | $14,700 |
| John Laing | U.K. | 5 | $10,085 |
| Plenary | Australia | 4 | $4,841 |
| Macquarie | Australia | 4 | $4,649 |
| Skanska | Sweden | 3 | $8,881 |
| Transurban | Australia | 3 | $3,331 |
| Star America | U.S. | 3 | $4,353 |
| Shikun &Binui | Israel | 3 | $5,795 |
| Walsh | U.S. | 2 | $2,437 |
| Kiewit | U.S. | 2 | $1,088 |
| Fengate | Canada | 2 | $2,500 |

**Source: "US Transportation P3 Developers," *Public Works Financing*, January 2026**

Finally, Table 8 offers a historical overview of U.S. greenfield transportation P3 projects since the first project was financed in 1993. The first two projects relied on taxable bank debt, since neither tax-exempt private-activity bonds (PABs) nor low-interest-rate TIFIA loans were available yet. Since Congress enabled those two financing methods, the large majority of U.S. DBFOM projects have used one or both, as the table shows.

Table 8 separates these projects into two groups. In the upper portion of the table are revenue-risk projects, financed largely based on projected user-fee revenue flows. The lower half of the table lists projects financed based on availability payments (APs) from the sponsoring agency. (Some of the AP projects include tolls, charged by the public agency, the revenue from which covers some or all of the availability payments.)

For the revenue-financed projects in the upper half, several changes in project finance should be noted. In 2025, the fraction of project cost coming from TIFIA loans increased

from 15.6% in 2024 to 20.2% in 2025. Likewise, the portion coming from PABs increased from 18.2% to 21.1%, and the fraction covered by equity from the P3 entity increased from 27.7% to 28.6%. As a result, the share provided by the state DOT or other government sponsor decreased from 8.7% to 6.8%

Comparing the top half of Table 8 (revenue-risk projects) with the bottom half of Table 8 (availability payments) highlights significant differences between revenue-risk and availability-payment transportation P3 projects. For example, the fraction financed by equity investment is significantly higher for revenue-risk P3s: 28.6% for revenue-risk versus 6% for AP. Both types of P3 use PABs and TIFIA at double-digit rates. The other major difference is that AP P3 projects average 34.9% in direct taxpayer support, while revenue-risk P3s average only 6.8% in direct taxpayer support.

To be sure, some types of transportation projects do not have a bondable revenue stream, so their TIFIA loans and PABs must be paid off via tax money from the sponsoring agency. An AP-based P3 still offers benefits from transfers of some risks as well as businesslike project management. A more detailed comparison is provided in a 2017 report from Reason Foundation.[41]

**TABLE 8: HISTORICAL OVERVIEW OF U.S. LONG-TERM P3 GREENFIELD PROJECTS**

| Project | Type | Govt. (M) | Infra Bank Loan | TIFIA (M) | PABs (M) | Bank Debt (M) | Equity (M) | Total (M) | % Equity | Financial Close |
|---|---|---|---|---|---|---|---|---|---|---|
| 91 Express Lanes | RR | 0 | | 0 | 0 | $100 | $30 | $130 | 23% | 1993 |
| Dulles Greenway | RR | 0 | | 0 | 0 | $298 | $80 | $378 | 21% | 1993 |
| S. Bay Expressway | RR | 0 | | $140 | 0 | $340 | $130 | $610 | 21% | 2003 |
| I-495 Express | RR | $495 | | $598 | $589 | 0 | $630 | $2,312 | 27% | 2007 |
| SH 130, Seg. 5-6 | RR | 0 | | $430 | 0 | $686 | $210 | $1,326 | 16% | 2008 |
| N. Tarrant Express, TX | RR | $594 | | $650 | $398 | 0 | $426 | $2,068 | 21% | 2009 |
| LBJ Expressway, TX | RR | $490 | | $850 | $606 | 0 | $682 | $2,628 | 26% | 2010 |
| Midtown Tunnel, VA | RR | $582 | | $422 | $675 | 0 | $272 | $1,951 | 14% | 2012 |
| I-95 HOT, VA | RR | $83 | | $300 | $253 | 0 | $280 | $916 | 31% | 2012 |
| N. Tarrant 3A/B, TX | RR | $379 | | $531 | $274 | 0 | $442 | $1,626 | 27% | 2013 |
| US 36, Ph. 2, CO | RR | $75 | | $60 | $21 | 0 | $41 | $197 | 21% | 2014 |
| I-77 MLs, NC | RR | $95 | | $189 | $100 | 0 | $248 | $632 | 39% | 2015 |
| SH 288, Texas | RR | $17 | | $357 | $100 | 0 | $375 | $849 | 44% | 2016 |
| I-66, Virginia | RR | $0 | | $1,229 | $737 | 0 | $1,549 | $3,515 | 44% | 2017 |
| I-95, ext., Virginia | RR | $0 | | $0 | $277 | 0 | $532 | $809 | 66% | 2019 |
| N. Tarrant, 3C, TX | RR | $14 | | $0 | $750 | 0 | $160 | $924 | 17% | 2019 |
| Newark ConRAC | RR | $110 | | $0 | $0 | $310 | $60 | $480 | 13% | 2019 |
| Belle Chasse Bridge, LA | RR | $45 | | $0 | $110 | 0 | $28 | $183 | 15% | 2019 |
| I-495 NEXT, VA | RR | $0 | $49 | $212 | $225 | 0 | $268 | $754 | 36% | 2021 |
| JFK New Terminal One | RR | $0 | | $0 | $0 | $6,630 | $2,330 | $8,960 | 26% | 2022 |

