Gov. Rick Perry Speaks on Trans Texas Corridor

*Note - Gov. Perry frequently departs from prepared remarks.

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For the next several minutes, I ask you to forget everything you know about the transportation system of our state and concentrate on looking at transportation from a different perspective. There are four critical transportation problems in Texas: traffic congestion on every major highway, hazardous material moving across our busiest highways and through the middle of our urban areas, air pollution in our industrial centers, and reduced economic activity because of the transportation obstacles businesses face. None of these problems will be solved if we keep expanding our state transportation system the same way on top of the same congested corridors.

Today, I am unveiling a new plan that will map out a brighter future for Texas. It is a plan to ease traffic congestion and increase the safety and security of Texans living in crowded cities and suburbs, near congested border crossings, and in our smallest communities in rural Texas. It will reduce air pollution and lead to better stewardship of our natural resources. It will create hazardous material routes outside of our crowded cities, improve the movement of electricity, telecommunications and water, and provide more transportation alternatives in the event of a disaster. And it will provide unprecedented opportunities for economic growth for all Texans, whether they live in rural, urban, developed or underdeveloped areas of the state.

Consider for a moment where we are and where we are heading over the next few decades. On this map, you will see our current transportation system. The roads are in black and the rails are in red. Note how many of our most traveled roads and most used rails go right through the heart of our urban centers and industrial areas. Now consider how we will expand our transportation system over the next 50 years if we build the same way on many of the same corridors. Our planned expansion of roads is in black and we have no plans to expand rail. Planned expansion is mostly over the same corridors through the heart of our urban centers and industrial areas.

Now consider the federal high priority corridors we will construct over the next 75 years. These corridors are in blue. Again you will see no plans for rail, just more plans for roughly the same routes. According to the State Demographer, our population could grow from 21 million today to more than 50 million over the next few decades. And all of us, plus those 29 million new Texans, are going to be driving our cars along the same routes you and I drive today if we keep expanding in the same way on top of the same corridors. I cannot imagine how we will avoid further traffic congestion, a major hazardous material disaster and ever worse air quality under these circumstances. And I cannot imagine how our economy will prosper if we stay on this path. We need a transportation system that meets the needs of tomorrow, not one that struggles to keep up with the needs of yesterday.
If you will look at this map, you'll see my blueprint for the Trans Texas Corridor. The Trans Texas Corridor is not merely an extension of the current system, but the beginning of a whole new way of planning and building a transportation system, utilizing new tools and new ideas in a much more efficient way. The Trans Texas Corridor will be located parallel to, but well away from, our most congested highways, and in some of our underdeveloped regions, it may expand upon current corridors, or be adjacent to them. When finished, the Corridor will include six vehicle lanes, three in each direction, with plenty of room to expand with our population. And the Corridor will include six rail lines, three in each direction: one dedicated to high speed commuter rail, one dedicated to high speed freight rail, and one dedicated to commuter and freight rail as the backbone of a regional rail system serving all Texans.

The Corridor will provide every Texan and every Texas business access to water utility lines, petroleum pipelines, natural gas pipelines, electric lines, communication lines and other public resources we can't even imagine. And when finished, the Corridor will provide every Texan and every Texas business access to a fast, safe and reliable transportation system. The Corridor will link, and complement, our existing interstate system and our three successful regional transportation systems: The North Texas Tollway system, the Dallas Area Rapid Transit network and the Harris County Toll Road system. The Corridor will link our major ports of entry, El Paso, Laredo, Brownsville, Corpus Christi and Houston to destinations all across the nation and around the world. It will create business opportunities in cities and towns situated near the Corridor, places like Dallas, San Antonio, Victoria, Bryan, Tyler, and San Angelo, they will find themselves benefiting from increased commerce, as will smaller towns in regions all across Texas. And I believe it could provide an unprecedented opportunity to expand ties with Mexico. As an example, we know Mexico has surplus oil, and Texas has surplus electric power. Mexico needs our electricity and we need their oil. The corridor will provide the opportunity to efficiently exchange resources. That's just one possibility.

This plan is as big as Texas, and as ambitious as our people. Texans deserve nothing less. This plan cannot be finished overnight, but thanks to innovative and fiscally sound legislation passed last session, and approved by the voters last fall, and a Transportation Commission willing to be innovative and think “off the map,” we can get a good start today. We now have four new tools that will make this corridor a reality. First, we have the seamless contract and construction option called the Exclusive Development Agreement, a process which allows the Texas Department of Transportation to immediately negotiate with public or private sector organizations to design, build, finance and manage transportation corridors anywhere in the state. Second, we have the leverage power of Toll Equity. Toll Equity allows TXDOT to contribute money for toll road financing. Previously, toll projects could only receive a loan, which often made financing impossible. With a limited amount of state dollars provided through toll equity, toll projects will then be able to attract additional private sector investment. Third, the Texas Department of Transportation can now approve Regional Mobility Authorities to create partnerships with fast-growth communities and regions to finance and immediately begin construction of improvements to regional transportation projects which complement and support the Corridor. Fourth, we can work together with you next session to dedicate general revenue to support bonds from the Mobility Fund, providing additional leverage to build transportation projects important to the state.

