

ANOTHER PUBLIC-PRIVATE PARTNERSHIP DISASTER

California: Riverside Freeway State Route 91 Express Lanes

The Riverside Freeway State Route 91 Express Lanes is a P3 disaster from right here in California. Because they are so profitable, it is not a surprise that multi-national companies and Wall Street investment houses want to bring more such P3s to the “lucrative” California market.

What the experts say:

***The Orange County Register* reports that in 2002, the Orange County Transportation Authority had to buy the Riverside Freeway State Route 91 public-private partnership toll way because of a non-compete clause that prohibited improvements on the non-toll lanes. California taxpayers were forced to “assume the turnpike’s debt of \$135 million and pay the company \$72.5 million in cash,” in large part because design-build increased the cost from \$57 million to \$130 million.¹ According to *The Orange County Register*, as a P3, SR 91 had “the nation’s highest per mile toll.”²**



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.

¹*The Orange County Register*, “OCTA Acts to Relieve 91 Congestion,” November 26, 2002.

²*The Orange County Register*, “New Toll Fees Based on Traffic.” October 24, 1995.