

TEXAS DEPARTMENT OF TRANSPORTATION

TxDOT: Meeting the Challenge



2006 ANNUAL SUMMARY

The *New* Texas Roadmaps



Texas has some *big transportation challenges*, but we have *big plans* that are producing *big results*. The Texas Department of Transportation has three key publications that will not only keep you up to speed, they'll put you in the driver's seat.

TxDOT Has a Plan is our strategic vision,

TxDOT: Open for Business shows you how to build projects faster,

and

Keep Texas Moving is our free bimonthly e-newsletter that lets you know what's going on as it happens.

You can find all these publications and Keep Texas Moving subscription information at:

www.TxDOT.gov – keyword: Strategic Plan
www.TxDOT.gov – keyword: Open for Business
www.TxDOT.gov – keyword: Keep Texas Moving

Executive Summary: Meeting the Challenge

It's a simple but effective formula at TxDOT these days: By forging partnerships with private companies eager to get into the business of moving people and products safely and efficiently, by fostering relationships with local officials intent on deciding their own transportation futures, and by listening to the concerns of the traveling public in Texas, we are meeting the challenge, the Texas Transportation Challenge.

What is the Transportation Challenge? It's what we're all about, and it's based on some jarring statistics. By 2030, Texas' population is expected to rise to 35 million, an increase of 12 million people. During that same period, road use will increase by 214 percent and highway freight traffic will jump by 77 percent. The state needs \$86 billion more than it has to take care of Texas' mobility challenge. Without change, those numbers will add up to traffic gridlock.

Texas won't let that happen because TxDOT has a plan to bridge the gap between our future needs and current resources. It's based on five goals:

- **Reducing congestion**
- **Improving air quality**
- **Enhancing safety**
- **Expanding economic opportunity and**
- **Increasing the value of transportation assets**

To achieve those goals, the department has come up with four strategies:

- **We will use all available financial tools to build transportation projects**
- **We will empower local and regional leaders to solve local and regional transportation problems**
- **We will increase competitive pressure to drive down the cost of transportation projects**
- **We will demand consumer-driven decisions that respond to traditional market forces**

Michael W. Behrens, P. E.
Executive Director



Key to reaching those goals are public-private partnerships. Indeed, they represent Texas' transportation future. And the department brought together 1,500 transportation experts at its first Transportation Forum in June 2006 to exchange ideas on how to keep Texas — and this nation — moving, by inviting the private sector into the equation.

We have other financial options in our tool box as well, and because of them — and our private sector partners — we awarded a record \$5.3 billion in transportation projects in 2006. Half of those projects resulted from such innovations as the Texas Mobility Fund and State Highway Fund bonds.

This annual summary serves as a checkpoint to our Strategic Plan for 2007 to 2011, a milestone on our roadmap toward achieving our five goals. We think it shows that we're well down the road toward meeting the state's Transportation Challenge.

Reducing Congestion

Simply put, our transportation system has not kept up with the rapid-fire population growth Texas has seen in the last decade.

The challenge is large. We are tackling it first by addressing the congestion that plagues Interstate 35, Texas' transportation spine. Forty-five percent of all Texans live within 50 miles of I-35, and by 2030, more than 15 million people will live within the corridor. Basic math tells us that adding 15 million people but keeping to the same number of lanes will cause gridlock, hamper safety, stifle economic opportunity, depreciate the value of our current infrastructure and pollute the air.

The good news is that we have a plan that envisions a parallel alternative toll road to I-35 funded by the private sector. The plan stems from the original vision for the Trans-Texas Corridor. That plan passed a major milestone in October when TxDOT released the Master Development Plan for the first phase of the Trans-Texas Corridor 35, or TTC-35.

The plan outlines how to approach, operate, finance and maintain TTC-35's first phase, which could break ground within four years pending environmental clearance. The plan takes advantage of private sector innovation and investment to relieve congestion, enhance safety, expand economic opportunity, contribute to cleaner air and preserve the value of I-35 as some traffic moves away from I-35 and onto the new system. Several things the plan does not do: the Master Development Plan does not set the route for TTC-35, authorize construction, set toll rates or eliminate competition.

It does foresee \$8.8 billion in private sector investment. That's money that the state won't have to spend to add an important new \$8.8 billion transportation asset in Texas. Additional concession fees that investors pay to Texas in exchange for the right to collect tolls could reach \$1.9 billion, adding even more resources to meet the Transportation Challenge.

