

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **P3 Model Seen as Fix for National Parks' Infrastructure Woes.**

DALLAS — The National Parks Service should use a public-private partnership model to repair and maintain the crumbling infrastructure in its vast network of parks, according to a recent report from a free-market environmental advocacy group.

The NPS estimated in a 2015 report that it has an \$11.9 billion backlog of deferred maintenance that includes nearly half of the roadways and dozens of bridges in the parks, the Property and Environment Research Center said in its report.

The NPS said last year that it needs \$700 million per year just to keep the backlog from growing, but maintenance appropriations from Congress over the past 10 years have averaged only about \$521 million per year.

Tapping private sector capital and expertise would allow the parks service to reduce its infrastructure backlog by outsourcing maintenance projects to the private sector at a lower cost, Leonard Gilroy, director of government reform at the Reason Foundation, said in the report.

“The National Park Service can look to states and local governments for inspiration on how to deal with their infrastructure challenges,” Gilroy said.

“Over the past several decades, state and local governments have turned to public-private partnerships to tap into private-sector capital and expertise. This allows them to stretch limited tax dollars further.”

The authorizing legislation for the NPS and its policies should be amended to remove limitations on how P3s are used to give the parks service more flexibility in dealing with infrastructure issues, Gilroy said.

The report cited Pennsylvania’s \$899 million bridge-replacement P3 as an example that the NPS should follow. A private consortium is financing, designing, building, and maintaining the new bridges in the state for 25 years under a single contract.

“Although public-private partnerships cannot solve every problem, they can play an important role in improving infrastructure and reducing the backlog in our national parks,” Gilroy said. “Given the current state of disrepair, all solutions should be on the table.”

The backlog consists of \$5.97 billion of deferred maintenance on paved roads and structures in the parks and \$5.95 billion for other facilities, including \$693 million needed to address water and wastewater system issues, NPS director Jonathan Jarvis said early last month when the latest maintenance statistics were released.

The \$11.93 billion nationwide backlog is \$440 million more than the total in the 2014 report, Jarvis said. Aging facilities, increasing use of the parks, and scarce resources contribute to the growing

backlog, he said.

“While Congress provided increases this year, the annual bill for maintenance in America’s national parks is still almost twice as much as is appropriated,” Jarvis said.

Nearly every unit in the National Park System has maintenance items that have been deferred, he said, noting that the current backlog is almost three times as much as the \$4.34 billion requested for the NPS in President Obama’s proposed fiscal 2017 budget.

A leaky wastewater system in Yosemite National Park has caused raw sewage to spill into the park’s streams, Jarvis said, while frequent breaks in an 83-year-old water distribution system in Grand Canyon National Park cause facility closures.

The recently enacted five-year Fixing America’s Surface Transportation (FAST) Act provided the NPS with \$268 million for transportation projects in fiscal 2016, an increase of \$28 million from fiscal 2015. The allocation goes up by \$8 million a year, reaching \$300 million in fiscal 2020.

Sen. Maria Cantwell, D-Wash., introduced the National Park Service Centennial Act (S. 2257) in November. The bill would allocate \$900 million over three years to park infrastructure upgrades and repairs.

## **The Bond Buyer**

by Jim Watts

March 2, 2016 1:49pm ET