[41] Robert W. Poole, Jr., "Availability Payment or Revenue-Risk P3 Concessions? Pros and Cons for Highway Infrastructure," Reason Foundation, November 2017. (https://reason.org/wp-content/uploads/2017/11/infrastructure_availability_payment_revenue_risk_concessions.pdf)

| Project | Type | Govt. (M) | Infra Bank Loan | TIFIA (M) | PABs (M) | Bank Debt (M) | Equity (M) | Total (M) | % Equity | Financial Close |
|---|---|---|---|---|---|---|---|---|---|---|
| JFK Terminal 6 | RR | $0 | | $0 | $435 | $3,009 | $1,300 | $4,744 | 27% | 2022 |
| Calcasieu River Bridge | RR | $345 | | $0 | $1,415 | $0 | $520 | $2,280 | 23% | 2024 |
| Atlanta SR 400 | RR | $0 | | $3,890 | $3,320 | $0 | $3,360 | $10,570 | 32% | 2025 |
| Total | | $3,324 | $49 | $9,858 | $10,285 | $11,373 | $13,953 | $48,842 | | |
| Average | | $145 | $2 | $429 | $447 | $494 | $607 | $2,124 | | |
| Percent | | 6.8% | 0.1% | 20.2% | 21.1% | 23.3% | 28.6% | | | |
| I-595, FL | AP | 0 | | $603 | 0 | $781 | $208 | $1,592 | 13% | 2009 |
| Port Miami Tunnel | AP | $100 | | $341 | 0 | $342 | $80 | $863 | 9% | 2009 |
| Denver Eagle rail | AP | $1,312 | | $280 | $396 | $0 | $54 | $2,042 | 3% | 2010 |
| Presidio Pkway Ph 2 | AP | 0 | | $150 | 0 | $167 | $45 | $362 | 12% | 2012 |
| East End Bridge | AP | $526 | | $162 | $508 | $0 | $78 | $1,274 | 6% | 2013 |
| Goethals Bridge | AP | $125 | | $474 | $453 | $0 | $107 | $1,159 | 9% | 2013 |
| I-69, IN | AP | $80 | | $0 | $244 | $0 | $41 | $365 | 11% | 2014 |
| I-4 , FL | AP | $1,035 | | $950 | $0 | $484 | $103 | $2,572 | 4% | 2014 |
| Penn. Rapid Bridges | AP | $255 | | $0 | $721 | $0 | $59 | $1,035 | 6% | 2015 |
| Portsmouth Bypass | AP | $178 | | $209 | $227 | $0 | $49 | $663 | 7% | 2015 |
| Purple Line rail | AP | $1,599 | | $875 | $313 | $0 | $139 | $2,926 | 5% | 2016 |
| LaGuardia Terminal | AP | $1,200 | | $0 | $2,400 | $0 | $200 | $3,800 | 5% | 2016 |
| I-70, Colorado | AP | $687 | | $404 | $141 | $0 | $65 | $1,297 | 5% | 2017 |
| LAX People Mover | AP | $1,031 | | $0 | $1,295 | $269 | $103 | $2,698 | 4% | 2018 |
| LAX ConRAC | AP | $690 | | $0 | $458 | $73 | $43 | $1,264 | 3% | 2019 |
| PA Major Bridges | AP | $140 | | $0 | $1,759 | $0 | $202 | $2,101 | 10% | 2020 |
| NY MYA ADA | AP | $391 | | $0 | $327 | $0 | $25 | $743 | 3% | 2023 |
| Total | | $9,349 | | $4,448 | $9,242 | $2,116 | $1,601 | $26,756 | | |
| Average | | $550 | | $262 | $544 | $124 | $94 | $1,574 | | |
| Percent | | 34.9% | | 16.6% | 34.5% | 7.9% | 6.0% | | | |

# 3.2 U.S. P3 DEVELOPMENTS IN 2025

## 3.2.1 GEORGIA DOT: SR 400 EXPRESS TOLL LANES

The biggest transportation P3 development in 2025 was the financial close for Georgia's SR 400 P3 in the Atlanta metro area.[42] The project will add 16 miles of express toll lanes on SR-400, a major north-south expressway in Atlanta's northern suburbs. The total value financed is $12.2 billion. That includes the largest ever Private Activity Bond issuance ($3.3 billion), the largest-ever TIFIA loan ($3.9 billion), and an equity investment of $3.4 billion. In addition, the winning bidder, SR 400 Peach Partners, is providing a $3.8 billion concession fee to Georgia DOT.

Peach Partners consists of Meridiam, ACS Infrastructure, and Acciona Conseciones. The major construction is expected to be under way by July 2026 and to be completed by

[42] Michael Bennon, "A Historic Financial Close for Georgia's SR-400," *Public Works Financing*, July/August 2025.

February 2031. The lead construction companies will be Acciona and Dragados. The bonds in the financing were rated Baa3 by Moody's and BBB+ by Kroll.

> *For this very congested corridor, GDOT has devised a new approach to dynamic tolling. The Operational Toll Rate (OTR) will have soft and hard caps.*

For this very congested corridor, GDOT has devised a new approach to dynamic tolling. The Operational Toll Rate (OTR) will have soft and hard caps. The soft cap is a limit on what can be charged when traffic flow is not seriously congested. But when speeds go lower than 55 mph, the toll rate can go as high as twice the OTR (the hard cap). The OTR has an annual escalation. This new approach to dynamic tolling evidently was well-received, given the favorable bond ratings cited above. We can probably expect the same tolling approach to be used in the other express toll lanes in GDOT's Major Mobility Investment Program (MMIP). The MMIP encompasses GDOT's major projects, including express toll lanes, interchange reconstruction, and general purpose lane widenings.

SR 400 is the first of a number of Atlanta express toll lane projects in the MMIP. Forthcoming MMIP projects are discussed below.