*The good news
is that we have
a plan*

Better Than On Time

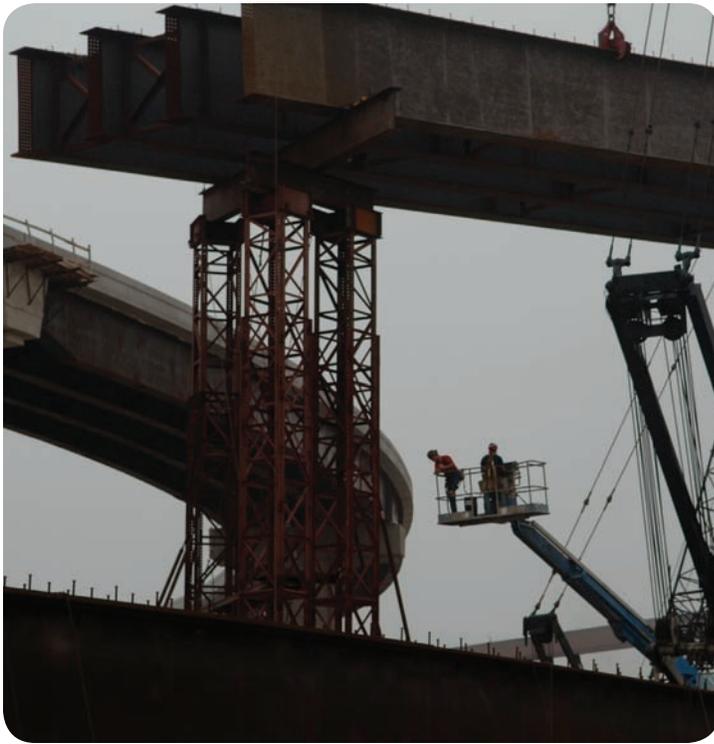
The Trans-Texas Corridor isn't the department's first toll road. More than 40 miles of the Central Texas Turnpike Project, the first toll road built by TxDOT, opened in 2006 — a year ahead of schedule and under budget. In late October, nearly 27 miles of the Central Texas Turnpike System opened to traffic. And in December, another 13 miles of SH 130 opened to traffic from just north of Georgetown to U.S. Highway 79. The \$3.6 billion project represents one of the largest toll-financed projects in the U.S.



Private Sector Interest

The word is out that TxDOT is open for business, and the private sector is vying to participate in TxDOT's move to solve the transportation challenge. An example is submission of proposals this year by two private sector groups seeking to compete for the development of a corridor that would stretch from northeast Texas to Mexico. The proposals detail how the companies would finance, design, construct, operate and maintain Trans-Texas Corridor 69 or TTC-69.

Their participation is crucial. With no funding set aside for construction of TTC-69, a public-private partnership will allow development of the multi-billion dollar project to be accelerated. As part of the Trans-Texas Corridor master plan, I-69 would be developed as needed, as private sector resources are available, and after environmental approvals are received.



Investors To Complete Unfinished SH 130 Segments

Once again, private investors helped accelerate mobility improvements for Texas. Some 40 miles of SH 130 had little hope of timely completion until June, when the private sector stepped forward with a \$1.3 billion agreement to build and toll those remaining miles. A private consortium will finance segments 5 and 6, which stretch from Austin to Seguin. As a result, the state could receive approximately \$1.6 billion in toll revenue over the next 50 years, and a \$25 million upfront concession payment will be put to use on other projects in the Austin and San Antonio regions.

Local Control

With the help of TxDOT, some 12 Texas communities are now financing their transportation projects using pass-through financing. This innovative approach to funding gets local communities involved in finding the money to pay for transportation improvements upfront with the promise that TxDOT will reimburse them based on how many vehicles travel on that road once it's in operation. The Transportation Commission, in 2006, approved six pass-through toll payments totaling \$387,995,006.

Regional Empowerment

Communities across Texas have embraced yet another option available to them in this new era of innovative transportation funding: regional mobility authorities. Made up of local people who want to take the lead on making their own mobility decisions by working together and with TxDOT, regional mobility authorities, or RMAs, are political subdivisions that can be formed by one or more counties. Their goal: to finance, acquire, design, construct, operate, maintain, expand or extend transportation projects. At the close of 2006 Texas has six RMAs, each of which has teamed up with others in its community to decide what's best for the area and how to go about getting it sooner rather than later. RMAs can issue bonds, establish tolls, acquire right of way, forge agreements with private companies and seek federal highway and rail funds.

