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# HOW A EUROPEAN BANK'S UNIQUE EXPERTISE CAN HELP ADVANCE THE MASSIVE US INFRASTRUCTURE AGENDA



INTERVIEW WITH  
EMMANUEL CHESNEAU  
HEAD OF NATURAL RESOURCES  
AND INFRASTRUCTURE,  
SOCIETE GENERALE, AMERICAS

The \$1 trillion Infrastructure Investment and Jobs Act (Infrastructure bill) that was signed into law on November 15th, 2021, is intended to “make long overdue improvements for our nation’s ports, airports, rail, and roads, and grow the economy sustainably.”

For Societe Generale, the approval of this massive agenda means a once in a lifetime opportunity to put the bank’s expertise in project finance to work for its clients.

In the following interview, we ask the newly appointed head of Societe Generale America’s Natural Resources and Infrastructure business, Emmanuel Chesneau, what the significance of the bill is for both the country and SG.

**Q: The new bill is the largest investment in American infrastructure in decades. What role can Societe Generale play to bring some of these projects to fruition so they can make an impact on American communities?**

**A:** Infrastructure spending is ultimately an investment in the future. In the case of this bill, it's an investment in a greener and more sustainable future. It's also an opportunity for us to partner with our clients so they can get to work on some of the projects laid out in the new bill.

What is fairly unique about this bill is its focus not just on rebuilding, but on rebuilding in an environmentally friendly manner. Our extensive experience and sector-specific expertise in many of the infrastructure areas identified in the bill make us a strong partner for clients who will help realize these sustainable projects.

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**THE LAGUARDIA PROJECT  
CAN SERVE AS AN EFFECTIVE  
TEMPLATE FOR US TO HELP MAKE  
THESE GOALS A REALITY**  
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In addition to the bill's focus on the environmental, or 'E,' aspect of ESG, is a focus on the social, or 'S,' aspect of ESG. Some of the bill's social focus expresses itself in the bill's goal of providing better access to transportation in underserved communities, as well as the bill's goal of expanding broadband networks to reach rural and isolated areas.

**Q: Looking specifically at the content of the bill, there is a major investment in public transportation. How can Societe Generale help meet the goal of expanding access to public transportation for millions of Americans?**

**A:** The new legislation includes an allocation of \$39 billion to modernize transit systems over the next five years. One important aspect of the plan to improve the transportation options for millions of Americans is to replace thousands of deficient transit vehicles – including buses – with clean, zero-emission vehicles.

As a bank, we've been committed to green financing and positive-impact loans for projects that promote environmental sustainability by reducing greenhouse gases and air pollutants. We have direct, relevant experience in this area, having jointly led the financing of a \$129.5MM government program in Santiago, Chile launched in 2019. As part of an environmentally friendly urban development policy, a new program was created to replace all current city buses with new-energy vehicles by 2040.

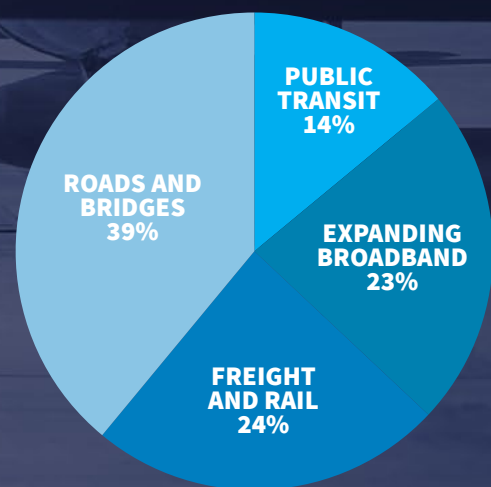
Currently, there are more than 400 electric buses operating in the RED system, making Santiago the city home to one of the largest electric bus fleets outside of China. We're proud of our role in this significant effort and believe that these zero-emission, 100% electric buses serve as an example of a successful effort to decarbonize public transportation

infrastructure. We believe that our experience in Santiago positions us well to lead the financing of similar projects in the United States – projects that will expand transportation options, as well as reduce overall emissions, in communities that have traditionally been under-served.

**Q: The bill also makes a sizable investment to modernize American airports. How does your experience with New York's LaGuardia airport position you?**

**A:** We supported the comprehensive redesign project of LaGuardia, a major airport in New York City. Our role as a financial advisor in this \$4 billion development project facilitated the modernization of the airport, allowing a world-class transportation hub to develop in Manhattan. This was both the largest airport financing deal, as well as the largest greenfield public-private partnership, ever completed in the US.

With a goal of modernizing American airports while driving electrification and other low-carbon technologies, the projects laid out in the Infrastructure bill are much needed. We believe that the success of the LaGuardia project can serve as an effective template for us to help make these goals a reality.





**Q: What role can the bank play in helping to facilitate the expansion of broadband across the US?**

**A:** The pandemic forced tens of millions of Americans into remote working and learning environments, making reliable internet a necessity. In communities with a lack of broadband access, the challenges of this move to remote life were exacerbated. The Infrastructure bill has earmarked \$65 billion for expanding broadband connections to underserved and rural communities.

Societe Generale is one of the leading banks in financing digital infrastructure, with more than 30 transactions over the past four years, and more than \$25 billion spent in digital infrastructure. A couple recent projects we've advised on and supported in Europe provide a good illustration of the expertise we are ready to put to work in the US. The first I'd mention is our lead role in the Unsere Grüne Glasfaser (UGG), a joint venture to deploy fiber optic in Germany's remote areas with a goal of reaching more than two million households. The UGG is a key component of the German government's plan to provide nationwide gigabit convergent internet infrastructure by 2025.

We were also one of the lead banks behind Italy deploying its national ultra-broadband network, the largest in Europe with total investment in excess of c. EUR6bn connecting approximately 19 million households covering both dense areas and rural areas. This will guarantee a connectivity of at least 100 Mbps for up to 85% of the population and 30 Mbps to the whole country, as part of the Italian ultra-broadband strategy and EU Digital Agenda.

So, we really believe in the capabilities demonstrated by our infrastructure and technology, media and telecom teams to provide innovative and efficient solutions for projects with significant and positive social and economic impacts positions us well to help make greater internet reach in the US a reality.

**Q: What are the implications of the Infrastructure bill for renewable energy?**

**A:** The bill seeks to modernize and upgrade America's power infrastructure in order to deliver clean, reliable energy across the country. The \$65 billion allocated for this includes the largest investment in clean energy transmission and grid in American history. This includes planned upgrades to power infrastructure and building thousands of miles of new transmission lines to facilitate the expansion of renewables and clean energy.

Societe Generale plays a leading role advising on and financing renewable energy projects. In the Americas alone, we've has been involved in nearly \$6 billion of financing on related projects.

A great example of our successful work in this area is the Western Spirit Wind & Transmission Project, a collection of four wind farms that, combined, will include 377 turbines and generate over one gigawatt of carbon-free, renewable energy – enough to power almost 600,000 homes. The associated 150-mile transmission line will plug directly into New Mexico's electric grid. Western Spirit is the largest single-phase construction of renewable power in US history and once in operation, will be the second largest wind farm in the US.

Building off the success of that project, we have a tremendous opportunity to use our expertise in the area of renewables to help ensure that the largest investment in clean energy transmission in US history is done in an efficient manner and serves to brings the country's grid into a sustainable future.



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