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Regardless of election results, California needs to implement new PPP/design-build legislation to fix and build new roads, rail, water and energy facilities

"At this point," ACEC California says, "the only viable way to fix and build infrastructure is to attract more private capital."

SACRAMENTO, Calif. – May 18, 2009 – On the eve of a pivotal election that will determine California's financial strategy for years to come, the American Council of Engineering Companies-California (ACEC California) today urged state leaders to continue their recent support for public private partnerships as part of a radical rethink in their approach to funding badly needed road improvements, new water facilities, a high-speed rail system and sustainable energy sources.

Regardless of how the vote goes tomorrow, the state budget crisis and the state's weakened investment ratings have seriously restricted the state's ability to use traditional sources of financing to solve major infrastructure problems like corroding bridges and deteriorating water treatment facilities, according to the group of California engineers.

California leaders, the group says, should take a new look at rapidly expanding the use of public-private partnerships (PPP) to attract private investment for new infrastructure projects in the state. Such efforts have been successful in other states and around the globe, but so far California has been way behind the curve.

"There is no reason why the state cannot go forward with badly-needed repairs and new projects in spite of the current fiscal crisis," said Paul Meyer, Executive Director

of ACEC California. "If we believe that private capital should play a key role in restoring and maintaining public infrastructure, then we must also take a serious look at the use of PPP and design/build systems, as the legislature did earlier this year in its bipartisan approval of SB X2 4. We need more of that kind of thinking if we are to move the state forward."

"California cannot afford to waste money on cost overruns, on project delays or on excessive state staff that stay on the payroll years after a project is complete," added Meyer. "The facts clearly show that PPPs and design/build are tried and tested and they are efficient and cost effective in promptly delivering needed projects," he said.

"Our roads were recently ranked the 49th worst in the country, yet we are first in the nation in spending on roads. Frankly, that is a disgrace for a state that was once a world leader in creating and maintaining a state-of-the-art transportation system. Right now, PPPs are the only way California can reclaim its leadership role and provide the high quality transportation system our residents need and deserve," Meyer said.

Private engineers have been strong and steadfast advocates for using private capital and private expertise to make new infrastructure a reality. One of the keys making PPPs even possible today in California is ACEC California's overwhelming success over the past decade in multiple court battles with state employee unions. Examples of projects able to go forward because of court victories include expansion of the 405 freeway in Southern California, the recent voter-approved high-speed rail project and expansions of BART and the light rail and subway systems in Los Angeles.

"Projects like the 405 and high speed rail would be in serious jeopardy if state employee unions had defeated those projects in court and thereby constructed a monopoly on state transportation work. Certainly it would be very difficult to attract private investment to the state today if Caltrans had such a monopoly," said Meyer.

[Note to Editors: SBX2 4 received bipartisan support and was signed into law by the Governor on February 20, 2009. It is the first meaningful legislation in more than 20 years giving authority to state agencies, cities and counties to implement alternative infrastructure delivery systems such as design-build and public private partnerships for transportation projects in the state. However, the PPP legislation expires at the end of 2016.]

About ACEC California

ACEC California is a statewide association representing more than 1,000 private consulting engineering and land-surveying firms that average 20 employees each. ACEC California is dedicated to enhancing the consulting engineering and land surveying professions, protecting the general public and promoting the use of the private sector in the growth and development of our state. Our members provide services for all phases of planning, designing and constructing.