It’s About Time: Investing in Transportation to Keep Texas Economically Competitive

March 31, 2011
C. Michael Walton, Chair
    Austin
David Marcus, Vice-Chair
    El Paso
Ken Allen
    San Antonio
Drew Crutcher
    Odessa
The Honorable Ed Emmett
    Houston

Judy Hawley
    Corpus Christi
Tom Johnson
    Austin
Cullen Looney
    Edinburg
Roger Nober
    Fort Worth
Gary Thomas
    Dallas
Primary 2030 Report Researchers

• Texas Transportation Institute
  – David Ellis, Tim Lomax, Terri Parker, Brianne Glover, Nick Norboge, Wally Crittenden, David Schrank

• Center for Transportation Research, The University of Texas at Austin
  – Rob Harrison, Mike Murphy, Zhanmin Zhang, Seokho Chi

• The University of Texas at San Antonio
  – Jose Weissmann, Angela Weissmann
Committee Accomplishments

• Scenarios describe possible “futures”
  – Transportation infrastructure – roads & bridges
  – Urban and rural mobility
  – Effect on economic competitiveness & quality of life

• Possible funding options

• Guiding principles for projects/programs

• How Texans will pay for transportation

• Information for future decisions
How is the 2011 Report Different from the 2009 Report?

• Scenarios – components & time scales
  – Pavement quality
  – Bridge quality
  – Urban mobility
  – Rural connectivity

• Many possible funding options - but no easy ones

• Transportation Action Principles

• Quantified costs
  – Taxes, fees, tolls
  – Vehicle use & maintenance, time, fuel

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Scenarios</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 to 2015</td>
<td>Pavement quality</td>
</tr>
<tr>
<td>2016 to 2019</td>
<td>Bridge quality</td>
</tr>
<tr>
<td>2020 to 2035</td>
<td>Urban mobility</td>
</tr>
<tr>
<td></td>
<td>Rural connectivity</td>
</tr>
</tbody>
</table>
Texas Transportation Action Principles

Priorities

• Local & state officials in best position to choose projects
• Preserve infrastructure first – enormous penalties if maintenance postponed
• Ensure maximum “bang for the buck”
• Display results & be accountable

Approach

• Involve everyone in the solution – commuters, employers, carriers, shippers, manufacturers, etc.
• Attack problems, but also seize opportunities that support economic development
• Users pay for services they “consume”
• Make timely decisions & react quickly to avoid greater expense in the future
## Committee Scenarios

### Conditions, Funding and Letter Grade

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
<th>Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>F</strong></td>
<td>Unacceptable Conditions</td>
<td>What will happen if policies do not change? Conditions deteriorate &amp; congestion grows rapidly</td>
</tr>
<tr>
<td><strong>D</strong></td>
<td>Worst Acceptable Conditions</td>
<td>Preserve enormous infrastructure investment, but congestion grows rapidly</td>
</tr>
<tr>
<td><strong>C</strong></td>
<td>Minimum Competitive Conditions</td>
<td>Conditions equal to or better than median of peer cities &amp; states</td>
</tr>
<tr>
<td><strong>B</strong></td>
<td>Continue 2010 Conditions</td>
<td>Maintain current quality &amp; congestion levels</td>
</tr>
</tbody>
</table>
Average Annual Transportation Costs per Household, 2011 to 2035

- **Wasted Fuel, Time & Maintenance Costs**
- **Taxes & Fees**

<table>
<thead>
<tr>
<th>Conditions</th>
<th>F-Unacceptable</th>
<th>D-Worst Acceptable</th>
<th>C-Minimum Competitive</th>
<th>B-Continue 2010 Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Change in Funding or Policy Trends</td>
<td>$6,095</td>
<td>$4,825</td>
<td>$4,228</td>
<td>$3,652</td>
</tr>
<tr>
<td>Preserve Infrastructure, Rapid Congestion Growth</td>
<td>$232</td>
<td>$406</td>
<td>$511</td>
<td>$634</td>
</tr>
<tr>
<td>Equal to or Better than Median of Peers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintain 2010 Quality &amp; Conditions</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
## Annual Investment 2011 to 2035

<table>
<thead>
<tr>
<th>Scenario &amp; Grade</th>
<th>Total Investment $Billion ($2010)</th>
<th>Average Cost per Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>F - Unacceptable Conditions</td>
<td>$4.0</td>
<td>$232</td>
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</table>
Examples of Revenue Options

• Capture existing revenue
  – $100+ million/year from a variety of truck fees
  – Transfers to DPS: $600 million per year

• System-wide sources
  – Fuel tax
  – Vehicle registration fee

• Targeted options
  – Toll roads
  – Project-specific incentives
  – Public-private partnerships

• Area approaches
  – Local option vehicle registration fees
  – Local option fuel tax
Committee Conclusions

• Certain – Texans will pay more for transportation in the future
• Uncertain – the answer to “how?” and “how much?”
• Local and state officials should select projects
• Transportation Action Principles should guide investment decisions
• Many funding options are available

Pay more & suffer? OR Pay less & solve?

Doesn’t seem like a difficult choice

texas2030committee.tamu.edu