*TxDOT
continually
upgrades the
state's road and
bridge system*

Enhancing Safety

Safety is woven into everything TxDOT does — every project, every design, every plan. Every day. From work zones to railroad crossings to its buckle-up campaign, “Click It or Ticket,” TxDOT thinks safety.

With its annual highway construction and maintenance program, TxDOT continually upgrades the state's road and bridge system. Wider traffic lanes, paved safety shoulders, upgraded pavement markings, more skid-resistant pavement, state-of-the-art traffic control devices, median barriers to separate traffic, easier-to-read signs and breakaway sign posts are just a few of the safety improvements being made on Texas highways every day.

Safety Bond Program

The department continued work in 2006 on TxDOT's single most aggressive program to improve the safety of the traveling public in Texas. Some 644 safety projects, valued at \$600 million, and identified as priorities across the state are well underway. They will widen 1,600 miles of narrow, two-lane roads, install 740 miles of median barriers on divided highways, add left turn lanes at 171 highway intersections, and build 10 new overpasses. When completed, the projects will save an estimated 1,800 lives and prevent 21,000 injuries during the next 20 years.

In 2006, about 80 percent of these projects were completed or underway. For example:

- Approximately 680 miles of concrete or wire median barrier were installed or under construction
- Approximately 134 dedicated left turn lane projects were completed or under construction
- Approximately 1,400 miles of narrow two-lane highways have either been widened or are currently under construction



Teen Safety

In an effort to stop the No.1 killer of teenagers in America, Commissioner Hope Andrade, in partnership with the Texas Transportation Institute (TTI), has been working to implement the Teens in the Driver Seat® Program across the state. This peer-to-peer program works to educate teens on the five riskiest behaviors behind the wheel: driving at night; distractions such as cell phones and too many teens in the car; speeding; failing to wear a safety belt; and driving under the influence of alcohol.

Originating in San Antonio, this initiative has spread to 14 TxDOT districts, with plans for expansion into four more districts, and ultimately statewide.

In October, this program won the American Association of State Highways and Transportation Officials (AASHTO) President's Transportation Award for Highway Traffic Safety. (www.t-driver.org)

Sobriety Checkpoints

Drunk driving continues to be a serious and difficult problem. Up to half of all traffic crashes in Texas involve alcohol. Sobriety checkpoints have proven to be an effective deterrent to drunk driving and are legal in 39 other states, although Texas is not one of them. The Transportation Commission has expressed an interest in seeking legislation that would allow law enforcement agencies to use sobriety checkpoints to make our streets and highways safer.

Truck Restrictions

Small vehicles driving alongside large trucks play a big role in crashes. To improve safety on highways carrying a heavy mix of cars and large trucks, the commission has approved nearly 200 miles of no-truck lanes throughout the state. Heavy trucks are banned from traveling in the left lane of some busy freeways with at least three lanes in each direction.

Safety Belt Use

More Texans — 90.4 percent — are buckling up than ever before. Part of the credit for that success in 2006 goes to TxDOT's public awareness campaign, "Click It or Ticket." Since the campaign began in 2002, safety belt use has jumped by more than 14 percent. That translates into 1,200 fewer deaths and more than 28,000 fewer injuries each year.

Rail Safety

Another area TxDOT has applied its resources to save lives is in preventing trains and passenger vehicles from colliding. And the department effort is working. Collisions between trains and vehicles plunged by more than 73 percent in the last 14 years to 323 in 2005, which is down from a high of 1,202 accidents. Deaths during that same period declined by 71 percent. TxDOT seeks to lower those numbers even further, and the department continues to upgrade safety at rail crossings by installing flashing light signals with bells and gate arms at particularly dangerous intersections.



Rail Relocation

In the long run, however, separating trains and vehicles will provide Texans with the ultimate in rail-related safety. And in 2005, Texas voters demonstrated their approval of a plan to relocate freight rail from densely populated and heavily traveled urban areas through a constitutional amendment. The Texas Rail Relocation and Improvement Fund will help reduce traffic delays caused by trains, ease congestion and remove hazardous cargo from the inner city and make our air cleaner.

