

Editorial: 85 mph is a financial symptom

Published: 28 October 2012 10:51 PM

Texas now boasts the highest posted speed limit in the nation — 85 mph for a new toll road near Austin — but the number has less to do with the thrill of speed and more to do with the state's financial distress.

Think of 85 mph as a symptom of how starved for cash Texas has become to build highways.

None of the money for the \$1.4 billion toll road came from the state treasury. The 41-mile stretch of State Highway 130 was paved by a private consortium in return for 50-year tolling rights and an upfront payment to the state. For the Texas Transportation Commission, setting the speed limit at 85 mph pushed that payment to a \$100 million bonanza — about half the cost of a major freeway intersection.

And with highway blueprints gathering dust statewide for lack of money, the offer was too good to pass up. Voila! Headlines about the new "Texas Autobahn."

In a sense, the autobahn — er, toll road — is a distant cousin to our own project to rebuild LBJ here in Dallas. The LBJ project also involved private money, from a Spanish infrastructure investor, and long-term tolling rights.

But be clear: There are limits to what hybridized roads and exotic financial deals can accomplish. Many major projects — like parts of the newly shelved Project Pegasus in the heart of Dallas — need billions that the state won't have any time soon and that tolls could not generate.

Lawmakers have been on a multibillion-dollar borrowing binge to try to plug the gap, but various credit lines are maxing out, and debt payments are taking bigger and bigger bites out of fuel-tax revenue.

Transportation and business leaders are sounding the alarm over debt overload as the most inefficient option for financing highways and are calling for lawmakers to finally get serious about sustainable new sources of revenue.

A new statewide group of corporate CEOs, the Texas Transportation Alliance, began just last month to clamor for reasonable solutions. We hope state lawmakers listen to the message: Bad roads and bad congestion are bad for business.

There are many possibilities for new revenue. This newspaper has long advocated boosting the gas tax for the first time since 1991. But that's political poison in the Legislature, and members invariably start looking elsewhere. Promising alternatives for next year's lawmaking session include raising the registration fee on motor vehicles and dedicating vehicle sales taxes to road-building.

Whatever, lawmakers certainly must know that a speed binge — just like their borrowing binge — has its limits.