

The Texas Transportation Challenge

Texans Have a Problem

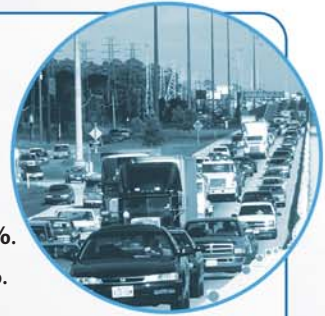
The Texas transportation system has not kept pace with the needs of a rapidly increasing population.

Over the past 25 years in Texas ...

- Our population increased **57%**.
- Our use of our roads grew **95%**.
- State road capacity grew **only 8%**.
- Congress transferred **\$7 billion** in Texas gas tax payments to other states.
- The state moved **\$10.8 billion** in transportation funds to other uses.

Over the next 25 years in Texas ...

- Our population will increase an additional **64%**.
- Our use of our roads will increase an additional **214%**.
- State road capacity will grow **only an additional 6%**.
- Congress will transfer **an additional \$7.5 billion** in Texas gas tax payments to other states.
- The state will use **an additional \$13.5 billion** in transportation funds for other pressing needs.



Texas Mobility Needs Are Significant

Planners have identified \$188 billion in needed projects to achieve an acceptable level of mobility by 2030. We estimate that only \$102 billion will be available to meet those needs. We are left with a significant funding gap of \$86 billion if we are to adequately meet the state's future transportation mobility challenges.

Texans Can't Wait on Congress

During the past 25 years, federal leadership has distributed transportation funds with little regard for population shifts among states. Although the Interstate Highway System was essentially completed by the late 1980s, Congress has continued to transfer massive amounts of federal transportation funds from high growth states to low growth states. The federal government has transferred more than \$7 billion in federal gas taxes paid by Texans to other states' transportation needs. **Texas will never see that money.**

Congress currently transfers up to 13% of every Texas federal gas tax dollar to other states. To generate enough cash to expand our transportation system as needed, those transfers would have to end. At the same time, Texas would have to receive transfers from other states equal to 80% of our federal gas tax payments or essentially a 180% return on our federal gas tax payments over the next 25 years. That doesn't include maintenance and other costs. Congress is not going to take federal transportation funds away from 49 other states to help Texas. **Congress is not going to solve our problem.**

Texas Funding Resources Are Stretched

The state gas tax only pays for 32% of our current state transportation budget. To generate enough cash to expand our transportation system as needed over the next 25 years, the state gas tax would have to be increased by 600% to \$1.40 per gallon. The prospect of a gas tax increase is unlikely. **The state gas tax alone is not going to solve our problem.**

Why Texans Need A New Approach

We can't count on Congress or state government to restore the funds already transferred to other purposes. Those funds are gone. Given other challenges in federal and state government, we also cannot expect leaders to take funds away from other areas of government or raise taxes in the future to address our problem. Texans need to look beyond our traditional resources to find new solutions to meet the Texas transportation challenge.

TxDOT Has a Plan

The TxDOT Plan calls for faster completion of transportation projects with additional money to get the job done right.

The TxDOT Plan Is Focused on 5 Goals

- 1 Reduce congestion.
- 2 Enhance safety.
- 3 Expand economic opportunity.
- 4 Improve air quality.
- 5 Increase the value of transportation assets.



The TxDOT Plan Is Based on 4 Strategies

- 1 **We will use all financial options to build transportation projects.** The Governor and the Legislature have authorized new revenue tools, including safety bonds, the Texas Mobility Fund, toll equity, and toll debt, to build postponed projects. TxDOT is using these new revenue tools and leveraging existing tax collections using public debt to build projects sooner at a lower cost. TxDOT is inviting the private sector to participate in financing our transportation projects. TxDOT is matching private sector capital with public sector capital to pay for long term solutions.
- 2 **We will empower local and regional leaders to solve local and regional transportation problems.** New financial options at the local and regional level include the use of pass-through toll financing, the creation of Regional Mobility Authorities, and the stability of the Texas Metropolitan Mobility Plan. To protect the public's interest, TxDOT is connecting measurable results with defined authority to plan and approve transportation projects. TxDOT is separating planning and execution of local projects, regional projects, and state projects. TxDOT is reaching out to local and regional leaders to be our partners in this effort.
- 3 **We will increase competitive pressure to drive down the cost of transportation projects.** The Comprehensive Development Agreement project delivery method is being used to encourage cost effective solutions to long term transportation problems. TxDOT is implementing processes to encourage more competition among companies that already do business with the department. With new financial options available, TxDOT is inviting firms to relocate to Texas and compete for TxDOT projects.
- 4 **We will demand consumer-driven decisions that respond to traditional market forces.** New mobility opportunities are found through the Rail Relocation Fund, optional toll lanes and toll roads, and consumer-friendly commuter rail systems. TxDOT is making its asset investment decisions based on short term, mid term, and long term solutions. TxDOT is considering transportation solutions other than roads and highways. TxDOT is giving consumers a choice.

The TxDOT Plan Is the Future of Transportation

Consumers Drive Our Decisions. The public must remain engaged in shaping transportation opportunities by identifying needs and taking advantage of transportation options. Consumer choices will determine our success. **Business Resources Outline the Options.** The private sector must step forward to bring their talents, ideas, and financial resources to the table. We won't solve this problem alone; public-private partnerships are essential. **Local and Regional Leaders Partner with TxDOT.** The TxDOT Plan requires strong and consistent commitment and leadership from local and regional officials. Our future depends on effective leadership and bold action. The entire TxDOT organization is committed to the success of this plan. It is our present and our future and we are moving forward. **Texas Moves Forward.**



The TxDOT Plan – Texas Moving Forward