

I-69 Presentation to the 2030 Committee
Thursday, October 30th Corpus Christi, Texas

A couple of weeks ago, I joined Tim Brown of the I-35 Advisory Board and Amadeo Saenz for a presentation at the Transportation Short Course in College Station. There were three words which captured the criticality of I-69: **double, commerce and prosperity.**

- The population and freight movements along the I-69 corridor are projected to double by 2030.
- I-69 will enhance Texas' ability to accommodate commerce - providing greater capacity and efficiency for both interstate and intrastate trade.
- As the businesses, industries, agriculture producers, distributors, retail stores and manufacturers across all of Texas realize the economic benefit from this significant north-south trade corridor - Interstate 69, Texas and Texans will prosper.

The freight and trade trends along Texas' Gulf Coast and the Texas-Mexico border are indisputable. Both land and seaports serve a vital role in the economies of Texas and the United States. An interstate highway (I-69) serving and connecting these border and sea ports of entry to each other, the rest of Texas and beyond will generate an economic boom for Texas. And - whether its cotton, Toyotas, oil or technology, the products that come from Texas need I-69 to efficiently and cost-effectively be distributed.

I-69 was born over 15 years ago out of a demand from communities and industries for interstate connectivity to support current and future transportation needs. Given its pivotal role in the future economic prosperity of our state, funding I-69 must be a local, state and national transportation priority. Studies must be accelerated, key projects identified, funding secured and construction begun without delay in order to capture for Texas the economic value created by our geographic location.

Texas Gulf Coast seaports are the gateway to the world for both our state and, in a significant way, the nation. Imports and exports movement through Texas' key ports have reached record levels with growth projected to continue unabated well into the future. Changes in worldwide trade patterns, including those anticipated by the upgrades currently underway at the Panama Canal, will further increase freight movement in and out of the Gulf ports. The inland ports along the Texas-Mexico border have opened the state and nation to additional international commerce, including that generated by the NAFTA and CAFTA trade agreements. I-69 will accommodate the commerce created by the border and seaports - providing the critical connectivity for the efficient movement of interstate and intrastate goods. Texas communities located on or near I-69 are

positioned to “capture” value from the commerce flowing through their region. Texas’ businesses and industries across the state will realize the efficiencies and cost-savings from accessible and reliable connectivity to the ports of entry.

Currently Texas is the nation’s leading maritime state with exponential growth projected.

Texas has more than 1,000 facilities in 17 ports on 1,000 miles of channels maintained by the Corps of Engineers.

Texas ports significantly impact the national economy. The ports of Beaumont, Corpus Christi, Freeport, Houston, and Texas City are among the top 25 U.S. ports in tonnage handled. The Port of Houston is the 10th largest port in the world and largest container port on the Gulf Coast. In addition, Texas ports bring in over \$9 billion in federal tax revenues each year. As a conduit and catalyst for global trade and economic development, Texas ports serve the state and nation as important trade centers.

Port of Houston Authority’s (PHA) container business has experienced double-digit record growth resulting in annual increases for more than a decade. A conservative estimate of 6.7 million containers will be handled by the PHA in 2030, which is a 74% increase from 2007 totals. Corpus Christi’s La Quinta Trade Corridor is poised to handle up to 2 million teus and other Texas ports such as , Brownsville, Galveston, and Beaumont are preparing to accommodate similar increases in containerized cargo. While Texas ports are addressing the need for much-needed container and other cargo handling capacity by improving efficiencies at existing terminals and building new facilities, the phenomenal growth of containerized cargo has created serious capacity issues not only at the ports but also on the existing rail and highway infrastructure. Additional I-69 capacity is desperately needed to accommodate the onslaught of containers.

I 69 will serve as a critical artery for the efficient movement of commerce to and from the Texas inland ports along the Texas-Mexico border. Mexico is and will continue as a major trading partner, so funds are needed to connect the inland ports along the border to the Texas seaports and major distribution and population centers. Looking to the future, it is expected that truck freight tonnage on I-69 will increase by 100% by 2035.

Rail needs exist throughout the planned I-69 route. They include better access to the seaports along the Gulf Coast, improved access and connectivity along the US-Mexican border, and more efficient connectivity with local and regional manufacturing, agricultural, and other business activities. As Texas becomes more of an alternative to the West Coast for the movement of freight, the need for rail improvements becomes even more evident.

As vehicular travel continues to grow, conflicts at the many at grade crossings with railroads grows ever more severe. There is limited ability to add capacity to the freight rail system through the construction of additional tracks in the existing rights of way. These needs must be cooperatively explored with each community and the rail carriers serving them in partnership with TxDOT.

The business impacts and opportunities are clear and compelling. The ports will continue to handle record volumes of cargo and Texas needs to ensure that a land-based transportation system enhances rather than restricts that ability into the future. Freight crossing the border with Mexico will reach new levels every year. I-69 will also serve as a key Intermodal connection as air freight becomes increasingly important in the state. With all this in mind, it is safe to say that Texas' failure to invest in the I-69 and its related transportation elements will ultimately constrain the state and nation's economies.

A couple of additional points:

- Many of the key projects needed to improve I-69 are already contained in regional transportation plans. These projects must be built at the earliest possible date.
- Consultation with local governments, businesses, port authorities, and other impacted stakeholders along I-69 is essential to achieving the desired objectives of this effort.
- Improvements envisioned on this route must include projects on Hwy 59, Hwy 44, Hwy 281 and Hwy 77 and other related roads and highways such as US 181, to provide the contiguous facility needed.
- I-69 improvements may include truck only lanes, overweight lanes, or other freight specific features that will facilitate the efficient movement of goods and promote safety for all.
- National security issues must be considered and incorporated into I-69 improvements to ensure public safety.
- Freight movement along I-69 must be seen with a holistic view including rail and highway systems.
- Texas must advance technologies that will result in quantum improvements in mobility – innovations such as TTI's freight shuttle whose pilot project may be up and running at the Port of CC next year.
- Improvements should be accomplished within existing highway rights of way wherever possible to reduce the impacts of improvements on surrounding landowners and businesses.

Funding challenges inherent in maintaining and growing our current system must be part of the discussion of how to move forward in building the I-69 project. Financing is clearly a key component. When the effort began, the I-69 project was anticipated to cost \$6 billion. As construction and associated costs have increased, today it is estimated to have a project cost of \$12 to \$15 billion.

In light of these enormous challenges and costs, it is critical that government effectively utilize the current tools available, look for innovative means of financing and construction that maximize resources, and ensure that funds are spent on priority projects that provide a good benefit-to-cost ratio and are based on performance measures.

With regard to moving forward with I-69, the size and scope of this project will require a funding approach that considers all options. Additionally, the benefits of the proposed corridor support it as a priority investment for Texas with a significant economic return. It is estimated that the project could create up to 40,000 new jobs by 2025 with a resulting \$12.8 billion in wages and \$24 billion in added value. The economic activity generated along the corridor will reach 4.2 million residents who live below the poverty level. And, it is a critical trade corridor as the shortest route between the Northeast and South Texas. In addition to the economic impacts, there are the benefits of reduced travel time and fuel consumption.

Finally, all Texans will benefit from a strong transportation system that has as its foundation the funding sources to meet our strategic priorities. Our future depends on the effective leadership and bold action of our state's leaders, to embrace and enact these recommendations.

The time for building I-69 is now. To further postpone this critical interstate corridor ignores the givens: our population and freight will double, Texas based commerce needs I-69 for efficient and cost-effective access to markets and supply and that prosperity is at stake – delay abdicates the economic opportunity to other Gulf Coast states and Mexico.

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