

Angel's Testimony in Opposition to House Bill 8344 "Public-Private Partnership Infrastructure Program"

June 9, 2024

To the House Committee on Corporations,

My name is Angel Lopez. I am a Puertorriqueño resident of Providence. I attest that Water is Life and that my Biometric Data is Not for Sale. I am here today in opposition to House Bill 8344. The views I expressed are unaffiliated and are intended to protect the interests of the Public. HB 8344 will create an additional expense for every department engaged in a Public Private Agreement. This bill contains one good item, material default. However, that section contains weaknesses as it states that the state will fund the takeover of a Public Private Agreement, which can be extremely costly. In 2010, The City of Indianapolis paid Veolia \$29 Million to exit the exclusive water contract because it was deemed that Veolia could not realize savings under the constraints of the contract (Source: <https://foodandwaterwatch.org/wp-content/uploads/2021/03/Veolia-Water-Profile-FS-Aug-2013.pdf>). Thus, material default could take a significant amount of time and place a financial burden on municipalities especially if those services are being delivered to marginalized minority populated communities within Providence County.

This bill contains nothing in the language that it will hold any entity engaged in Public Private agreements liable for willful neglect or malpractice determined to be associated with retaliation by the State Court. The section on Sovereign Immunity of this legislation is leaving an opening for any company involved in a Public Private Agreement to sue the State, any of its departments, and elected officials. This bill is creating a market that will allow exploitative business models to Design-Build-Finance-Operate-Maintain facilities for 50 years or more if approval by the Governor is obtained (Page 9 line 34 and Page 10 line 1). I was listed as an approved Vendor for the RI Rebounds Technical Assistance Program and within that Vendor Agreement that I signed, there was an indemnification clause stating I could not hold the state culpable of any harm done to my business while providing services to clients approved by the RI Small Business Hub.

My biggest concern with HB 8344 comes from Definition (22) Qualified Facility on page 4, which includes a public safety facility on line 17. Law Enforcement falls under Public Safety and when I analyze the impact of a private, for-profit operator of a public safety facility influencing the operations of a municipal police department, pushing to seize public and private property via eminent domain the result is catastrophic for residents and municipal budgets. The losses would also be unrecoverable from the operator creating another budget gap to cover.

If this legislation were doing its absolute best to prevent Public Private Agreements with exploitative business models from operating with our government, it would contain controls and prohibitions against:

- Off Balance Sheet Financing which is bad for municipalities because it does not relieve the municipality from paying off the debt and the principal balance owed may be excluded from the public. The interest payments will be disclosed, but the payments towards principle may be hidden under another category, thus misleading the public.
- Drop and throw financing a loan restructuring tactic that is bad for communities as it does not solve the problem and only extends it out into the future which will allow for hiding actual municipal fiscal problems from the public.

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- Lump Sum up front payments which allow for the public enticement of decision makers. Lump Sum of Front payments are bad for municipalities because they lead to corruption, concealment of information that should be public knowledge "like a contaminated Water Source" and lead to deals that are bad for residents by making them pay more for lower quality services.

I ask all members of this committee to hold House Bill 8344 until the appropriate protections for residents and municipal budgets are included in this legislation along with restrictions on the types of services and departments that would not be allowed to engage in Public Private Agreements.

Sincerely,

Angel Lopez
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