### 3.2.2 GEORGIA DOT I-285 PROGRESS

SR 400 is only the first step in GDOT's MMIP express lane projects. Subsequent projects will add express toll lanes to more than half of I-285 (referred to as "the perimeter" in Atlanta), from I-20 on the east to an east-west section interfacing with SR 400 and then proceeding south to I-20 on the west side. The first element of the I-285 project will be the I-285 East Express Lanes, for which teams have already been shortlisted. They are:

- East Peach Partners: ACS, Meridiam, and Acciona;
- East Perimeter Partners: Plenary, Sacyr and Shikun & Binui; and,
- Top End Mobility Group: Cintra, Transurban, and Star America.

While advancing the competition for I-285 East, GDOT is preparing a Request for Qualifications (RFQ) for I-285 West, which is expected to be released in the early months of 2026. GDOT has also completed the NEPA process for I-285 Top End. The Environmental Impact Statement (EIS) was released in January 2026, and comments can be submitted for 150 days, which will end in late June 2026.[43]

### 3.2.3 VIRGINIA'S I-495 NORTHERN EXTENSION (495 NEXT)

The latest addition to the express toll lanes network in the Virginia suburbs of Washington, D.C. opened in November on the Sunday before Thanksgiving. The P3 project by Transurban extended the existing express lanes 2.5 miles northward from the Dulles Corridor to the George Washington Memorial Parkway (GWMP) interchange. That brought the express lanes to the threshold of the American Legion Bridge. The project includes new dedicated express lanes access ramps from the Dulles Toll Road and the GWMP. The project cost was reported by *Public Works Financing* as $0.7 billion.[44]

*The latest addition to the express toll lanes network in the Virginia suburbs of Washington, D.C. opened in November on the Sunday before Thanksgiving.*

### 3.2.4 NORTH CAROLINA I-77 SOUTH EXPRESS LANES

Another major express lanes project advanced in 2025 in North Carolina: elevated express lanes between downtown Charlotte (where the existing I-77 express lanes terminate) and the South Carolina state line. After approvals by the Charlotte Regional Transportation Planning Organization in October 2024, NCDOT began the procurement process via a Request for Qualifications in August, with plans to select a shortlist in February 2026. NCDOT is also proceeding with an Environmental Assessment with a planned completion date of spring 2026. The project will add capacity to 11 miles of I-77 by adding two express

[43] Michael Bennon, "GDOT Completes NEPA for I-285 Top End," *Public Works Financing*, January 2026.
[44] Michael Bennon, "DC Express Lanes: 495 NEXT Opening Soon," *Public Works Financing*, October 2025.

toll lanes in each direction. Most of this will be elevated, due to land-use constraints. A draft RFP is expected in the first quarter 2026 with selection of the preferred bidder by second quarter 2027.[45]

### 3.2.5 TENNESSEE DOT CHOICE LANES

In April TDOT announced its shortlist of four teams for its I-24 Southeast Choice Lanes project. This is the first of four such projects approved by the legislature in 2022. The teams are led by:

- Cintra and Transurban
- Plenary, Shikun & Binui, and Sacyr
- ACS, Meridiam, and Acciona, and
- ASTM North America and FCC.

The winner will add two express toll lanes each way on I-24 between I-40 in Nashville and I-840 in Murfreesboro. TDOT aims to award the concession agreement in July 2026 and reach financial close by April 2027. The planned P3 concession term is 50 years.[46]

## 3.3 POTENTIAL FUTURE P3 TRANSPORTATION PROJECTS

### 3.3.1 MARYLAND/VIRGINIA AMERICAN LEGION BRIDGE

In January 2026 U.S. Transportation Secretary Sean Duffy met with Maryland Gov. Wes Moore to discuss reconstruction of this aging and under-sized bridge between Virginia and Maryland. They released a joint statement after the meeting that they "agreed about the need to speed up the reconstruction and leverage innovative approaches like a P3 that will ensure that Maryland, Virginia, and DC commuters can soon experience much-needed traffic relief from the most-congested corridor in America."[47] Prior to this meeting, USDOT released a request for information (RFI) on potential P3s for the bridge and also for express toll lanes north of the bridge on I-495 and I-270. That would make sense if the new bridge continues the express toll lanes on I-495 in Virginia, which now extend up to the bridge.

45 Michael Bennon, "I-77 South Express Lanes RFQ Published," *Public Works Financing*, July/August 2025.

46 Eugene Gilligan, Matt O'Brien, and Jonathan Carmody, "Tennessee Shortlists Four Teams for Managed Lanes Project," *Infralogic*, 28 April 2025.

47 Michael Bennon, "P3 Considered for American Legion Bridge, Again," *Public Works Financing*, January 2026.

The previous Maryland plan had included express toll lanes on its portion of the I-495 beltway and I-270.

### 3.3.2 LOUISIANA ST. BERNARD CORRIDOR

In October, the Port of New Orleans and the Louisiana Department of Transportation & Development signed an agreement to cooperate on the planned St. Bernard Transportation Corridor.[48] The corridor is envisioned as a (probably elevated) roadway linking Port NOLA to the Interstate highway system in New Orleans. Its intended users are trucks going to and from the port without impeding traffic flow on existing roadways in the area. It is likely to be carried out via a P3 according to statements by the two agencies. Port NOLA is a deepwater port on the Mississippi River with railroad access via the New Orleans Public Belt Railroad.

