

# ANOTHER PUBLIC-PRIVATE PARTNERSHIP DISASTER

## Canada: The Confederation Bridge

The Confederation Bridge which connects Prince Edward Island to New Brunswick is another 3P disaster from around the world – a disaster much like the failures (SR 91 and SR 125) that have cost California taxpayers hundreds of millions more than they should have. Because they are so profitable, it is not a surprise that multi-national companies and Wall Street investment houses want to bring more such 3Ps to the “lucrative” California market.

### ***What the experts say:***

**Canada’s Auditor General found that “The bridge cost \$45 million more than it would have had it been built publicly.”<sup>1</sup> The private consortium controlling the project is guaranteed to make a minimum of \$2 billion over 35 years. That is *double* the amount of the estimated cost to build the bridge.<sup>2</sup>**

### The Public Interest Alternative

- Require competitive bidding.
- Require public oversight, design and inspection to ensure public safety and cost controls.
- Utilize tax exempt public financing which is as much as 35 percent lower than private borrowing.
- Tolls should be reinvested in our transportation and other public infrastructure.
- Prohibit non-compete clauses and cash payments that prevent improvements to competing public roads, increasing congestion.

<sup>1</sup>Report of the Auditor General of Canada, 1995, Northumberland Strait Crossing Project.

<sup>2</sup>An Analysis of a Public-Private Sector-Partnership: The Confederation Bridge, By Salim J. Loxley, 1999.

