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COMMISSION TAKES STEP TOWARD MAKING GO/NO-GO DECISION ON USING P3 TO CARRY OUT SCUDDER FALLS BRIDGE PROJECT

NEW HOPE, PA - The Delaware River Joint Toll Bridge Commission today approved a resolution that authorizes the agency's Executive Director to enter into a contract with KPMG and Nossaman LLP to advise the Commission on the financial and legal feasibility of using a public/private partnership (P3) to carry out the agency's marquee I-95/Scudder Falls Bridge Improvement Project.

KPMG/Nossaman will provide the Commission with a report analyzing whether the \$322 million project can be carried out as a P3 under one of various existing P3 models or if the project would best be performed by the Commission itself without a P3. KPMG/Nossaman would have 90 days to produce its P3 analysis once a contract is signed.

The resolution limits the contract for an amount not to exceed \$260,000.

"This is a logical step in a process that ultimately will button up the many financial and legal issues that need to be examined before the Commission can make a determination whether to use a P3 to carry out this important regional project," said Frank G. McCartney, the Commission's executive director. "This is for legal and financial advisory services solely for making a Go/No Go decision on the potential use of a P3 for the Scudder Falls project. Ultimately, the final decision on whether to use a P3 still rests with the Commission."

KPMG/Nossaman was the highest ranked firm after a selection process that began roughly a year ago.

- KPMG – an international accounting and financial services firm with P3 experience in the United State, United Kingdom and Europe;
- Nossaman LLP – a national legal firm with 60 years of experience in providing advice to government entities, as well as experience with the development of infrastructure and P3s;
- MJC Consulting, a Bryn Mawr, PA.-based woman-owned business enterprise firm that will provide market-sounding assistance; and
- TMS II LLC, a Philadelphia, PA.-based woman-owned business enterprise firm that will provide financial analysis assistance.

The Commission initiated the process of examining whether to use a P3 to carry out the bistate project at the urging of former Pennsylvania Governor Ed Rendell and New Jersey Governor Chris Christie last year.

“This is a significant step forward for the Commission as we continue the process of determining the potentiality of using a public-private partnership for the Scudder Falls Project,” said McCartney. “With a project of this scale and scope, we are conducting a very deliberative process to ensure that the course we pursue is in the best interests of this agency and our customers.”

The I-95/Scudder Falls Bridge Improvement Project is shaping up to be the most expansive single capital initiative in the Commission’s 76-year history.

The project area extends 4.4 miles along I-95 from PA Route 332 in Bucks County, PA to Bear Tavern Road in Mercer County, N.J. The project includes replacement of the existing functionally obsolete four-lane Scudder Falls Bridge with new twin structures -- one on the upstream side of the existing bridge and the other overlapping the current bridge's footprint.

The new structures will have six lanes of through traffic (three in each direction) with two auxiliary northbound lanes for entry/exit travel and one auxiliary southbound lane entry/exit travel. The project calls for full inside and outside roadway shoulders on the bridge crossing to handle breakdowns and emergencies. The two inside shoulder lanes would have the capacity to serve proposed bus/rapid-transit routes.

The project includes safety upgrades to the two highway interchanges at both ends of the bridge, widening of I-95 to the inside from the bridge to Route 322 in Pennsylvania, and construction of a bike/ped walkway on the upstream side of the bridge. For more information, please visit the project web site at www.scudderfallsbridge.com

A "cashless tolling" system in the southbound direction would be used to collect revenues, averting the need for conventional cash toll booths. In December 2009, the Commission moved to toll the Scudder Falls Bridge because it felt it was the most equitable means of financing the project under the capital program in the absence of federal and state funding. Commissioners did not feel it was reasonable or fair to expect users of the agency's other toll bridges to shoulder the entire financial burden of the capital improvements of the Scudder Falls Bridge Replacement Project.

The Commission is in the midst of a comprehensive \$1.2 billion capital improvement program enabling the agency to refurbish, expand and modernize its 20 Delaware River bridges and other facilities.

The Scudder Falls Bridge was constructed in 1959 but did not open to traffic in June 1961. Its 50th anniversary of operation occurred last month.

Preparations for the Scudder Falls Rehabilitation Project commenced in 2003 following a study in 2000 that attributed the Scudder Falls Bridge's congestion and safety problems to its

narrow configuration, a lack of shoulders, and the close proximity of adjoining interchanges with entrance/exit ramps merging onto and off of I-95.

Congestion on the bridge results in average delays for motorists of 27 minutes per day. Those delays are expected to grow more severe, with traffic volumes on the bridge projected to rise an additional 35 percent -- to 77,500 vehicles per day - by the year 2030. Safety of motorists is also a major concern, with approximately 105 accidents occurring at the bridge, its interchanges and approach roadways each year.

About the Commission

The Delaware River Joint Toll Bridge Commission was formed by the Commonwealth of Pennsylvania and the State of New Jersey in 1934. It operates seven toll bridges and 13 toll-supported bridges, two of which are pedestrian-only spans. The Commission is a self-supporting public-service agency that receives neither federal nor state tax dollars to finance its projects or operations. Funding for the operations, maintenance and upkeep of its bridges and related transportation facilities is solely derived from revenues collected at its toll bridges. The Commission's jurisdiction extends along the Delaware River from the Philadelphia-Bucks County line north to the New Jersey/New York border. The bridges carried more than 139 million cars and trucks in 2010. For more information about the Commission and its various initiatives to deliver safer and more convenient bridge travel for its customers, please see: www.drjtbc.org.