Although money has not yet been allocated for the Texas Rail Relocation and Improvement Fund, the department planned to work with the 80th Legislature (2007) to seek possible sources of revenue for the fund.

Protecting and Serving

Safety comes in many forms, and protecting our country ranks high among TxDOT's priorities. The Transportation Commission committed to the nation's defense in 2006 by approving \$13 million for road improvements at the Red River Army Depot in Bowie County so that personnel and equipment can move easily and efficiently. To date, the commission has funded \$54.9 million in improvements to support military transportation throughout the state, including the Red River Army Depot, Fort Hood, Fort Bliss and the Port of Corpus Christi.

Expanding Economic Opportunity

By creating new trade and transportation corridors along with adding capacity to highways to reduce congestion, TxDOT is helping bolster and grow the Texas economy.

One of those trade corridors is the Trans-Texas Corridor 35 (TTC-35), which, according to a study conducted by Ray Perryman, "Moving Into Prosperity: The Potential Impact of the Trans-Texas Corridor on Business Activity in Texas," will inject billions of dollars into the Texas economy.

The report projects that in its first 25 years of operation TTC-35 will:

- Create \$1.65 trillion in new spending
- Generate \$6.9 billion a year in additional state revenue
- Increase the gross state product, or the total value of all goods and services produced in Texas, by \$665.9 billion
- Boost personal income in Texas by \$376.4 billion
- Add 3.7 million permanent jobs

TTC-35...will inject billions of dollars into the Texas economy

General Aviation

In a state as vast as Texas, business owners, tourists, government officials and other workers rely on some 300 general aviation airports to get them and their products and services to their destinations fast. Texas' system of airports, the largest in the nation, helps propel the economy, create jobs and sustain communities that rely on the airports. General aviation contributes close to \$6 billion annually to the Texas economy.



Pathway to Trade

Being open for business also means being open to business and understanding the need to move goods quickly and get services to customers on time. TxDOT recognizes the importance of its role in expanding economic opportunity in the state. To continue to open new routes that will accommodate this trade, the department conducted a one-year, \$1.5 million feasibility study of a 250-mile segment of La Entrada al Pacifico Trade Corridor, which has been designated as a National High Priority corridor.

With funding scarce for the corridor, TxDOT in 2006 began looking at opportunities for private investment and partnerships to pay for moving freight and utilities along this trade corridor, which would stretch from Lamesa to Midland-Odessa to the developing Pacific port of Topolobampo in the Mexican state of Sinaloa. Among the funding options under consideration is how to attract private sector investment for utility transmission to other parts of the state. That investment could help pay for road improvements needed to make Ports-to-Plains a reality. When complete, Ports-to-Plains will create new jobs and economic opportunity for West Texas.



Small Business Outreach

To reach out to small businesses, in 2006 the department's Business Opportunity Programs Office conducted briefings around the state so that small and minority owned businesses may gain access the state's business opportunities. Approximately 800 participants attended the briefings held in Houston, Dallas, El Paso and Austin. Small business owners forged new business relationships as they consulted with TxDOT district/division staff and prime contractors seeking new contracting and subcontracting opportunities.

TxDOT: Open for Business

In 2006, some 800 participants attended two TxDOT workshops held in New York City and Austin on Comprehensive Development Agreements (CDAs). The workshops attracted private consultants, investors and contractors, elected officials from local and regional U.S. and foreign governments, and transportation and financial experts. They were introduced to TxDOT's "Open For Business" model, which aims to accelerate transportation projects through the use of private investment and private-public partnerships. The investor participants responded with ten proposals — double the number submitted before the workshops — for the Dallas area SH 161 project. TxDOT has executed four CDAs, has signed an agreement in principal for the first concession contract (SH 130 segments 5 and 6), and has at least seven other CDA projects in various stages of procurement.

*TxDOT
employees reduced
their commute by
more than two
million miles*

Improving Air Quality

Idling cars stuck in traffic pollute the air. Bad air causes health problems. It can also stifle economic opportunity if federal clean air standards are violated, resulting in caps on new emissions sources, and limiting the number of new businesses and industries that can locate to those regions.

There's another reason TxDOT focuses on clean air: it's the right thing to do. In fact, the department's commitment to the environment goes beyond cleaning the air around us to saving endangered animals and wetlands, promoting energy conservation among employees, and above all, making sure that the department remains a good steward of our natural resources.

