

September 18, 2020

The Honorable Terry Canales
Texas House of Representatives
Mr. Chairman and Members of the House Transportation Committee

Thank you for the opportunity to address the committee on Interim Charge 1B, the State Highway Fund. AAA Texas, commonly known as the auto club, is a 116-year-old member service organization that was created almost immediately after the first horseless carriages hit the ground in Texas. From its inception, AAA has dedicated itself to the future of transportation, through the support of safe, efficient, highways and transportation system that is accessible and affordable to everyone.

Transportation infrastructure is essential to a thriving Texas economy. The two are inexorably tied together and are necessary to sustaining the economic development driven by Texas' land and ocean ports. But, there is an ever-widening gap between Texas transportation needs and the available funds to meet those needs.

Texas Challenges:

- **Demand exceeds revenues.** The Texas Transportation Plan 2040 estimates that Texas will need more than twice as much revenue (\$21 billion annually) than the State Highway Fund is expected to generate. Texas' ongoing, unprecedented population growth is expected to continue, with the population doubling to 54 million by 2050. And, many Texas roads were not built to withstand the demands of heavy-duty tractor-trailer traffic.
- **Stagnant funding** that has not kept pace with inflation. State and federal motor fuels fees have remained the same since the early 1990's. The state comptroller reports that the buying power of the dollar has shrunk 40 percent due to inflation. According to the Congressional Budget Office, by next year (2021) the federal Highway Trust Fund (HTF), won't have enough money to meet its obligations. This is important as the Texas State Highway Fund depends on the HTF for nearly half of its revenue.

Recommended Fundamental Principles:

- **Protect dedicated funds against diversion.** This includes the motor fuels tax, as well as the recent constitutional amendments, Propositions 1 and 7, which were overwhelming approved (more than 80 percent) by Texas voters.
- **Maintain sustained and reliable funding.**
- **Research related road user fees** to enhance the dedicated highway fund.
- **Assure all road users pay their fair share** for pavement damage and capacity demands.

Anne O'Ryan

Anne O'Ryan
Public Policy Strategist; Legislative, Regulatory and Government Affairs Advocate

AAA Texas * 4970 Highway 290 W. Ste. #310, Austin, Texas 78681 * (512) 899-8843

Auto Club Enterprises provides service to more than 16 million members



We're always with you.



AAA.com

AAA Texas * 4970 Highway 290 W. Ste. #310, Austin, Texas 78681 * (512) 899-8843

Auto Club Enterprises provides service to more than 16 million members



We're always with you.