Prepared for

The Honorable Drew Darby
Chair, Transportation Funding Subcommittee
Select Committee on Transportation Funding
Texas House of Representatives

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Our Charge

- Assess the effect of congestion on consumer commodities
- Assess congestion costs to households under six different scenarios
  - Current funding trend
  - Recapture Diversions
  - Recapture Diversions and Debt Service
  - Spend $2B on maintenance and $4B on construction
  - Use T.E.R.P. funds to service debt
  - Use oil severance tax to service Prop. 14 bond debt
Percent Annual Increase:
1970 to 2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent Increase Per Year</th>
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<tbody>
<tr>
<td>1970</td>
<td>4.0%</td>
</tr>
<tr>
<td>2009</td>
<td>3.0%</td>
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- Population
- Registered Vehicles
- Vehicle Miles Traveled
- State-Maintained Lane Miles
Why it Matters

- Traffic congestion affects –
  - Cost of consumer goods
  - Jobs
  - Economic growth
  - Tax revenues
  - Quality of life
Estimating How It Affects People

- Looked at “cost” on a household level
- Number of households based on State Data Center projections
- Plotted two variables
  - Cost of programs, projects and policies to address congestion
  - Cost of extra travel time and extra fuel from not addressing congestion

Note: Did not include congestion costs to business.
Annual Cost per Household
2010 to 2035

Use Oil and Gas Severance Tax to Service Debt
Annual Cost per Household

2010 to 2035

Use TERP Funds to Service Debt
Annual Cost per Household
2010 to 2035
Annual Cost per Household
2010 to 2035

- $800
- $600
- $400
- $200
- $0

Implementation Cost

Recapture Diversions and Debt

Congestion Cost

$0 $1,000 $2,000 $3,000 $4,000 $5,000 $6,000

$800 $700 $600 $500 $400 $300 $200 $100 $0
Annual Cost per Household

2010 to 2035

- $800
- $700
- $600
- $4 Billion Annual Construction Letting

Congestion Cost vs. Implementation Cost Graph

- Y-axis: Implementation Cost
  - $0 to $800
- X-axis: Congestion Cost
  - $0 to $6,000

Data points show a decrease in implementation cost as congestion cost increases.
Annual Cost per Household

2010 to 2035

Increased Investment leads to Decreased Congestion Cost

$350 Cost

$3,390 Savings
Annual Costs per Household
2010 to 2035

- $6,000
- $5,000
- $4,000
- $3,000
- $2,000
- $1,000
- $0

Cost Per Household

- Congestion
- Implementation

- $4 Billion Annual Letting
- Recapture Diversions and Debt
- Recapture Diversions
- Use TERP Funds to Service Debt
- Use Oil and Gas Severance Tax to Service Debt
- Current Funding Trend
1. Transportation funding has not kept pace with demand – has not for many years

2. Mobility will get worse
   – How much depends on how much effort to address the problem

3. Many types of mobility solutions; consider pursuing all of them

4. Consequences of not addressing the congestion issues