



## Using a Public-Private Partnership Is the Best Approach For Rebuilding Louisiana's I-10 Calcasieu Bridge

*Louisiana's Calcasieu Bridge opened in 1952. The 71-year-old bridge is far beyond its design life. It has only four lanes, rather than six on I-10, creating a traffic bottleneck. Refurbishing the obsolete bridge would be a waste of taxpayers' money. The construction of a state-of-the-art bridge is essential for motorists, taxpayers, and Louisiana's economy.*

### 1. Tolling can be implemented on Interstates in three cases:

- ❖ The replacement of a non-tolled bridge or tunnel;
- ❖ Construction of new lanes; or
- ❖ All lanes in metro areas when there is severe traffic congestion.

### 2. Design-build-finance-operate-maintain (DBFOM) public-private partnerships (P3s) are best suited to megaprojects (like the Calcasieu Bridge), which are among the riskiest transportation projects for states due to frequent cost overruns and delays. Significant benefits of DBFOM P3s include:

- ❖ Financial risks are transferred from taxpayers to private investors, including responsibility for cost overruns, late completion, failure to meet traffic forecasts, and toll revenue shortfalls.
- ❖ Fifty years of guaranteed maintenance is typically built into the long-term P3 contract.
- ❖ Early-termination provisions in the agreements allow the state to hold private partners accountable.
- ❖ Revenue-based financing frees up state transportation funds for other projects across the state.
- ❖ U.S. highway P3 projects spend an average of 54% of their budgets on state and local subcontractors.
- ❖ There has been extensive, successful use of DBFOM P3s in Atlanta, Dallas, Denver, Houston, Miami, Orlando, and the Virginia suburbs. Illinois and Tennessee passed 2023 legislation to use them as well.

### 3. The trucking industry's concerns about tolling the bridge are unfounded.

- ❖ A tolled bridge is not 'double taxation.' Louisiana does not have enough state fuel tax money to finance the \$2.1 billion bridge replacement with existing revenue alone.
- ❖ The fuel tax revenue is federal and state funding and would cover 38% of the \$2.1 billion cost.
- ❖ Trucks could choose to avoid the tolls by taking I-210, which would take 10-12 minutes longer than using the new bridge but be a toll-free trip.
- ❖ There are multiple major toll-financed new bridges across the U.S., including:
  - ❖ Belle Chasse Bridge and Tunnel in Louisiana (operational)
  - ❖ Ohio River bridges in Kentucky and Indiana (operational)
  - ❖ Gordie Howe Bridge in Michigan (under construction)
  - ❖ I-10 Mobile River Bridge in Alabama (construction starts in 2024)
  - ❖ I-5 bridge replacement in Oregon and Washington (planned)
  - ❖ Mississippi River I-10 crossing in Baton Rouge, Louisiana (planned)

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