### 3.3.3 LOUISIANA BATON ROUGE BRIDGE

For several years, studies and planning have taken place for what is now called the Mississippi River South Bridge, to be located south of the existing I-10 bridge in Baton Rouge. Under a previous administration, the bridge was planned to be a toll bridge developed and operated as a P3. But with a different governor and a new head of the DOTD, that approach has not been decided upon, while work has continued on the planning and environmental review.[49] There are still three alternative routes to the planned bridge location south of Baton Rouge. A project website accessed in February 2026 still listed a very low estimated project cost of $1.5 billion; it also included tolls and a P3 along with potential federal IIJA funding.[50]

### 3.3.4 PENNSYLVANIA EXPRESS TOLL LANES

In December Pennsylvania DOT (PennDOT) revealed the contents of four unsolicited P3 proposals it had received earlier in the year. One of these is for adding express toll lanes on the Schuylkill Expressway (I-76).[51] The proposal was submitted by Cintra, revised from an

48 News release, "Port NOLA, DOTD Agree to Advance St. Bernard Corridor," *Infralogic*, 1 October 2025.

49 Liam Ford, "Louisiana Bridge May Not Be P3, Preferred Design Due 4Q25," *Infralogic*, 3 June 2025.

50 Baton Rouge Area Chamber, "Mississippi River South Bridge," https//brac.org/bridge (accessed 20 February 2026).

51 Eugene Gilligan, "Pennsylvania Studies Four Unsolicited Transport Proposals," *Infralogic*, 8 December 2025.

earlier proposal submitted in 2021. It would add two ETLs in each direction on a highly congested section of this expressway. The estimated total project cost is $5 billion. The proposal also includes "integration of public transit" and "new technologies." Cintra also offered to pay a $0.2 billion concession fee for what it proposed as a 50-year P3 concession. If PennDOT goes forward with this project, these would be the first express toll lanes in Pennsylvania.

*If PennDOT goes forward with this project, these would be the first express toll lanes in Pennsylvania.*

### 3.3.5 FORT LAUDERDALE BRIDGE AND TUNNEL DEBATES

The north-south railroad line served by both the Brightline passenger trains and Florida East Coast Railway freight trains crosses an aging railroad lift bridge across the New River. The bridge stays open most of the time, due to extensive boat traffic. Local debates rage over replacing the bridge with either a high-level bridge or a tunnel.[52] In 2025 Fort Lauderdale Mayor Dean Trantalis disclosed discussions with Meridiam about its experience with the Port of Miami Tunnel project, which was developed via an availability-payment P3.[53] A newer debate involves a proposal from the county transportation planning organization for traffic tunnels underneath the FEC Railway tracks on a number of east-west arterials.[54] Discussions of these plans have included potential P3s, inspired by the Port of Miami tunnel that was financed via a long-term availability-payment P3.

52 Susannah Bryan, "Fort Lauderdale Wants Tunnel," *South Florida Sun-Sentinel*, 27 December 2024.

53 Susannah Bryan, "Tunnel vs. Bridge: City Hopes Truce Ahead for Commuter Trains," *South Florida Sun-Sentinel*, 21 February 2025.

54 Susannah Bryan, "Traffic Tunnels Could Ease Gridlock in Fort Lauderdale, Planners Say," *South Florida Sun-Sentinel*, 22 October 2025.

### 3.3.6 ILLINOIS I-55 EXPRESS TOLL LANES

This project has been on Illinois DOT's website for a number of years after having been approved by the state legislature. Its website still includes the two feasibility studies, one from 2016 and the other from 2018. In 2023 the state legislature gave IDOT permission to use a P3 process for this project.[55]

### 3.3.7 OTHER POTENTIAL PROJECTS

Other projects in the discussion stage that might be developed as P3s are the following:

- Georgia I-20 West and I-20 East
- North Carolina US 74
- Virginia I-495 Southside and SR 28

[55] Michael Bennon, "Illinois I-55 Managed Lanes Gets Surprise Legislative Approval," *Public Works Financing*, May 2023.

PART 4

# PUBLIC PENSION FUND INFRASTRUCTURE INVESTMENT

## 4.1 INTRODUCTION

Pension funds, like insurance companies, have very large amounts of long-term liabilities—the promised benefits to future retirees. Accordingly, also like insurance companies, they need long-term investments that are likely to grow over time. Traditionally, most pension funds invested in relatively safe long-term bonds, as well as relatively safe corporate stocks in industries such as railroads and investor-owned utilities. U.S. pension funds cannot invest in government utilities and other infrastructure (such as airports or seaports) because those facilities' bonds are tax-exempt, and that exemption offers no benefit to nonprofit, tax-exempt pension funds. And they cannot invest in shares of government utilities since there are no such shares.

Over the last three decades, as noted in Part 1, governments in many countries have privatized government-owned utilities (electricity, water, telecommunications, airports, seaports, toll roads). When the privatization transfers actual ownership, shares in such companies trade on stock markets, and can be purchased and held by pension funds as alternative long-term investments. When privatization takes the form of a long-term public-

private partnership, the P3 entity is typically financed via a mix of revenue bonds and private equity. Infrastructure investment funds, as described in Part 2, assemble portfolios of infrastructure equity, in which pension funds can invest.

*When privatization takes the form of a long-term public-private partnership, the P3 entity is typically financed via a mix of revenue bonds and private equity.*

When a pension fund decides to allocate a portion of its assets to infrastructure, it generally deals with one or more funds such as those listed in Table 1 in this report. The pension fund itself in most cases does not have the specialized knowledge to select specific P3 projects in which to invest. It allocates a sum to an infrastructure fund for two reasons: to take advantage of the fund's expertise in investor-owned and P3 infrastructure and to gain the advantage of a balanced portfolio of projects and companies. This is analogous to an individual investor buying mutual funds rather than individual stocks.

Australian and Canadian public pension funds pioneered infrastructure investing in the 1990s. Australia's federal government in 1992 required employers to set aside 3% of nearly all employee wages in their choice of approved pension funds. Over several decades, the requirement was gradually increased to 9.5%. Due in part to Australia's large-scale privatizations of utilities and infrastructure in subsequent years, its pension funds had increasing domestic infrastructure investment opportunities. As the pension funds grew in size, they diversified their infrastructure investments to other countries that employed privatization and long-term P3s. In the process, several Australian infrastructure investors became key global companies in that field, such as Macquarie (#4 in Table 1) and IFM Investors (#13).

