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September 16, 2020

The Honorable Terry Canales
Texas House of Representatives
PO Box 2910
Austin, TX 78768

Mr. Chairman and Members of the House Transportation Committee:

Thank you for the opportunity to comment on the Interim Charges. On behalf of the Transportation Advocates of Texas, which is a statewide advocacy group made up of local governments, mobility coalitions, port authorities, economic development organizations, regional alliances, state associations and employers dedicated to helping find solutions to the mobility challenges facing Texas, we would like to address Interim Charge 1B: **SB 282** and **SB 962**, which relate to the funding for the State Highway Fund.

The Texas Transportation Commission awards hundreds of millions of dollars in highway improvement projects every month to improve mobility across the state. Those projects will be under construction for the next several years, providing thousands of jobs and adding to the economic vitality of local communities. Completed transportation projects enhance the state's long-term economic competitiveness. The state of Texas has the 10th largest economy in the world, ahead of Russia and Canada. Transportation drives that economic engine. And people benefit because highway expansions and upgrades shorten travel times, enhance safety and save lives. Commerce and business benefit because those road projects accommodate surging freight traffic demand.

Budget uncertainties will confront Texas legislators when they convene in January. How fast will revenue recover? What will they have to cut for the 2022-2023 budget? Those discussions must not ignore the absolute priority that roads and bridges play in our daily lives.

Lawmakers should recognize that an uninterrupted, robust program of priority highway improvement projects are essential to meet the current needs of the pandemic and will be a major contribution to our economic recovery. Underscoring this is our continuing need to address population growth. The population of Texas increased 71% over the last 30 years to 28.7 million. It is expected to grow another 60% to 47.3 million by 2050. To address that explosive growth, we need to expand our existing highways, and build new ones, while addressing the



maintenance needs of our ever-aging highways. That includes thousands of miles of Texas interstate highways that are more than 50 years old. They need to be reconstructed and expanded. That takes money.

Texas highway projects are paid for with a combination of revenue sources including state and federal gasoline and diesel taxes, registration fees, and oil and gas severance taxes provided through Proposition 1 and sales taxes provided through Proposition 7, all of which are constitutionally dedicated to maintaining public roadways. More than 80% of Texans voted for Proposition 1 in 2014 and Proposition 7 in 2015, which set aside some oil and gas production taxes and general sales taxes for highways. Those measures now provide about \$4 billion a year to build and maintain our roadway system. In a sense, those funds are making up for the loss of some \$20 billion in projects due to legislative diversion of highway funds to other purposes over the previous two decades.

While steps have been taken to alleviate the shortfall of expenditures on Transportation infrastructure, Texas still has a major highway funding gap in Texas resulting from dramatic population growth, industrial and commercial expansion, accelerating goods movements by truck and an explosion in oil patch truck traffic, all on top of decades of under investment in system preservation and expansion. While the Transportation Commission has allocated funds for about \$70 billion in projects over the coming 10 years, it is estimated that there are billions of dollars in unfunded projects waiting in the wings.

Major highway projects travel on a long development conveyor belt from concept to ribbon cutting, often taking 15 years or more. One of the very important benefits of keeping the conveyor belt moving is the preservation of the experience and expertise of the construction and design personnel that actually deliver the wider, safer, smoother roads Texans need. And that is a huge deal, because we drive some 540 million miles *each day* on Texas roads.

Vehicle travel is obviously evolving, whether we are talking about ridesharing, electric vehicles, truck platooning or autonomous vehicles. What does not change in any scenario, as these technologies become more engrained in our lives, is the ongoing need for safe, efficient highways.

Yes, we face a coronavirus recession. That's why committing to an uninterrupted program of priority highway improvements makes sense. Doing so will create jobs and will help Texas make a faster economic recovery. Additionally, it can have the benefit of creating major legacy transportation infrastructure projects that will provide economic benefits for generations to come.

Thank you for this opportunity to provide this testimony in response to Interim Charge 1B: SB 282 and SB 962 on behalf of the Transportation Advocates of Texas (TAoT).

Sincerely,

Victor M. Boyer
TAoT Chairman

Drew Campbell
TAoT Chairman-Elect