



February 8, 2013

The Honorable David Dewhurst
Lieutenant Governor's Office
P.O. Box 12068
Austin, Texas 78711-2068

Dear Lt. Governor Dewhurst:

In light of our growing population, stagnant motor fuels tax revenue, and aging infrastructure, the 83rd Legislature is faced with important decisions regarding the future of our transportation system. In various discussions with you and your staff, you have asked us to identify the state's most critical transportation issues. I have enjoyed our discussions over the past year and appreciate your support and guidance as well as your commitment to the state's transportation needs. Under your leadership, and that of Speaker Straus and Governor Perry, I am optimistic that this session will significantly advance our state's transportation policy.

As you know, our single biggest challenge is meeting the state's needs with limited resources. The other issues that follow are based on my discussions with the members of the Texas Transportation Commission (Commission) and reflect their priorities for the session.

Need for Additional Funding Source

Given the state's dramatic population growth, current funding sources cannot keep pace with the rising cost of maintaining our current transportation infrastructure and building additional capacity. In recent years Congress and the Legislature have provided temporary relief – such as stimulus funds and bond revenue from the Texas Mobility Fund and Propositions 12 and 14 – to address immediate funding needs. To address congestion, maintain and expand the current system and ensure our continued economic vitality, however, Texas needs a new, sustainable transportation funding source. The Texas Department of Transportation (TxDOT) stands ready to act as a resource for the Legislature should the legislature decide to address this pressing challenge.

State Infrastructure Fund

Members of the Transportation Commission have been discussing the benefits of a fund that would allow state funds to be used to make loans and to provide credit enhancement for transportation projects. This fund could allow transportation entities to improve their credit ratings or access additional financing for needed projects. This would be especially helpful to startup toll authorities such as Regional Mobility Authorities or tolling entities that have fully leveraged their existing system revenues.

Comprehensive Development Agreements

Comprehensive Development Agreements (CDAs) enable Texas to use private capital to supplement state and federal funds to build publicly-owned infrastructure. Using CDAs and

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other innovative financing methods allow TxDOT to efficiently leverage limited state funding and complete much needed projects more quickly. To address a shortage of transportation funding last session, the 82nd Legislature authorized TxDOT to enter into CDAs for seven specific projects. To date, the department has made significant progress on six of these. The seventh is currently subject to a primacy determination by the local government involved. We have identified additional transportation projects that are suitable for development as CDAs in the event the Legislature expands TxDOT's authority to do so.

Energy Sector

As you know, our state is currently experiencing tremendous activity associated with energy production. While this activity clearly benefits the state economy, it also poses significant challenges to the transportation infrastructure maintained by TxDOT and by counties and other local governments. To help meet these challenges, TxDOT partnered with other state agencies, county judges, the energy industry and other stakeholders to establish a "Task Force on Texas' Energy Sector Roadway Needs" to assess the current and anticipated consumption of Texas' transportation infrastructure resulting from energy-development activities.

In light of the rapid and ongoing consumption the Task Force identified, TxDOT included two related Exceptional Items in its Legislative Appropriation Request (LAR). We requested an appropriation from General Revenue (GR) of \$400 million in Fiscal Year 2014 to repair existing infrastructure already in poor condition as a result of energy-development activities. In addition, we requested \$600 million from GR for each year of the biennium to reinforce existing roadways and make other improvements to increase both durability and safety. In addition to requesting additional funding in the LAR, we are exploring the viability of using Road Use Maintenance Agreements in Texas. Other states have successfully used these agreements to offset costs associated with maintaining roadways and other transportation infrastructure adversely affected by increased energy-development activities.

Environmental Review of Projects

A provision in the recently enacted federal surface transportation law, "Moving Ahead for Progress in the 21st Century" (MAP-21), would enable the Texas Legislature to authorize TxDOT to obtain authority from the Federal Highway Administration (FHWA) to review and approve documents associated with environmental reviews required for federally-funded projects in Texas. Under state law, TxDOT already approves environmental documents for projects that exclusively use state funds and has the knowledge and capacity to perform that function for federal projects.

MAP-21 offers Texas the opportunity to exercise greater control over state and local transportation projects that require environmental reviews. Under a previously established pilot program, California exercised that authority and reduced the amount of time required for environmental reviews by 25 percent. Based on California's experience, we anticipate similar or greater time savings here in Texas, which would expedite the completion of much needed projects and reduce their costs. Authorizing TxDOT to obtain this delegated authority from FHWA would build on the environmental review process reforms enacted last session and increase their effectiveness.

Toll Enforcement

"Toll scofflaws," a small segment of the driving public that knowingly and repeatedly drives on state toll roads and repeatedly refuses to pay the tolls required, pose a significant and growing challenge to TxDOT. Unfortunately, we currently have few options to pursue these chronic offenders. Other tolling entities in North Texas and in Harris County have greater authority and a broader array of remedies to obtain payment. As you know, this issue was the subject of an interim hearing by the Senate Transportation Committee.

Safety

Foremost among TxDOT's goals is maintaining a safe system. In 2012, we recorded the safest year in our history with the lowest number of injuries on record as well as the lowest number of lost-time injuries. For the third year in a row, TxDOT ranked first among all reporting state departments of transportation as the nation's safest DOT.

Current law requires motorists in Texas to move over and vacate the lane closest to a stopped emergency vehicle or tow truck that has its emergency lights on – if there is more than one available lane in the same direction of travel – or to slow to 20 mph below the speed limit. In light of the number of TxDOT employees and contractors who are injured or killed while building and maintaining our highways, amending this law to provide them the same protection would significantly boost our safety initiatives and help reduce the risk of injury and death for roadside workers and motorists alike.

Thank you for your leadership on transportation issues and your steadfast support for TxDOT. If you have any questions or wish to further discuss these issues, please call me at (512) 305-9501. If your staff has any questions, they may contact Jerry Haddican with TxDOT State Legislative Affairs at (512) 936-7584 or via e-mail at Jerry.Haddican@txdot.gov.

Sincerely,



Phil Wilson
Executive Director

cc: The Honorable Rick Perry, Governor of Texas
The Honorable Joe Straus, Speaker of the Texas House of Representatives
Texas Transportation Commission
John A. Barton, P.E., Deputy Executive Director, TxDOT
Scott Haywood, Chief of Staff, TxDOT
James Bass, Chief Financial Officer, TxDOT