



Office of the Secretary
PO Box 94245 | Baton Rouge, LA 70804-9245
ph: 225-379-1200 | fx: 225-379-1851

John Bel Edwards, Governor
Eric Kalivoda, Secretary

October 16, 2023

The Honorable Patrick McMath, Chairman
Committee on Transportation, Highways,
and Public Works
Louisiana Senate
Post Office Box 94183
Baton Rouge, LA 70804
sent via U.S. mail and e-mail

The Honorable Mark Wright, Chairman
Committee on Transportation, Highways,
and Public Works
Louisiana House of Representatives
Post Office Box 94062
Baton Rouge, LA 70804
sent via U.S. mail and e-mail

Dear Chairmen McMath and Wright:

The existing Interstate 10 Bridge crossing the Calcasieu River in the Cities of Lake Charles and Westlake is over 70 years old and in poor condition. Further, the Bridge is narrow, lacks shoulders, and the approach grades are steep. If a replacement project is not undertaken soon, a major, and likely very expensive, repair project will be necessary to keep the Bridge in service. Public funding alone is insufficient to undertake a bridge replacement project of this magnitude; additional revenues financed through the collection of tolls will be needed. At least 18 states currently have tolls on Interstate highways including Delaware, Florida, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Texas, and West Virginia. The State of Alabama is currently pursuing a toll bridge on I-10 in Mobile.

The Department of Transportation and Development (DOTD) was approved by the House and Senate Transportation, Highways, and Public Works Committees on December 16, 2020 for the solicitation of a public-private partnership (P3) for the replacement of the I-10 Calcasieu River Bridge. Consequently, the DOTD engaged in a procurement process over a period of 30 months. Two P3 proposals were received on June 6, 2023 and thoroughly evaluated. The proposal submitted by Calcasieu Bridge Partners was determined to be in the best interests of taxpayers; the selection was publically announced on July 25, 2023. The toll rates proposed for the new I-10 Calcasieu River Bridge are at levels necessary to cover costs and are in line with, and in some cases lower than, those on comparable toll bridges across the country.

DOTD made an informational presentation to the Joint Committee on Transportation, Highways, and Public Works on August 22, 2023 and held a public meeting in Lake Charles on August 31, 2023. In addition to those events, DOTD has met numerous times with the Southwest Louisiana legislative delegation, business community, and other interested parties to answer questions and address concerns.

DOTD has submitted a grant application for \$200 million in federal discretionary funds to significantly reduce the toll rates for non-local passenger vehicles (i.e., non-local autos) to address concerns over potential adverse impacts on tourism and has developed a concept for a tax-credit to reduce the impact of tolls on Louisiana-registered commercial vehicles recognizing that 60 percent of the traffic crossing the I-10 Calcasieu River Bridge is comprised of vehicles from other states. Further, Calcasieu Bridge Partners has agreed that aesthetic bridge lighting and the provision of a two-way access road serving the lakefront recreation area in the City of Lake Charles can be incorporated into the project.

Going forward, DOTD is committed to working with involved parties to reduce or eliminate the toll on local passenger vehicles (i.e., local autos). Both DOTD and Calcasieu Bridge Partners are committed to work in good faith to explore options for the aesthetic enhancement of the new I-10 Calcasieu River Bridge to provide a signature look that the community can be proud of and enjoy in the years to come. Lastly, DOTD is committed to continue to aggressively seek federal discretionary grants for reducing adverse impacts to motorists through a reduction in tolls, the elimination or reduction in annual adjustments to the tolls rates based on the Consumer Price Index, and/or reducing the term of the toll concession.

In accordance with Louisiana Revised Statute 48:250.4(A)(2), the Department of Transportation and Development is herein formally requesting approval from the House and Senate Transportation, Highways, and Public Works Committees to execute a public-private partnership contract (i.e., a comprehensive agreement) with Calcasieu Bridge Partners for replacement of the Interstate 10 Bridge across the Calcasieu River in the Cities of Lake Charles and Westlake, Louisiana.

The proposal submitted by Calcasieu Bridge Partners is valid through December 3, 2023 (180 days from the date it was submitted in accordance with the Request for Proposals issued by DOTD). It is the desire of both DOTD and Calcasieu Bridge Partners to not only execute the P3 contract, but also to conclude the financing, termed "Financial Close", by December 21, 2023. In order to do so, approval from the House and Senate Transportation, Highways, and Public Works Committees is needed no later than October 24, 2023.

Louisiana Revised Statute 48:2084.15 requires any port authority, port, or harbor and terminal district, in this case the Lake Charles Harbor and Terminal District, within whose jurisdiction a P3 is located to state in writing its mutual agreement that the project, in this case the replacement of the I-10 Calcasieu River Bridge, will not limit, restrict, or prevent the ability of the port authority, port, or harbor and terminal district to construct, maintain, operate, expand, or create any facility within its jurisdiction or other areas within which such entity is authorized to act. As of this date, the Board of Commissioners for the Lake Charles Harbor and Terminal District has not provided such a written statement; however, the Board is scheduled to meet on the evening of October 23, 2023. All other legal requirements regarding public-private partnerships have been complied with.

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I am not an elected official. Rather, I am a public administrator and a professional engineer with over 40 years of experience. As such, it is my opinion that failure to act or failure to grant DOTD authority to enter into this public-private partnership for the replacement of the I-10 Calcasieu River Bridge will result in the necessity for a major repair of the existing bridge and its continuation in service for at least another 20 years given the reality of state finances, unprecedented construction inflation, and the compounding infrastructure needs across our state and our nation.

Please note that the funding for this project includes a \$150 million federal discretionary grant which may be in jeopardy if the project does not move forward in a timely manner. In addition, \$100 million in American Rescue Plan Act (ARPA) funds are appropriated specifically for the project. These funds have an expenditure deadline and will need to be appropriated for other uses if the project does not advance.

In closing, I will take this opportunity to remind decision-makers that shortsightedness often times results in long-term predicaments in which public expectations cannot be satisfied.

Sincerely,



Eric Kalivoda
Secretary

EK

C: John Bel Edwards, Governor
Richert L. Self, Executive Director, Lake Charles Harbor and Terminal District
Senator Gary Carter, Jr., Vice Chair, Committee on Trans., Highways, and Public Works
Senator Louis C. "Louie" Bernard
Senator Barrow Peacock
Senator J. Roger Pope
Senator Ed Price
Senator Gary L. Smith, Jr.
Representative Kendrick "Ken" Brass, Vice Chair, Committee on Transportation,
Highways, and Public Works
Representative Mack Cormier
Representative Kathy Edmonston
Representative Michael "Gabe" Firment
Representative Barbara Reich Freiberg
Representative Foy Gadberry
Representative Cedric B. Glover
Representative Dodie Horton

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Representative Foy Gadberry
Representative Cedric B. Glover
Representative Dodie Horton
Representative "Ed" Larvadain
Representative Patricia "Pat" Moore
Representative Charles "Chuck" Owen
Representative Robert "Bob" Owen
Representative Vincent J. Pierre
Representative Rodney Schamerhorn
Representative Larry Selders