The advent and growth of public pension fund investment in Canada was documented in a paper prepared for the Harvard Law School in 2022.[56] A 1986 task force created by Canadian Treasurer Robert Nixon began with a study of how Ontario's public pensions'

[56] Keith Ambachtsheer, "How Peter Drucker Revolutionized Canada's Public Sector Pension System: Lessons for Americans," Harvard Law School Forum on Corporate Governance, 8 December 2022.

investment returns could be improved. In 1990, the first new pension system was created—Ontario Teachers' Pension Plan (OTPP), with a charter that insulated it from politics. Its strategy of investing in private markets in equities, real estate, and infrastructure became the model for a set of similar national and provincial pension systems.

> *In 1990, the first new pension system was created—Ontario Teachers' Pension Plan (OTPP), with a charter that insulated it from politics.*

The larger Australian and Canadian public pension funds have developed considerable expertise in evaluating which infrastructure to invest in. Hence, in many cases they are direct investors in specific companies and long-term revenue-financed P3s. By contrast, most U.S. public pension funds, since they lack the experienced staff to evaluate individual companies and P3 concessions, generally invest in larger infrastructure funds such as those in Table 1 of this report.

## 4.2 INTERNATIONAL PENSION FUND INFRASTRUCTURE DEVELOPMENTS, 2025

Overall, 2025 was a good year for Australian pension systems, which pioneered infrastructure investing for pension funds. Australian funds finished the financial year ending December with "stellar returns," according to Barbara Drury of *SuperGuide*. The median growth fund was up 10.2% for the year.[57]

Canadian pension funds did not do as well in 2025. Northern Trust reported "muted returns" in the fourth quarter of 2025, with returns of 0.7% for that quarter and 4.4% for the full year.[58]

Here are some examples of transactions by leading Australian and Canadian pension funds in 2024.

[57] Barbara Drury, "Pension Fund Performance to December 2025," *SuperGuide*, 22 January 2026.

[58] Matt Toledo, "Canadian Pension Plans Delivered Muted Returns in Q4 2025 Amid a Shifting Geopolitical Landscape," Northern Trust, 3 February 2026.

### 4.2.1 AUSTRALIAN PENSION FUNDS

Australia's sovereign wealth fund, Future Fund, increased its infrastructure allocation to 11.4% in 2025. The fund delivered 12.2% annual return in the year ending on June 30, 2025.[59]

***IFM Investors:*** IFM's Global Infrastructure Debt Fund announced two investments in UK infrastructure projects in October. The announcement was made by the UK pension plan National Employment Savings Trust.[60] IFM also announced three new limited partners for its open-ended Global Infrastructure Fund, two pension funds from Switzerland and one from the UK.[61]

### 4.2.2 CANADIAN PENSION FUNDS

***CPPIB (Canada Pension Plan Investment Board):*** This pension fund had a busy year. In July *Infralogic* reported that it was in talks with NKC Projects to acquire a portfolio of highway projects in India, which are available from the National Highway Authority of India.[62] In August, the fund announced an increase in its assets to C$731 billion of net assets.[63] In October CPPIB announced the acquisition of an additional 25% stake in FCC's waste management unit.[64] And in October, it announced plans to double its investments in infrastructure in India.[65]

***OTPP (Ontario Teachers' Pension Plan):*** In March, OTPP announced that its return on investments for 2024 was 9.1%, exceeding its 85% benchmark.[66] OTPP also continues to

59 News release, "Future Fund's Infra Allocation Rises to 11.4%," *Infralogic*, 9 September 2025.

60 News release, "IFM Fund Completes GBP 85 Million Investment in UK Infrastructure Projects," *Infralogic*, 22 October 2025.

61 Christina Pantaelly, "IFM's Global Infra Fund Brings Onboard Three New LPs," *Infralogic*, 28 October 2025.

62 Rouhan Sharma, "CPPIB and Neo Asset in Talks to Buy India Roads Portfolio," *Infralogic*, 7 July 2025.

63 Eugene Gilligan, "CPP Investments Announces CAD 17.3B Increase in Net Assets," *Infralogic*, 14 August 2025.

64 News release, "CPPIB to Buy Additional 25% Stake in FCC Waste Unit," *Infralogic*, 10 October 2025.

65 Rouhan Sharma, "CPPIB to Double Down on India Infra, Energy Investments," *Infralogic*, 29 October 2025.

66 Eva Llorens, "Ontario Teachers' Pension Plan Outperforms 2024 Infrastructure Returns," *Infralogic*, 21 March 2025.

revamp its airports portfolio. In June it agreed to sell its stake in Brussels Airport to a Flemish investment company; it has owned the stake since 2011.[67]

***PSP Investments (Public Sector Pension Investment Board):*** PSP in June reported improved results in its 2025 fiscal year. It had a 12.6% one-year net return, which out-performed its reference portfolio return by 1.5%. Even better, the one-year rate of return for its C$32 billion infrastructure portfolio was 17.8%, compared with its 10-year average return of 13%.[68]

***OPTrust:*** This Canadian pension fund owns 40% of Globalvia. It had planned to sell that stake in 2025, but in June announced that the sale had been halted, because offers from several other infrastructure investors had not met its expectations. Globalvia owns 1,200 km of motorways in Europe, Latin America, and the United States.[69]

***CDPQ:*** This pension fund owns 60% of Maple Infrastructure Trust and is also seeking to raise C$0.4 billion in a new fund-raising round. *The Economic Times* reported that Blackstone, Macquarie, and Vinci Highways are interested in a minority stake in Maple, according to *Infralogic*'s report in July.[70]

