



PROFESSIONAL ENGINEERS



IN CALIFORNIA GOVERNMENT

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PECG Applauds House P3 Report, Cites California Fiascos

SACRAMENTO, Calif. – Following today’s release of the House Transportation & Infrastructure Panel’s report on Public-Private Partnerships, the Professional Engineers in California Government (PECG) commends the Panel members for their thoughtful analysis of this critical issue. PECG strongly supports the Panel’s call to create a list of best practices for public-private partnerships.

California’s experience with P3 transportation projects has been disappointing. Three examples:

State Route 91, a 10-mile toll road in Orange County, was supposed to cost private investors \$57 million without any taxpayer dollars. Instead, taxpayers were forced to buy out the express lanes for a whopping \$207 million.

State Route 125, was supposed to be a privately-funded 10-mile toll road in San Diego County. It was finally completed 13 months late and hundreds of millions of dollars over budget. Three years later, the company hired to build and maintain the toll road filed for bankruptcy. The project was partially funded by a federal TIFIA loan, marking the first-ever default for the federal funding program. The toll road was ultimately bought out with taxpayer dollars.

The Presidio Parkway Project in San Francisco is the 1.6 mile approach to the Golden Gate Bridge. Phase Two of the project was originally planned as a design-bid-build project, fully funded at \$473 million. Work was stopped while it was converted to a P3 project costing \$1.4 billion. That extra billion dollars will be sucked from the State Highway Account over the next 30 years.

“On those projects, P3 stood for Pick the Public’s Pocket,” said PECG President Roy Flores. “We look forward to continuing to work with federal officials to craft new P3 guidelines and standards to protect taxpayers and the traveling public.”

More information on these projects can be found at www.pecg.org/Issues/ppp.htm.

PECG represents 13,000 state-employed engineers and related professionals responsible for designing and inspecting California's infrastructure, improving air and water quality, and developing clean energy and green technology.