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Matthew Tejada, Public Interest Advocate for TexPIRG, gestures towards his projection slideshow during the Texas Public Policy Foundation sponsored debate.

Debate brings light to state's infrastructure

By: Sarah Wilson

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Private versus public control of state transportation was at the heart of a heated debate hosted by the Texas Public Policy Foundation Wednesday.

Matthew Tejada of the Texas Public Interest Research Group and Geoffrey Segal, director of privatization and government reform policy at the Reason Foundation, squared off to debate whether tax increases or privatization would best support infrastructure in Texas. The event drew a crowd of nearly 100 people and was held at the Reason Foundation's offices in downtown Austin.

"The purpose of the debate was to look at how we can meet the infrastructure needs of a rapidly growing state and to what degree private investment should play," said foundation spokesman David Guenther.

He added that one of the key issues of the debate was not to decide whether to make free roads into toll roads, but whether existing toll roads should be sold to the private sector for management.

The state already makes room for control by both the public and industry. Gov. Rick Perry's Deputy Chief of Staff Kris Heckmann, who also moderated the event, said Texas law requires a toll-free road to parallel every toll road. This gives commuters the option either to pay a toll and avoid traffic or to take the free route, Heckman said.

Current toll roads like Texas State Highway 130 are designed and built by private companies, but are financed and managed with taxpayers' dollars, he said

Tejada said that roads should probably not be entirely private and added that his main concern is leaving too much toll-road profit with the private companies that run them.

For example, a private company and the State of Indiana signed a contract in which the state sold the road for \$3.8 billion, and the company agreed to maintain the tollway for 75 years, Tejada said.

The company will make roughly \$3.8 billion from tolls within 15 years, meaning the money they make in the 60 years after that will be profit for the company owners, minus the money they will need to repair the highway, Tejada said.

"Why trust the private sector, who is answerable to its board of directors and shareholders, instead of

trusting the government who is answerable to us, the voters?" Tejada said.

Tejada proposed several different methods to fund the transportation system in Texas and to avoid giving ownership of highways to private companies.

In addition to \$2 billion the Texas Department of Transportation will be contributing to the upkeep of roads, Tejada also suggested instituting a "gas guzzler registration tax."

Furthermore, cities like Austin should prioritize building a strong public transit system to get cars off the road, decreasing dependency on oil and emission of greenhouse gases, Tejada said.

While Segal agrees with prioritizing infrastructure plans, he does not believe in raising or creating taxes to fund road maintenance.

"We need a new paradigm to finance, build and manage our infrastructure," Segal said. "We need to invite the private sector to invest and participate in building and maintaining our roads."

With government oversight, Segal predicts privatized roads would be just as successful as privatized airports in Europe and privatized communications services like AT&T in the United States.

He said privatizing roads would prevent earmarking, where money set aside for transportation is diverted to other projects.

"There were over 6,000 earmarks in the last highway appropriations bill," Segal said. "Some of the money was even going to museums."

He added that contracts subject companies to performance guarantees, assuring drivers that their roads are efficient and safe.

Heckmann said that a lack of public infrastructure will likely increase private sector involvement in Texas' transportation.

"But it's a process," Heckmann said. "If it happens, it's going to happen one contract at a time."

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