## 4.3 U.S. PUBLIC PENSION FUND DEVELOPMENTS

U.S. public pension systems still have a long way to go to match their Australian and Canadian counterparts. According to a report from Reason Foundation's Pension Integrity Project, at the end of their 2024 fiscal year, total unfunded liabilities for U.S. public employee pension systems were $1,480 billion, with state pension plans carrying the majority of the debt. The median funding ratio of public pension plans stood at 78%, a 3% increase from the previous year. But stress tests suggest that another economic downturn could significantly increase their unfunded liabilities. A Reason stress test scenario for 2026, assessing the impact of a 20% market downturn, could increase their unfunded liabilities to as much as $2,740 billion.[71]

67 News release, "OTPP to Sell Stake in Brussels Airport to PMV," *Infralogic*, 13 June 2025.

68 News release, "Infrastructure Portfolio Drives Outperformance for PSP Investments," *Infralogic*, 13 June 2025.

69 Brendan Malkin and Antonio Fabrizio, "OP Trust Stops Glovalvia Stake Sale," *Infralogic*, 16 June 2025.

70 News release, "GIP, Macquarie, and Vinci Eye CDPQ-Owned India Trust Stake," *Infralogic*, 8 July 2025.

71 Ryan Frost, Truong Bui, Jordan Campbell, Mariana Trujillo, and Steve Vu, "Annual Pension Solvency and Performance Report," Reason Foundation, 30 October 2025.

Table 9 is extracted from the Reason Foundation report. It focuses on state pension systems and reports the unfunded accrued liability (UAL) of each and its funding ratio (percentage of its assets to its liabilities). Only three state systems (increased from only one last year) were slightly more than 100% funded as of the end of FY 2024.

## TABLE 9: STATE PUBLIC PENSION SYSTEM UNFUNDED LIABILITIES, FISCAL YEAR 2025

| State | UAL (billions) | Funded Ratio |
|---|---|---|
| Tennessee | $-2.9 | 104% |
| Washington | $-4.5 | 103% |
| South Dakota | $0 | 100% |
| Utah | $2.6 | 95% |
| Wisconsin | $8.6 | 94% |
| New York | $44.8 | 94% |
| Nebraska | $1.7 | 93% |
| Iowa | $4.3 | 92% |
| West Virginia | $1.8 | 91% |
| Maine | $2.6 | 88% |
| Delaware | $1.9 | 88% |
| Minnesota | $13 | 88% |
| North Carolina | $20.2 | 86% |
| Idaho | $3.7 | 86% |
| Oklahoma | $7.9 | 85% |
| Wyoming | $2.0 | 85% |
| Arkansas | $7.4 | 84% |
| Virginia | $24.5 | 84% |
| Florida | $43.9 | 82% |
| California | $264.7 | 82% |
| Missouri | $20.8 | 81% |
| Texas | $91.1 | 80% |
| Georgia | $33.1 | 80% |
| Oregon | $22.4 | 79% |
| Ohio | $60.4 | 79% |
| Indiana | $11.6 | 79% |
| Nevada | $18.1 | 78% |
| Louisiana | $18.3 | 77% |
| Michigan | $35.6 | 75% |
| Montana | $4.7 | 75% |
| Arizona | $27.3 | 74% |
| Maryland | $30.5 | 73% |
| Kansas | $11.4 | 72% |
| Alaska | $7.4 | 71% |
| North Dakota | $3.3 | 70% |
| Alabama | $21.7 | 70% |
| Colorado | $29.8 | 70% |
| New Hampshire | $5.7 | 69% |
| Vermont | $3.4 | 67% |
| Massachusetts | $44.1 | 66% |
| Pennsylvania | $66.6 | 66% |
| New Mexico | $18.4 | 66% |
| Rhode Island | $6.1 | 65% |
| Hawaii | $14.1 | 63% |
| South Carolina | $27.7 | 62% |

| State | UAL (billions) | Funded Ratio |
|---|---|---|
| Connecticut | $37.3 | 60% |
| Mississippi | $26.6 | 56% |
| New Jersey | $92.0 | 55% |
| Kentucky | $39.6 | 54% |
| Illinois | $200.9 | 52% |

**Source: Reason Foundation 2025 "Annual Pension Solvency and Performance Report"**

To increase their overall investment return, J.P. Morgan Asset Management several years ago suggested that a typical U.S. pension fund "should start off by allocating 5 to 10% of its assets to [property and infrastructure], with the share rising to 15-20% over time."[72] It's unlikely that any U.S. public pension system comes close to that.

A growing number of state and local government pension systems made initial or increased commitments of funds to infrastructure investment in 2025, nearly always via one or more infrastructure investment funds. *Infralogic* has monitored this trend since 2017. Table 10 summarizes the number of commitments and the total invested in each year from 2017 through 2025.

**TABLE 10: U.S. PUBLIC EMPLOYEE PENSION FUND INFRASTRUCTURE COMMITMENTS**

| Year | Number of Commitments | Total ($M) |
|---|---|---|
| 2017 | 149 | $10,746 |
| 2018 | 157 | $12,681 |
| 2019 | 152 | $14,606 |
| 2020 | 130 | $13,248 |
| 2021 | 155 | $13,213 |
| 2022 | 181 | $18,543 |
| 2023 | 238 | $23,866 |
| 2024 | 254 | $21,350 |
| 2025 | 165 | $17,464 |

**Source: Infralogic, table created for Reason Foundation**

To illustrate the kinds of fund commitments state employee pension systems made in 2025, Table 11 lists those reported by *Infralogic* in weekly reports during 2025. These listings are for state-level systems for state employee pensions; excluded are state-managed systems for local employees (such as city and county public safety employees) and systems run by county and city governments.

[72] Buttonwood, "Do Physical Assets Offer Investors Refuge from Inflation?" *The Economist*, 11 September 2021.

