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TESTIMONY

APRIL 29, 2009

TESTIMONY BEFORE MISSOURI SENATE TRANSPORTATION COMMITTEE

By David Stokes

Although he was not able to attend in person, Show-Me Institute policy analyst David Stokes provided a written copy of this testimony to the Missouri Senate Transportation Committee for a hearing held on April 29, 2009. He provided similar testimony to the House Transportation Committee during the 2008 legislative session.

Honorable Members of the Senate
Transportation Committee:

Thank you for giving me the opportunity to briefly address this committee in regard to House Bill 354. The Show-Me Institute has published two studies that address the issues of private financing for infrastructure and public-private partnerships. I have attached copies of both of those papers, for the committee's records. One of the most important conclusions of these studies was that — in order for MoDOT and

other transportation agencies to have the ability to seriously consider public-private partnerships — state officials would be well advised to consider passing wide-ranging enabling legislation that would authorize agencies, particularly MoDOT, to enter into these types of projects when careful analysis has deemed them to be both viable and beneficial. (Please see page 26 of “Missouri’s Changing Transportation Paradigm.”)

H.B. 354 is very similar to the type of legislation envisioned in the Show-Me Institute studies, and would accomplish the suggested goal. The part of this bill that I am here to discuss most specifically is the section that proposes expanding the allowance of public-private partnerships using tolls from only the single proposed New Mississippi River Bridge project in Saint Louis, to allowing them for all types of transportation projects throughout the state. This is an

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important move forward that would allow government entities at all levels in Missouri to address our significant and persistent transportation issues.

Public-private partnerships will not be the right solution for many of the transportation needs we face, but for some larger projects they will be an important option worthy of careful review and consideration. In some instances, public-private partnerships will allow Missouri's state and local governments to deliver much-needed transportation improvements in a cost-effective, timely, and fair manner. The Lake Ozark Community Bridge has demonstrated that tolling can work for Missouri in certain situations, and I am confident that similar plans can serve Missouri's needs as well — although not every public-private partnership would involve tolling.

I do not have a specific future project in mind as I speak; I only hope that this method of meeting and financing our

transportation needs, which has worked well in other states and around the world, will be a part of the transportation conversation in Missouri. This type of enabling legislation is a prerequisite if public-private partnerships are to be a part of that conversation. The studies I have referenced lay out in careful detail the economic issues surrounding public-private partnerships, and the manner in which they may be successfully implemented by government officials in their efforts to serve the citizens.

In closing, wide-ranging enabling legislation will allow both public and private entities to work together to address our state's serious, long-term transportation needs. I thank you for this opportunity to address the committee, and I would be pleased to answer any questions.

For more of the Show-Me Institute's research about Missouri transportation issues, visit www.showmeinstitute.org.



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