



Bi- or Multistate Agreements for Shared Infrastructure Services

Executive Summary

Due to the availability of natural resources or varying levels of human development, infrastructure and utilities projects – among others – do not always neatly align with state or local boundaries. This necessitates the cooperation of multiple stakeholders, often spanning state and local government borders and requiring intergovernmental agreements. An array of interstate arrangements exists across the U.S. today, usually taking the form of federal-state agreements, intergovernmental agreements (IGAs), memorandums of understanding (MOUs), bi-state agreements, and/or interstate compacts, cross-border agreements through public-private partnerships or regional organizations, and interlocal agreements. However, regardless of the method used, changes in needs, desires, abilities, or political makeup can often lead to litigation and disputes over where one entity's responsibilities end and another's begin.

Most often, for multistate projects like dams affecting more than one state, the U.S. Army Corps of Engineers is involved, and the federal government is responsible for ongoing maintenance costs. This is seen with both the [Jim Woodruff Dam](#) – on the Florida and Georgia state line – and the J. Strom Thurmond Dam – managed by the federal [Southeastern Power Administration](#) – along the Georgia and South Carolina border. Outside the South, this also includes the Hoover Dam – shared by the states of Arizona, California, and Nevada – which uses commercial-use fees to pay for all the dam's operating and facility expenses.¹

Due to the urgency of the requested turnaround, this memo represents an overview of select interstate examples of shared services for infrastructural or related projects. Specifically, this memo focuses on examples of three shared-services agreements for infrastructure (representing both Non-Compact Agreements and Interstate Compacts):

- 1) *Kentucky's Interstate Agreements with State Legislative or Gubernatorial Approval;*
- 2) *Port Authority of New York and New Jersey Compact Approved by Congress; and the*
- 3) *Red River Compact Between Arkansas, Louisiana, Oklahoma, and Texas.*

Findings and Analysis – Select Multistate Examples

Kentucky's Bi-State Bridge Agreements with Indiana and Ohio

The Ohio River Bridges Agreement between Indiana and Kentucky is a stand-alone authority created by state legislation and an executive order to establish the duties, responsibilities, powers, and authorities of all stakeholders in the bi-state project. The Louisville and Southern Indiana Bridges Authority (LISBA) was established in 2012 to facilitate collaboration between Kentucky and Indiana to develop, finance, and construct the Ohio River Bridges Project. The authority was initially tasked with developing a new financial plan for the ORB Project. [Kentucky Revised Statutes \(KRS\) § 175B.030](#) and Senate Resolution 169 created and ratified the agreement, while Indiana joined pursuant to [Executive Order 09-11](#). The total cost for the project is more than \$1.32 billion, with an appropriation \$88 million from the state of Kentucky,

¹ "Background: Hoover Dam Project," U.S. Bureau of Reclamation, accessed January 2026, <https://www.usbr.gov/lc/region/programs/contracts/BCP-Background.pdf>.



representing both state and federal funds, and more than \$600 million in state and federal allocations from Indiana.² According to the final approved 2017 Financial Plan, Indiana agreed to retain responsibility for relocating several utility connections with the respective utility companies, while the remainder of utility costs for telephone, electric, gas, fiber optics, sewer, cable, and stormwater drainage were the responsibility of the project developer as part of the bidding process for the project (exclusive of rights-of-way purchased by Indiana and Kentucky).³

This section of Kentucky statute ([KRS §175B.030](#)) governs any projects connecting Kentucky with an adjoining state or states. It requires that any such multi-state projects meet the requisite financial planning requirements. Specifically, the financial plan proposal must be prepared by the requisite state authority, the bi-state authority, public-private partnership, or a combination of these entities. The plan must include:

- Construction timeline, with specific financing benchmarks for the stages of construction;
- Amount and duration of per-vehicle tolls;
- Expected appropriations from the Legislature for project costs – but it may not seek to appropriate any funds beyond those appropriated in the most recent biennial highway construction plan;
- Other sources and amounts of funding expected; and
- Other provisions relating to the construction, financing, and maintenance of the project.

