

## **Public-private pacts on roads considered**

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COLUMBIA --- Imagine letting a private company design, construct and operate a major road in South Carolina, in exchange for letting it keep the toll-booth revenues.

That's an extreme example of a public-private partnership in roadway funding. But it's also part of the debate among state officials who see that the 16-cent per-gallon gas tax is no longer generating enough money to pay to maintain state roads and bridges.

"The gas tax is dying," James Ray, the deputy administrator for the Federal Highways Administration, told state lawmakers and other members of a study committee Wednesday.

Mr. Ray said public-private partnerships are a solution to an increasingly inadequate gas-tax funding system.

In South Carolina, revenue from the gas tax is expected to be nearly 5 percent less this year, which amounts to about \$50 million less to spend, according to Debra Rountree, the deputy secretary of finance and administration at the state Department of Transportation.

But in addition to solving the funding problems, Mr. Ray said the partnerships also encourage roadway innovation and have been known to work effectively in Texas, Virginia and communities around the world. Projects get done quicker, too, he said.

"Things do not wait in the private sector," said Mr. Ray. "They know if they wait, it's money out of their pocket."

The timetable for South Carolina calls for the study committee to release a report on its work in February. State transportation officials have asked members to explain what partnerships would be allowed under the existing state law.

"Public-private partnerships are certainly something our state should be doing," said state Sen. Larry Grooms, R-Bonneau, after the meeting.

"Now to what extent? That is what our committee is going to wrestle with. How far should we go? South Carolina is not going to give someone a 99-year lease on I-95."

Ms. Rountree said very few roadways would be eligible for a public-private partnership, but highlighted a 105-mile new construction project proposed on Interstate 73 in Horry, Dillon and Marlboro counties. It is estimated to cost \$2.4 billion.

In February a U.S. Government Accountability Office report said any potentials benefits of public-private partnerships also bring new costs, risks and tradeoffs.