In addition to using these tools, we know many Texas communities have locally funded economic development corporations that invest in economic stimulus for their area. In some cases, local public works departments have funds budgeted for water transmission or distribution. Additionally, high-speed rail opens the door for capital investment funds from the federal government, funds never before used by the State of Texas. Allow me to share with you one hypothetical example of how the tools I mentioned can be put to work immediately. Let's say that the leaders of the Harris County Toll system take a look at this map and decide the loop around Houston and the direct connect to the Port is good for Houston and good for the state, but they do not have the authority or the financial strength to build the Corridor all the way to Laredo. Meanwhile, the owners of Lone Star Construction Company take a look at this map and decide that based on expected traffic volumes and toll revenues, the Corridor from Houston to Laredo could be profitable. The experts with the toll system and the experts with the construction company get together, form a team and propose the completed financing, construction, and management concept known as an Exclusive Development Agreement to the Texas Department of Transportation. TXDOT looks over the concept, looks over the long range
plans already made for this area, and determines the concept is worthy of public consideration. TXDOT invites competing proposals to deliver the same concept. After a period of time, if no better proposal is made, TXDOT negotiates a contract with the team to authorize the project. During the contract negotiation TXDOT determines it could blend 200 million dollars a year during construction in Toll Equity with the finance package proposed by the team and acquire the right to 15% of the tolls collected when the project is opened to the public. The tolls collected from the project could then be re-invested in expanding the entire corridor. TXDOT agrees and the project is off and running as a complete corridor, not one piece at a time as we do today.

How do I know this can be done? Because we have two proven success stories in our state: The North Texas Tollway Authority and the Harris County Toll Road Authority. If it can happen in Dallas and Houston, it can happen in the rest of the state. And as long as commuters have free alternatives, a voluntary toll system is our best option to build transportation projects faster. With the likelihood of federal highway funds being decreased, this proposal is even more important to Texas. The legislation we passed has built-in protections and safeguards to ensure this plan moves forward on a rational, fiscally responsible basis. The legislation allows only four Exclusive Development Agreements. We restrict the leverage option of Toll Equity to about $500 million per year to ensure adequate revenue to support the operation of our current highway system and expansion into areas of the state not directly served by the Corridor. And the legislation requires TXDOT to review and approve the first project of any Regional Mobility Authority, and to approve projects funded by the Mobility Fund.

Let me touch on three more issues in regard to the Corridor. First, I am always sensitive to the concerns of rural property owners. When finished, the Trans Texas Corridor will serve as a new lifeline for our more rural communities, providing economic opportunity through a fast, safe and reliable transportation system and providing access to public resources necessary to prosper. Second, it is important to remember the Corridor right of way and assets - without exception - will be owned by the State of Texas. This represents the best opportunity we have to move people, freight, water, oil, gas, electricity and communications more efficiently to the benefit of rural and urban Texas alike. Instead of various entities trying to obtain separate easements and overcome separate obstacles, right of way is acquired just once, maximizing investment dollars, and minimizing disruption to the state’s landscape and its property owners. Third, I want to make one thing absolutely clear: my vision is pouring concrete and building rail side-by-side, not roads first, and rail when we get around to it. I will be asking the Texas Transportation Commission to develop an action plan based on new routes, and new ways to plan and build for our future. I will ask Chairman Johnson to finish the plan by this summer. I will ask him to identify specific portions of the Corridor upon which we can begin. I will ask him to recommend how we can minimize the impact on the environment, to project how best to use the four tools now available to us, and to specify what other legislative tools are necessary to deliver a complete Corridor.

Some might ask, “is this too big?” I say nothing is too big for Texas when our economic security, our environment, and our quality of life are at stake. The Trans Texas Corridor will improve economic security for Texas. It will increase safety on our highways by relieving congestion and by taking hazardous transport vehicles out of our city centers. It will lead to a cleaner environment by expanding low-emissions alternatives - like rail - by lowering the concentration of emissions in our cities, and by significantly increasing pipeline safety. This new corridor maximizes private sector resources while effectively leveraging public resources. I believe the citizens of our state are ready for a new way to plan and build a transportation system along a new route, and I am here today to say, “I am ready to lead the way.”

Thank you, I would be happy to take your questions.