Once the appropriate state agency approves the financial plan and/or state authority, a development agreement may be drafted, which must include annual reporting and auditing requirements to the state legislature and specific details regarding the obligations of each involved party insofar as the maintenance and operation of the project post-completion – such as utilities, routine maintenance, future expansion, etc.⁴

Kentucky is also involved in a bi-state agreement with Ohio – led by both states' Departments of Transportation – to replace an aging bridge over the Ohio River in Northern Kentucky and Southwestern Ohio. The project will use both state and federal funds for construction, with tolling anticipated to support ongoing maintenance, subject to a bi-state authority. The \$4 billion project is receiving \$1.64 billion in federal funding from the Infrastructure Investment and Jobs Act of 2022, with an additional \$150 million in state bond funds via [Kentucky House Bill 241 \(2022\)](#), as well as \$5.69 million in further Road Fund appropriations via [Kentucky House Bill 265 \(2024\)](#). Ohio, meanwhile, is utilizing existing transportation fund monies and newly issued bonds to pay for its portion of the infrastructure project.⁵

The Port Compact of 1921 in New York and New Jersey

A bi-state authority, [The Port Authority of New York and New Jersey](#)'s board of commissioners features six gubernatorial appointees – approved by each state's senate – who serve overlapping six-year terms. Notably, the governors of New York and New Jersey retain veto power over the commission's decisions from their state's appointees. The board appoints an Executive Director, who is responsible for authorizing, approving, purchasing, or contracting for all ongoing maintenance costs, including utilities and other necessary services.⁶ Funding for these necessary costs comes predominantly from federal funds and grants, as well as tolls or other service fees for vehicles and transit, as the agency

² "Project Profiles: Kentucky Eastend Crossing," Federal Highway Administration, U.S. Department of Transportation, accessed January 2026, https://www.fhwa.dot.gov/ipd/project_profiles/ky_eastend_crossing.aspx.

³ "Final Ohio River Bridges Project Financial Plan," FHA, U.S. DOT, December 13, 2017, <https://www.in.gov/indot/projects/files/Update-to-Financial-Plan-September2017.pdf>.

⁴ Ky. Rev. Stat. §175B.030(7), <https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=45602>.

⁵ "Project Background," Brent Spence Bridge Corridor, accessed January 2026, <https://brentspencebridgecorridor.com/faq/>.

⁶ "By-Laws," The Port Authority of New York and New Jersey, accessed January 2026, <https://www.panynj.gov/corporate/en/government-ethics/by-laws.html>.



receives no direct taxpayer dollars from New York or New Jersey but is predominantly self-funded via tolls, fees, and other charges such as lease payments and landing and dockage fees.⁷

For its proposed 2026 Budget, the authority estimated more than \$1.27 billion in operating expenses, of which utility service payments are a portion. However, the authority also reported earning more than \$161.91 million in revenue from the resale of utilities – including electric, water, and sewage – to tenants operating on authority property based on their consumption levels.⁸

The Red River Compact between Arkansas, Louisiana, Oklahoma, and Texas

In 1955, the U.S. Congress granted consent to four states – Arkansas, Louisiana, Oklahoma, and Texas – to negotiate an interstate compact to provide for an equitable division of the waters and land along the Red River and its tributaries. The agreed-upon compact was approved by the legislatures of Oklahoma in 1972, Louisiana and Texas in 1978, and Arkansas in 1979.⁹ Notably, the [Red River Boundary Compact](#) and several amendments allocate responsibility for costs and maintenance of new projects to the respective states involved based on benefit sharing. For example, a 2013 and 2015 amendment makes Texas responsible for the construction, operation, and maintenance costs of a water pipeline and affiliated facilities in the area along Lake Texoma on the Texas and Oklahoma state border. This amendment was enacted via [Texas House Bill 3212 \(2013\)](#) and [House Bill 908 \(2015\)](#).

⁷ “Press Release: Board Approves Record \$45 Billion Capital Plan for 2025-20235,” The Port Authority of New York and New Jersey, December 18, 2025, <https://www.panynj.gov/port-authority/en/press-room/press-release-archives/2025-press-releases/port-authority-board-of-commissioners-approves-record--45-billio.html>.

⁸ “Proposed 2026 Budget Schedules,” The Port Authority of New York and New Jersey, December 2025, <https://www.panynj.gov/corporate/en/financial-information/budget.html>

⁹ “Red River Compact,” National Center for Interstate Compacts, The Council of State Governments, accessed January 2026, <https://compacts.csq.org/compact/red-river-compact/>.