## TABLE 11: STATE PUBLIC EMPLOYEE PENSION SYSTEM 2024 INFRASTRUCTURE COMMITMENTS

| State | Pension System | Amount ($M) | Infra Fund | Month |
|---|---|---|---|---|
| Alaska | Alaska Retirement Management Board | $75 | Global Infrastructure Partners | June |
| Alabama | University of Alabama System | $15 | Rockland Power Partners IV | August |
| Arkansas | Arkansas Teacher Retirement System | $100 | Blackstone Strategic Partners Infra IV | February |
| Arkansas | Arkansas Teacher Retirement System | $50 | AxInfra NA II | April |
| Arkansas | Arkansas Teacher Retirement System | $50 | KKR Diversified Core Infra | April |
| California | CalPERS | $500 | TPG Rise Climate Transition Infra | June |
| California | CalPERS | $1,000 | West Street Climate, Goldman Sach | September |
| California | State Teachers Retirement System | $250 | Stonepeak Infra Fund V | March |
| Connecticut | Retirement Plans & Trust Funds | $150 | ISQ Global Infrastructure Fund IV | November |
| Connecticut | Retirement Plans & Trust Funds | $150 | ISQ Growth Market Fund IV | November |
| Connecticut | Retirement Plans & Trust Funds | $200 | HarbourVest Infra Income | September |
| Connecticut | Retirement Plans & Trust Funds | $280 | Blackstone Infrastructure Partners | September |
| Connecticut | Retirement Plans & Trust Funds | $200 | HarbourVest Infra Partners | September |
| Connecticut | Retirement Plans & Trust Funds | $250 | Palistar Digital Infra Fund III | September |
| Colorado | Fire & Police Association | $35 | Arcus European Infra Fund 4 | December |
| Florida | State Board of Administration | $150 | Principal Data Center Growth & Income | February |
| Florida | State Board of Administration | $150 | Blue Owl Digital Infra Fund III | August |
| Florida | State Board of Administration | $150 | ISQ Growth Markets Infra Fund | August |
| Florida | State Board of Administration | $125 | Energy Capital Partners VI | August |
| Florida | State Board of Administration | $150 | Asterion Industrial Infra III | November |
| Illinois | Teachers Retirement System | $100 | Principal Data Center Growth & Income | February |
| Illinois | Teachers Retirement System | $200 | Brookfield Infra Debt Fund IV | June |
| Illinois | Teachers Retirement System | $200 | Strategic Partners Infra IV | August |
| Kansas | Public Employees Retirement System | $70 | JP Morgan Infra Investments Fund | April |
| Kansas | Public Employees Retirement System | $140 | Brookfield Super-Core Infra Partners | May |
| Kansas | Public Employees Retirement System | $85 | Principal Data Center Growth | November |
| Kentucky | University of Kentucky | $12 | Blue Owl Digital Infra Fund III | August |
| Kentucky | University of Kentucky | $15 | Lime Rock New Energy II | August |
| Maine | Public Employees Retirement System | $25 | KKR Global Infra Investors V | August |
| Maine | Public Employees Retirement System | $100 | KKR Diversified Core Infra Fund | August |
| Maryland | MD State Retirement & Pension System | $250 | Stonepeak Core Fund | June |
| Michigan | Michigan Retirement System | $100 | Duration Transport Infra Capital | March |
| Mississippi | Public Employee Retirement System | $150 | Blackstone Infrastructure Partners | December |
| Mississippi | Public Employee Retirement System | $150 | Brookfield Super-Core Infra Partners | December |
| Mississippi | Public Employee Retirement System | $150 | EQT Active Core Infrastructure | December |
| Mississippi | Public Employee Retirement System | $150 | JPMorgan Global Transport Income | December |
| Montana | Board of Investments | $158 | EQT Infrastructure | March |
| Montana | Board of Investments | $75 | Copenhagen Infrastructure | September |
| Montana | Board of Investments | $135 | CBRE Musselshell Infra Investments | December |
| New Hampshire | New Hampshire Retirement System | $100 | JPMorgan Infra Investments Fund | August |
| New Hampshire | New Hampshire Retirement System | $100 | KKR Global Infra Investors V | December |
| New Jersey | Division of Investments | $200 | EQT Infrastructure | October |
| New Jersey | State Investment Council | $87 | DIF Value-Add IV | August |
| New Mexico | State Investment Council | $200 | iCON Infra Partners VII | April |
| New Mexico | Educational Retirement Board | $50 | NOVA Infrastructure Partners | June |

