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U.S. Transportation Secretary Mineta Announces \$450 Million Loan For San Francisco-Oakland Bay Bridge

Expanding on the Bush Administration's commitment to innovative financing for transportation projects, U.S. Transportation Secretary Norman Y. Mineta today announced that the Department's Federal Highway Administration will provide a \$450 million loan to the California Department of Transportation to complete the state's funding package for the \$3.3 billion San Francisco-Oakland Bay Bridge seismic retrofit project in the San Francisco-Oakland Bay Area.

"Through TIFIA (Transportation Infrastructure Finance and Innovation Act of 1998), we are providing innovative financing for transportation projects that might otherwise not have received financing and moved forward," Secretary Mineta said. "The investments we are making in California and across the country will provide an economic boost while improving the transportation infrastructure, all at a cost savings to the taxpayer. At the same time, this particular loan will help to advance the bridge project, which is vital to the safety and the mobility of residents and visitors in the Bay Area."

The \$3.3 billion project supported by the \$450 million TIFIA loan consists of replacement of the east span and the seismic retrofit of the west span of the 8.5-mile San Francisco-Oakland Bay Bridge. The east span is a 4.7-mile truss structure, extending from Yerba Buena Island to the East Bay. The west span is about 3.8 miles, extending from San Francisco to Yerba Buena Island.

The existing bridge is 60 years old and carries about 272,000 vehicles a day. Damage to the bridge during the 1989 Loma Prieta earthquake forced the closure of the east span for four weeks. Subsequent investigation showed that the east span probably would not withstand a significant earthquake. The project is critical in addressing seismic safety deficiencies and providing emergency relief access following a major seismic event. The project completion date is 2007.

The Bay Bridge loan is estimated to cost the federal government \$1.3 million. Therefore, every TIFIA dollar spent will contribute to more than \$2,500 in capital investment. A seismic toll surcharge on seven bridges in the Bay Area will provide the revenue stream for repayment of the TIFIA loan. As the final part in the funding package, the TIFIA loan will combine with capital market debt, state contributions and the state's federal-aid highway funds to complete the financing of the \$3.3 billion project.

TIFIA, a provision of the Transportation Equity Act for the 21st Century (TEA-21), authorizes an innovative financing program under which USDOT provides credit assistance rather than grants to public and private sponsors of major surface transportation projects. USDOT now has selected

11 projects to benefit from TIFIA at a budgetary cost of only \$196 million to the federal government, providing \$3.6 billion in credit assistance supporting transportation investments worth more than \$15 billion.

TIFIA is designed to provide federal credit assistance to major transportation infrastructure projects that address critical national needs, such as intermodal facilities, border crossing infrastructure, highway trade corridors, and transit and passenger rail facilities with regional and national benefits. Projects eligible for assistance under TIFIA include highways and bridges; transit facilities and vehicles; intercity passenger bus and rail facilities and vehicles, including Amtrak and components of magnetic levitation systems; and publicly owned intermodal surface freight transfer facilities on or adjacent to the National Highway System.

Projects thus far selected to receive support under TIFIA include State Route 125, San Diego, CA; Miami Intermodal Center; Tren Urbano transit system, San Juan, PR; Farley-Pennsylvania Station redevelopment project, New York; Metrorail Capital Program, Washington, DC; Staten Island Ferries and Terminals, New York; Cooper River Bridge, Charleston, SC; Tacoma Narrows Bridge, Pierce County, WA; Reno Transportation Rail Access Corridor, Reno, NV; and the Central Texas Turnpike, Austin-San Antonio corridor.

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