Clean Air Plan

TxDOT believes in starting its clean air efforts right at home, so from May 1 to September 30, some 2,762 TxDOT employees — an increase of 33 percent over the previous year — contributed to cleaner air by signing up for the department's Clean Air Plan. Part of the statewide Drive Clean Across Texas campaign, the program aims to get motorists to change their driving habits to reduce pollution.

TxDOT's in-house effort, which involved carpooling and other means of reducing use of vehicles for work-related travel, helped reduce emissions statewide, cutting approximately 18 million tons of nitrogen oxides and 24.5 tons of volatile organic compounds from the air Texans breathe. During this time, TxDOT employees reduced their commute more than two million miles.



Alternative Fuels

TxDOT also makes sure that it leads the way when it comes to alternative fuels. The department's use of cleaner burning fuel, as well as incorporating fuel-efficient vehicles into its fleet, contributes not only to dollar savings but also to improved air quality for all Texans.

In 2006, the department:

- increased the number of flex fuel vehicles (those capable of using either gasoline or alternative fuels) by 105 percent
- increased the number of hybrid vehicles (those that alternate between gasoline and electric charge) by 153 percent
- began using bio diesel fuel, totaling 2,000 gallons
- ensured that 40 percent, or 4,029 of the vehicles in its on-road fleet are alternative-fuel capable
- numbered 4,029 alternative fuel vehicles in its fleet

Don't Mess with Texas Cleans Up

Don't Mess with Texas, the anti-litter campaign whose slogan first aired on a Cotton Bowl commercial in 1986, celebrated its 20th anniversary with a huge win. The advertising slogan garnered the most votes in *Advertising Week's* national contest to determine American's favorite ad saying. "Don't Mess With Texas" beat out 25 other slogans from top international companies, like Nike's "Just do it" and the Ad Council's "Friends don't let friends drive drunk."

Creating Nature Preserves

While our department-wide efforts to conserve and clean up our precious resources pay off big for Texas, TxDOT knows how important partnerships of all kinds are to meeting our goals. One of those efforts will help create large habitats for wildlife in Texas through an agreement the commission approved in 2006 with the Texas Parks and Wildlife Department. The habitats, or mitigation banks, will help restore, conserve, create or enhance natural resources to compensate for losses caused by development projects.

In building transportation systems to keep Texas moving, some loss of natural resources is unavoidable. TxDOT always has done its part to recreate a new habitat in the same area and of similar size. But experts now believe that such "postage stamp"-sized habitats don't do as much good as a larger area would. So TxDOT will help pay for larger tracts of land to help conserve wildlife on a greater scale while also providing public recreation areas.

TxDOT works to protect taxpayers' investment in transportation

Increasing the Value of Transportation Assets

TxDOT works every day to protect the billions of dollars taxpayers have invested over the years to build today's transportation system. Each year we replace thousands of miles of worn-out pavement, rehabilitate or replace deteriorated bridges, and rebuild roads that have outlived their design life. The department routinely inspects roadway surfaces as well as tests below the surface for hidden problems. Maintaining what we have helps keep motorists safe, reduces congestion and makes wise use of transportation dollars.

Ever since 2003, however, the cost to maintain our existing system has surpassed total state gas tax receipts that go to transportation. In other words, state gas taxes now contribute zero dollars to new highway construction in Texas.

In response, TxDOT is aggressively seeking new ways not only to build roads, but to have those roads generate revenue. Tolled projects, in particular, pay for their own maintenance while generating funds for other mobility projects in the area. They also are integral to the department's goal to increase the value of our transportation assets. That happens when, for instance, traffic moves off I-35 and onto the newly opened toll road SH 130.

Bolstering its commitment to maintaining what already exists, the Transportation Commission in 2006 approved a \$11.3 billion statewide preservation program for the next four years — \$8.5 billion of which will be used to maintain the 79,000-plus miles of existing highways, and \$1.6 billion will go toward taking care of the state's bridges. The program also allocates money to improve intersections, fund safety projects and maintain rail.

