

Appendix I
Letter from Senator Shapleigh

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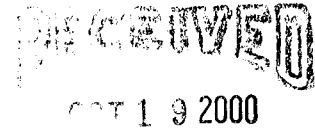
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ELIOT SHAPLEIGH

TEXAS SENATE
DISTRICT 29
EL PASO COUNTY



October 19, 2000

The Honorable Florence Shapiro
Chair - Senate State Affairs Committee
State Capitol, 3E.12
Austin, TX, 78711

Dear Madam Chair:

It was a pleasure to work with you and the State Affairs committee during this interim. I want to thank you for taking the committee all over Texas but specially to the Texas-Mexico Border, and for allowing me to review the committee report and its recommendations. While I think that overall it is an excellent report, I have some strong reservations regarding the committee's findings on charge number one. Charge number one directed the committee as follows:

"Evaluate the state's intermodal transportation planning efforts with an emphasis on NAFTA-related trade corridors and their impact on both metropolitan and rural areas of the state. The Committee shall address all modes of transportation including highways, farm-to-market roads, turnpikes, mass transit, aviation, railroads and water traffic. The Committee shall determine whether the state is maximizing federal funding levels, and evaluate alternative and innovative methods of transportation funding and develop recommendations for their use."

Regarding the findings in response to the first part of the committee charge (to evaluate transportation planning efforts with an emphasis on how NAFTA has affected different areas of the state), I believe the report failed to acknowledge the historical deficit in transportation infrastructure funding along the Texas-Mexico Border. For example, as figure 1 illustrates, between 1990 and 1999 the difference in funding between one Central Texas highway district and a South Texas district (both home to nearly one million residents) was almost \$1 billion dollars.

1-800-544-1990



FIGURE 1

TxDOT Funding Pharr vs. Austin

1990 - 1999

Fiscal Year	Total Expenditures Construction & Maintenance Austin TxDOT District	Percentage of Expenditures	Total Expenditures Construction & Maintenance Pharr TxDOT District	Percentage of Expenditures
1999	162,866,983.64	4.39%	122,391,745.43	3.30%
1998	146,798,614.75	4.47%	138,370,000.14	4.21%
1997	180,046,105.38	6.04%	97,482,368.82	3.27%
1996	186,014,056.29	5.52%	110,092,516.58	3.27%
1995	195,146,072.49	7.15%	86,382,575.34	3.17%
1994	184,635,507.95	6.89%	74,673,676.17	2.79%
1993	201,391,347.66	7.15%	104,926,765.79	3.73%
1992	170,394,475.81	7.63%	48,699,668.57	2.18%
1991	196,724,889.05	8.31%	68,358,071.79	2.89%
1990	171,614,118.77	6.93%	63,469,551.03	2.56%

Austin District Total:
\$1,795,632,171.79

Pharr District Total:
\$914,846,939.66

\$880,785,232.12

According to our current Comptroller, over the last decade, despite the burden of moving four-fifths of the nation's Mexico traffic, Border districts received only \$89 per resident in transportation/highway funding while the state average was \$109.

While NAFTA has delivered dramatic benefits across Texas, especially in the Metroplex and San Antonio-Austin corridor, it has placed additional burdens on the Border. One example is the local damage done by overweight trucks carrying international commerce. Given the disproportionate impact of NAFTA on Border trade corridors and communities, I believe any new source of funding for infrastructure should have a strong policy goal of fixing this Border deficit. At the same time that NAFTA has produced a 42% increase in Texas exports to Mexico (from 1994 to present), it has stalled commercial vehicle traffic for 10 to 15 miles at Laredo ports of entry. In fact, southbound commercial truck traffic crossing into Nuevo Laredo, Mexico, has created such congestion and gridlock on Interstate-35 that the City of Laredo considered placing portable toilets along the side of the road. Further, long lines of northbound trucks backed up for hours at El Paso/Juarez crossings spew enormous amounts of diesel exhaust, exacerbating the region's air quality problems. This congestion will only increase as Mexico continues to recover from the 1994 peso devaluation, further privatizes its transportation system, and becomes a larger player in world trade. It is obvious that a future statewide transportation plan demands a focus on congestion at our ports-of-entry, NAFTA-related trade traffic, and the trade corridors most affected by NAFTA.

Regarding the latter part of the committee charge (to determine whether the state is maximizing federal funding levels, and develop recommendations for alternative and innovative methods of transportation funding), I believe the report failed to consider all of the possible funding mechanisms available to bring more federal dollars to the state for transportation infrastructure. Specifically, I am referring to the use of GARVEE bonds as an innovative funding mechanism. Despite detailed testimony in support of this funding mechanism given at three separate joint hearings of the State Affairs and Border Affairs Committees, the draft report does not include a recommendation on this bond proposal. This testimony clearly illustrated how GARVEE bonds have been used effectively in other states to maximize monies available for infrastructure and to build roads expeditiously.

In response to the draft report, I understand that Lieutenant Governor Rick Perry suggested the following recommendation regarding GARVEE bonds, which did not appear in the list of recommendations in the draft report:

Rec. "The committee recommends the State of Texas pass and implement a GARVEE Bond initiative as determined by the legislature."

In a phone conversation we had prior to the circulation of the draft report, I also had suggested a possible recommendation modeled after the U.S. Department of Transportation's Border and Corridors Program (Sections 1118 and 1119 under TEA-21), an initiative crafted by U.S. Senator Phil Gramm. This recommendation was also not included in the draft report.

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I am disappointed that the committee did not take a more balanced approach regarding its recommendations to charge one and offer the following recommendation as an illustration of a more comprehensive response:

Rec. "In allocating state transportation resources, the 77th legislature should direct TxDOT to revise its funding formulas and procedures so as to address need including, without limitation, underserved areas, urban transit congestion and NAFTA-trade corridors."

Thank you for the opportunity to provide this feedback. I respectfully request to make this correspondence part of the record when the final report is published. Per my conversation with you, I plan to sign charge number one subject to this reservations. Thank you again for taking your committee to the Texas-Mexico Border region. I look forward to working with you in the upcoming legislative session to make Texas an even better place for all Texans.

Very truly yours,



Eliot Shapleigh

ES/eh
Enclosure

cc: The Honorable Rick Perry
The Honorable Eddie Lucio