Gov. Rick Perry: Transportation Solutions Require Thoughtful Innovation

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

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Thank you, Ned [Holmes, commissioner of the Texas Transportation Commission] for that kind introduction and for having me here today. I also want to commend Amadeo [Saenz] for your work leading this organization through one of the most challenging times in its history.

TXDOT has certainly been spending some time in the public eye, but this place is about big challenges, not big excuses. And I’m convinced that this team can handle the heat. Road builders are cut from a different cloth. It takes a person of vision to look at a state, analyze the growth trends, understand the infrastructure needs, and offer a plan to move people around that haven't even been born yet. That kind of planning can sometimes puzzle those individuals of limited perspective. As you know, my good friend, Ric Williamson, was such a visionary. So that often put him at cross-purposes with those who viewed our state’s infrastructure needs through the lens of the next 2 years, instead of looking at the next 20, or 30, or 40 years. With his passing, we certainly lost a clear, passionate voice, but the challenges that he vigorously fought to overcome have not gone away.

If anything, those challenges have grown larger, and this moment in time finds us at a crossroads. Our population continues to grow by roughly 1,500 people per day. For you Aggies in the audience, that means we could fill Kyle Field up with newcomers every 55 days, or fill it up 66 times in the next ten years. That’s a whole lot of people with a whole lot of needs, but that's not the only factor in play. We’re also dealing with a funding crisis brought on by a less-than-reliable federal gas tax system. inflation at the national level for everything from materials to labor, and the fact that the bonds passed in 2003 have been spent. As of right now, TxDOT construction lettings are projected to be half of what they were in 2005. That is not what I call progress. It’s what I call a problem.

Ladies and gentlemen, as I travel around Texas and the country, one of the things I enjoy the most is bragging about the Texas economy. Texas is leading the nation in job growth and has been voted the top state in the nation to do business. Just yesterday, I read where we are now the leading state in the nation for corporate headquarters, recently surpassing New York. Companies are moving to Texas in droves, creating thousands of new jobs for our people and investing billions in our economy. If we can't find a way to move their goods, services and workers around this state, they will leave just as fast.

The simple truth is: When it comes to roads, we need more of them. Because I’m sure as heck not going to stop inviting companies to relocate their operations to our state. Those jobs mean income for Texas families, tax revenues for local communities, and a continually rising economic tide. And good roads mean a better quality of life for our
citizens.

Unfortunately, folks on the various sides of this issue have lost sight of these simple facts. Too often, we have seen the issue of road construction driven by emotion, rather than reason. When this happens, honest debate is stifled, and solutions are sacrificed at the altar of politics. Just a few short years ago, we made significant progress on the challenge of building our transportation infrastructure. I would argue, in fact, that we changed the ages-old paradigm of how Texas does transportation. We brought local communities to the table through our regional planning authorities. We instituted bonding so local authorities could leverage toll roads and make their tax dollars go even further. We invited the private sector into the conversation for market-driven solutions to the funding challenge. This was progress and it works.

I want everyone within earshot to understand that we cannot assume this problem will fix itself. And while I am looking forward to addressing this issue when the legislature meets in 2009, the state cannot afford a repeat of 2007. Members of the legislature must understand that “no” is not a solution to this challenge. It is an abdication of responsibility. Instead, we need to innovate. We need to thoughtfully debate. And we need to bring all ideas to the table to tackle the overwhelming need our state faces. And we already have some pretty innovative ideas on the table.

A decade ago, if I would have told you that there was a way to pay for all the roads you wanted, if I had talked about a group of people who are dying to compete for the chance to spend their money to build your roads, you would have told me I’d lost my mind. With all your experience in financing and building roads, you would have thought such a thing too good to be true. But it is true. There are many, many financial institutions out there ready and willing to invest in Texas roads, willing to pay for the roads we need but can’t afford, in exchange for the opportunity to recover their investment and make a profit over time. In fact, last month, Transportation Secretary Mary Peters publicly estimated that there are roughly $400 billion dollars in private money available worldwide for public infrastructure projects. That’s billion with a “b.”

In Texas, we pursue private money to build our communications infrastructure, we leverage private money to build our rail infrastructure, and we welcome private investment from overseas if it means putting up a plant for Toyota or Samsung. So why in the world shouldn’t we pursue private funds to help us build roads? I am convinced that private dollars, administered through private-public partnerships, are a significant part of the answer to our transportation infrastructure challenge. I also believe the legislature should break its addiction to gas tax money and insist it be spent on transportation and transportation alone. That will be a great first step, but not the only step.

We Texans are at the wheel of a powerhouse economy that is racing forward at record speeds. As our growth accelerates, our needs do as well. We do not fulfill the public trust if we waste our time arguing over millions when our needs are in the billions. We are stepping over a dollar to pick up a dime and hurting our state in the process. So we need to innovate. And I’ll step up and say it’s possible we haven’t thought of every single solution to our infrastructure challenges. That door is open for a better idea. I’m intrigued by Senator Ogden's idea of finding a way to give our Texas pension funds first chance to invest in Texas roads. I think this idea is loaded with promise. As the next session approaches, I look forward to discussing it and other ways to fund our road construction. The Senator’s creativity is a great example of how to approach the issue.

I also believe additional bonding can be part of a greater solution. However, until that greater solution, that long term strategy, becomes more clear, I am not willing to allow this state to just go further into debt. Running up the credit card just pushes back the greater problem for two more years. I say no more band-aids. No more short-term fixes. Texas needs long-term solutions and a long-term strategy and Texas needs it now.

I am fully committed to working with the legislature to find that long-term sustainable solution. Leaders like Lt. Governor Dewhurst and Speaker Craddick have shown they have what it takes to tackle tough problems. We have
done so together in the past with tough issues like medical malpractice reform, balancing the budget in times of deficit, and finding solutions to school finance. I am confident that we can work together to solve this great challenge too.

I thank all of you for staying engaged in this difficult process. The work we do together makes a difference and we cannot relent in our quest to solve these challenges. Because, we’re not just talking about dollars and concrete and orange cones. Instead, we are talking about freedom: the freedom to move about, to transport goods or to simply travel freely with one’s family. This freedom is part of our Texas heritage and we cannot lose sight of this high calling as we wrestle with the details.

By advancing toward solutions and, ultimately, solving this challenge, we will make a better tomorrow for the state we all love so much. I encourage you to stay engaged, bring your best ideas to the table and be willing to get a bloody nose every once in a while for a noble idea. Otherwise, we’ll just watch the world pass us by as jobs, citizens and investment hit the open road for more favorable conditions. That has never been the Texas way and, God willing, never will be.

Thank you for all you do. May God bless you and, through you, may He continue to bless the great state of Texas.