TTC-35 Rail Plan Proposed

Another way to increase the value of our transportation investment is to keep wear and tear to a minimum by offering alternative ways to travel. When that goal is combined with private funding, Texans win. Precisely that kind of proposal came to TxDOT in 2006 from a private sector consortium. Cintra-Zachry, the state's planning partner for TTC-35, proposed building a 600-mile freight rail line from Dallas/Fort Worth to Mexico. Financing would include private funds, and perhaps some state or federal funding. Most important, however, is that the rail line could pull one million trucks a year off I-35, helping to reduce congestion, increase safety and lessen maintenance costs on that roadway.

Bridge Rehabilitation

More than 600 bridges have been rehabilitated or replaced by TxDOT since 2001 as the result of the department's Equivalent Match Project/Participation Waived Project Program. Under the program, communities agreeing to repair or rehabilitate deficient bridges or improve low-water crossings can forego their usual 10 percent share on federal projects if they will spend that same amount of money on some other local bridge project. Under this program, the number of local governments participating in TxDOT's off-system bridge program has jumped. In addition, the program has accelerated the pace at which deficient bridges have been brought up to standard throughout the state.

Better Bridges

The Transportation Commission has set a goal for the department to have 80 percent of the state's bridges in good or better condition by 2011. TxDOT is well on its way, with 86 percent of the bridges under the department's authority in good condition, and 61 percent of those within cities and counties ranked in the good or better category.

Some 38,548 bridges or 77.3 percent of the total number of publicly owned vehicular bridges in the state are in good condition, a 14 percent increase from 2001. Of the state's 49,846 bridges, 32,676 are owned by the state and 17,170 are controlled by local entities.



Airport Upgrades

As Texas businesses continue to rely on a variety of means — truck, rail and air — to get their goods to market, to get their employees to meetings and to get their orders in on time — the condition of the state's 300 general aviation airports becomes increasingly important. To assure that those airports are in the best shape, the department in 2006 issued nearly 200 grants worth more than \$53 million for airport maintenance and improvements. The projects include such improvements as replacing runways, upgrading control towers, and adding new lighting and navigation systems.

Parallel Routes

Clearly, any time one road or transportation system is built near another, it can relieve congestion, enhance safety, expand economic opportunity, improve air quality and increase the value of transportation assets when motorists and travelers choose the alternative. That's the idea behind TxDOT's program to offer parallel routes in Texas. The Trans-Texas Corridor is the largest example of such a transportation system. This innovative blueprint will move the transportation of hazardous materials out of urban population centers, relieve congestion, reduce air pollution and significantly improve opportunities for economic development in Texas. The TTC incorporates toll roads, high-speed freight and commuter rail, water lines, oil and gas pipelines, electric transmission lines, broadband and other telecommunications infrastructure. Other parallel corridors in Texas' future may include one or several of those components.

Camino Columbia Eases Congestion

Avoiding the chokepoint that traffic near the border often creates, some 1,250 vehicles a day traverse the first state-owned toll road, Camino Columbia in Laredo. That means 1,250 fewer cars and trucks that must wait in traffic on I-35 or U.S.83 to leave or enter the Colombia Solidarity Bridge. Such choices lessen the maintenance demands on those roadways and, in the process, increase their value and longevity. For taxpayers who paid only \$20 million for the 22-mile limited access highway, the benefits will only continue to grow as trade between Mexico and North America accelerates.

The Transportation Commission in 2006



Hope Andrade



John W. Johnson



Ted Houghton



Chairman Ric Williamson

TxDOT Administration



Michael W. Behrens, P.E.
Executive Director



Steven E. Simmons, P.E.
Deputy Executive Director



Amadeo Saenz Jr., P.E.
Assistant Executive Director,
Engineering Operations



Edward S. Serna
Assistant Executive Director,
Support Operations

2006 has been exciting and productive for the Texas Department of Transportation and for Texas transportation. We made great strides in fulfilling our mission to provide safe, effective and efficient movement of people and goods. Our work continues. The challenge to meet the transportation needs of our growing state remains, and we will continue to strive on behalf of every Texan to accomplish our goals to meet Texas' Transportation Challenge.

TxDOT has a plan to bridge the gap between our future needs and current resources. It's based on five goals:

- Reducing congestion
- Improving air quality
- Enhancing safety
- Expanding economic opportunity and
- Increasing the value of transportation assets

To achieve those goals, the department has four strategies:

- We will use all available financial tools to build transportation projects
- We will empower local and regional leaders to solve local and regional transportation problems
- We will increase competitive pressure to drive down the cost of transportation projects
- We will demand consumer-driven decisions that respond to traditional market forces

