



Public-private partnerships — The public pays; the private partnerships profit

A proposal in this year's NYS Executive Budget promises to provide "innovative approaches to building and financing major transportation projects." And "...leverage private-sector investment to expand and enhance the state's transportation infrastructure."

That's just a nice way to say — sell public assets for private profit, and make taxpayers pay and pay.

Public-private partnerships are nothing more than a shell game. They can make it look like the state has less debt, but the state's taxpayers still wind up paying the construction costs and, in fact, they may pay significantly more.

That's because the private sector has to finance the projects at a higher interest rate than the public sector, and this cost is passed on to the taxpayer. On top of this, the private partner is looking to reap a hefty profit.

Ultimately the taxpayer pays many times the amount of the privately financed debt. Worse yet, with less public input, oversight and control than a public project, the state can get locked into long-term agreements that mean if a deal is bad, it's bad for a long time.

Nationally, public-private partnership roads have been spectacular failures — defaulting on loans in Virginia and going bankrupt in Texas. Public-private toll roads in South Carolina, Florida and California are also careening toward default. In addition, "non-compete" clauses in public-private toll-road contracts in California have prevented that state from improving or increasing the capacity of its other roads.

New York state already owns its bridges and roads and can finance, build and maintain them better and at a lower cost than any private entity.

New York's roads and bridges belong to its taxpayers. Don't let the state sell them to private corporations for their profit and your loss.

Keep public transportation projects public!



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