| State | Pension System | Amount ($M) | Infra Fund | Month |
|---|---|---|---|---|
| New Mexico | State Investment Council | $50 | iCON Infra Partners VII | April |
| New Mexico | Public Employees Retirement Assn. | $150 | KKR Diversified Core Infrastructure | July |
| New Mexico | State Investment Council | $100 | Partners Group Direct Infra IV | September |
| New Mexico | State Investment Council | $220 | Antin Infrastructure Partners | May |
| New Mexico | State Investment Council | $350 | InfraVia European Fund VI | August |
| New Mexico | State Investment Council | $150 | GI Data Infra Fund II | August |
| New Mexico | State Investment Council | $125 | Tallvine Middle Market Infra. | August |
| New York State | Common Retirement Fund | $43 | Quantum Energy Partners VIII | January |
| New York State | Common Retirement Fund | $250 | Oaktree Power Opportunities VII | January |
| New York State | Common Retirement Fund | $7 | Quantum Energy Partners Co-Invest | January |
| New York State | Common Retirement Fund | $400 | Blue Owl Digital Infra Fund III | February |
| New York State | Common Retirement Fund | $100 | Blue Owl co-investment | February |
| New York State | Common Retirement Fund | $150 | Sustainable Asset Fund IV | April |
| New York State | Teachers Retirement System | $100 | Digital Bridge Partners III | April |
| New York State | Teachers Retirement System | $50 | Digital Bridge co-investment | April |
| Ohio | School Employees Retirement System | $150 | Global Infrastructure Partners V | February |
| Ohio | School Employees Retirement System | $75 | GIP Sidecar | February |
| Ohio | School Employees Retirement System | $75 | Brookfield Global Transition Fund II | February |
| Ohio | School Employees Retirement System | $75 | Brookfield Global Transition Fund II | April |
| Ohio | Police and Fire Pension Fund | $80 | Meridiam Infra North America | September |
| Ohio | School Employees Retirement System | $35 | Manulife Infra Fund III | September |
| Ohio | School Employees Retirement System | $35 | Manulife co-invest | September |
| Ohio | Police and Fire Pension Fund | $50 | Cloud Capital Fund II | December |
| Oklahoma | Teachers Retirement System | $280 | Brookfield Super-Core Infra Partners | September |
| Oklahoma | Teachers Retirement System | $280 | Blackstone Infrastructure Partners | September |
| Oregon | Investment Council | $350 | Stonepeak Infrastructure | April |
| Oregon | Investment Council | $350 | Stonepeak Infrastructure | June |
| Oregon | Investment Council | $150 | Lotus Infrastructure | September |
| Oregon | Investment Council | $150 | Stonepeak Global Renewables | October |
| Pennsylvania | Public School Employees Retirement | $117 | DIF Infrastructure VIII | August |
| Texas | Teacher Retirement System | $100 | ArcLight Power Infra Partners | June |
| Texas | Teacher Retirement System | $100 | ArcLight Aransas Principal | June |
| Texas | Teacher Retirement System | $150 | Energy Capital Partners VI | June |
| Texas | Teacher Retirement System | $25 | Tailwater Infra CVI | October |
| Virginia | Retirement System | $150 | iCON Infra Partners VII | June |
| Washington | State Investment Board | $300 | Stonepeak Infra Fund V | June |
| Washington | State Investment Board | $500 | ISQ Global Infra Fund IV | September |
| Washington | State Investment Board | $100 | ISQ co-investment | September |
| Washington | State Investment Board | $400 | TPG Rise Climate | June |

**Source: *Infralogic* "Weekly Fund Commitments," January through December 2025**

The 26 states in this table made commitments in 2025 totaling $13.3 billion to the infrastructure investment funds listed. The largest total was that of CalPERS in California, at $1.8 billion. In second place was much smaller New Mexico, at $1.4 billion, followed by Washington ($1.3 billion) and Connecticut ($1.2 billion).

## 4.4 CAUTIONS ABOUT U.S. PENSION FUND INFRASTRUCTURE INVESTMENTS

Infrastructure investment funds are categorized as "private equity" (PE). Such funds are not publicly traded; therefore, information on their performance is not widely available. In January 2025, *The Wall Street Journal* reported concerns being expressed by institutional investors, including pension funds, regarding the limited visibility of PE.[73] Seeking greater transparency is the Institutional Limited Partners Association (ILPA), whose members include the state pension funds of California and Wisconsin. In January 2025 it unveiled proposed guidelines to standardize financial reporting by PE firms. According to data firm Preqin, public pension systems, university endowments, and charitable foundations have about doubled their investments in PE since 2018. CalPERS, Texas Teachers, and Wisconsin Investment Board are members of ILPA's steering committee.

The efforts of ILPA to increase transparency of PE fees and performance are worthwhile. Infrastructure appears to continue to be a sound investment, but investors such as pension systems, university endowments, and charitable organizations should be able to view the performance and fee structures of infrastructure investment funds and other categories of private equity.

[73] Matt Wirz, "Private Equity Pressed to Open Up," *Wall Street Journal*, 23 January 2025.

# ABOUT THE AUTHOR

**Robert W. Poole, Jr.** is founder and former president of Reason Foundation, a national public policy think tank based in Los Angeles. He is nationally known as an expert on privatization and transportation policy.

During the 1970s he worked as a consultant on state and local public service delivery for several California-based research firms. He was the first person to use the term "privatization" to refer to the contracting-out of public services. His 1976 booklet on contracting-out municipal services led to a book contract for what became the first-ever book on privatization, *Cutting Back City Hall*, published by Universe Books in 1980.

He launched the Reason Foundation in 1978 as a think tank dealing with public policy issues, including privatization. It took over publication of his newsletter, *Fiscal Watchdog*, later renamed *Privatization Watch*—the first-ever newsletter on privatization. Under Reason's auspices, he conceived and edited three books: *Instead of Regulation* (1982), *Defending a Free Society* (1984), and *Unnatural Monopolies* (1985), all published by D.C. Heath/Lexington Books. With Virginia Postrel, he edited *Free Minds & Free Markets: 25 Years of Reason* (Pacific Research Institute, 1993). His book *Rethinking America's Highways* was released by the University of Chicago Press in 2018.

During the Reagan years he consulted on privatization with the White House Office of Policy Development, and he testified before the President's Commission on Privatization. He worked with the Bush White House on what became Executive Order 12803 on

infrastructure privatization. During the Clinton years he advised Vice President Gore's National Performance Review and the White House National Economic Council on privatization issues. In 2000–2001 he was a member of the Bush-Cheney transition team on transportation policy. He is a member of the boards of Reason Foundation, and the Public-Private Partnerships division of the American Road & Transportation Builders Association. He is also a member of the Transportation Research Board's P3 Subcommittee and a former member of its Managed Lanes Committee.

He is the author of dozens of policy studies and journal articles on transportation issues. His popular writings have appeared in national newspapers, including *The New York Times* and *The Wall Street Journal*; he has also been a guest on such network TV programs as "Crossfire," "Good Morning America," and "The O'Reilly Factor," as well as ABC and NBC News.

He received his B.S. and M.S. in mechanical engineering at MIT and did graduate work in operations research at NYU.