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Time to look at all options for funding infrastructure **Texas is falling behind in transportation spending**

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Perhaps no state is more acutely aware of the importance of healthy transportation infrastructure to a healthy economy than Texas. After all, much of the state's economic growth over the last century has been driven by the rising demand for oil, the evolution of America's dependence on the automobile, and exports through the state's air, rail and coastal ports.

Yet Texas isn't immune to the debilitating challenges and funding shortfalls that have earned United States infrastructure an overall D grade from the America Society of Civil Engineers.

While the state ranks second in the country in both population and vehicle miles traveled, according to the Federal Highway Administration, Texas' transportation spending ranks 17th on a per capita basis and 30th on a per-vehicle-mile-traveled basis.

This dilemma will grow during the next 25 years, as vehicle travel on Texas roads is projected to increase by 214 percent, and the population will increase by 64 percent while revenue from the gas tax will continue to decline with the advent of more fuel-efficient — and alternative-fuel — vehicles. Interstate 45 North in Houston already ranks No. 1 on the Texas Department of Transportation's Top 100 list of congested roadways.

As the Texas Legislature begins its biennial session this month, transportation issues must be front and center rather than taking a back seat.

The costs of inaction, often hidden, are real and growing larger every day.

A 2007 study by TRIP, a Washington, D.C.-based national transportation research organization, showed driving on roads in need of repair costs Texas motorists \$4.8 billion a year in extra vehicle repairs and operating costs - \$326 per motorist. The Texas Transportation Institute has reported Houston experiences an annual delay of 56 hours per traveler resulting in an annual cost of congestion of \$2.23 billion.

Bottom line, the Texas Transportation Commission estimates that \$188 billion will be required over the next 25 years to construct needed improvements to the TxDOT system, but current revenue sources will only generate just over half of that amount.

This potential disaster only grows larger when we consider:

- The need for increased federal support to bolster the region's investment in light rail transit;
- The exponential growth forecast for the Port of Houston - already the sixth-largest port in the world;
- The \$8 billion annual economic impact of the Houston Airport System; and
- The \$10 million to \$15 million annual shortfall facing the U.S. Army Corps of Engineers as it attempts to cover the minimum maintenance requirements for the Gulf Intracoastal Waterway.

So-called "patch-and-pray" approaches must end. Texas should be a leader in prioritizing transportation infrastructure and leveraging alternative funding mechanisms.

In part, that means lifting the moratorium on TxDOT's authority to develop concessionaire agreements.

Utilizing toll revenue and partnering with the private sector through public-private partnerships are proven alternatives and — while not the answer in every case — should be considered as an option, supplementing declining public transportation funding when possible.

Houston residents understand the importance of investing in our infrastructure, recently having passed the "Renew Houston/Prop 1" drainage fee. All alternatives — multiple sources of funding for multiple modes of funding — should be on the table, from higher gas taxes, property and sales taxes to a state infrastructure bank, Vehicle Miles Traveled user fees and tolls.

Airport revenues have been mostly fee-based for decades. Texas airports were charging the equivalent of tolls — parking, leases and landing fees — long before modern toll roads were introduced in Texas. Yet the charges to airlines that provided most of an airport's revenue in the past can no longer shoulder the entire burden of supporting the expansion and maintenance efforts. Developing new sources of revenue here must be a priority as well.

The Greater Houston Partnership's Strategic Plan for the region focuses on the importance of attracting and retaining companies to the area, and for those companies to sell their products and services abroad. Those issues are key contributors to economic health, and perhaps nothing attracts growing businesses more than healthy infrastructure: our roads, rails and ports.

Let's put them to work.

McCaffrey, a retired army general, is in Houston this week on behalf of the HNTB Companies, where he serves on the board of directors, as the keynote speaker at the Houston Society of American Military Engineers 2011 Public Agency of the Year and Young Member of the Year Awards Banquet.