



Spanish Company Building Trans-Texas Corridor Now Bankrupt

Readers of The New American will perhaps remember our 12-year (so far) opposition to the massive highway program known as the NAFTA Superhighway. Or so it was known in the middle of the last decade. And the Texas portion of the system was back in the news again last week. Many of the project's opponents jumped for joy as the funding mechanism for the whole scheme cracked. The only completed segment of the Texas portion of the highway, constructed through a suspicious Public Private Partnership (3P), fell victim to a bankruptcy filing. The Spanish company Cintra, which had contracted with Texas Department of Transportation (TxDOT) to build the behemoth, buckled from a shortage of cash and filed for Chapter 11.

The Superhighway system was planned to provide a transport route from the west coast of Mexico all the way to points in Canada. Its success hinged on the wildly unpopular TransTexasCorridor (TTC) that was to have gouged through the center of Texas from the Rio Grande to the state's northern boundary with Oklahoma. And the TTC was largely dependent on the success of SH 130 — a 130+ mile long "super toll road" paralleling IH 35 to the east, running primarily north-south from San Antonio to north of Austin, Texas. That first completed portion of the TTC includes segments 5 and 6 near Austin. From the beginning, this road has been plagued with low traffic counts (read: low toll collections) — so much so that, twice, distressed planes used the pavements as landing sites without incident. (Those in the know will recall that the nation's interstate highway system was designed for just such a use.) Even last year, TNA reported that the project was in danger









of default.

TTC was so outrageous that it caused, well, outrage among Texans — a great many citizen activists protested so long and so loudly that the project had to take a much lower profile, and this caused long-term setbacks to the scheme's schemers.

Texans United for Reform and Freedom (TURF), a citizen watchdog group dedicated to Texas transportation issues, sees the bankruptcy filing as a cause for <u>celebration</u> among anti-toll interests, apparently because it means the end of the contractual obligation Texans faced. But Texans are far from off the hook. Exactly how it's a good thing to be stuck with this road (unless it's converted to a freeway), and the problems it caused, remains to be seen. The Chapter 11 status conceivably means that Cintra could reorganize and be given another chance.

And despite the setbacks mentioned above, the vision of a transportation corridor system to facilitate an integration of Mexico, the United States, and Canada into a North American Union (NAU), which has been extensively reported in this publication, is still alive. Three more corridors are quietly progressing in Texas alone, and large corridor systems are under construction in the West.

But the real tragedy in all of this is the disruption of the lives of those who had the misfortune to get in the way of such a boondoggle. The emminent domain takings, loss of sovereignty, and costs to taxpayers, among other things, were all experienced by real people who have no legal recourse. And, at this point, those impacted by the construction of SH 130 see a shallow victory in its current financial woes. They've already lost their land, homes, and property rights. In 2006, *TNA* reported the fate of one such Texan — rancher Sam Harrell, whose family had been in the state since the days of the Republic (of Texas). Harrell had a particularly heartbreaking story of the loss of his property to a now-little-used road.

TNA warned of such problems years ago, including the problems inherent in the 3P model. Nevertheless, the failure of the high-profile SH 130 in Texas does have its merits: If the boondoggle receives enough media attention, it can be a valuable lesson as to the dangers of 3P for public projects as well as opening people's eyes to the real agenda behind the corridor system.







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