

June 8, 2023

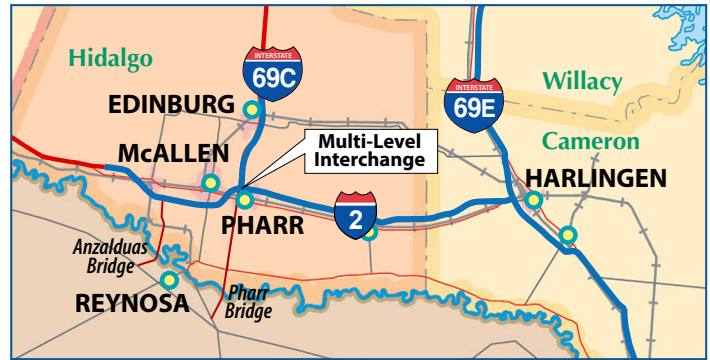
NICHOLS, CANALES KEEP FUNDING ON TRACK – Sen. Robert Nichols (East Texas) and Rep. Terry Canales (Rio Grande Valley) were key players in this year’s successful efforts to protect and extend the funding streams that have made it possible for TxDOT to currently have more than \$30 billion in highway projects under contract. As chairmen of the Senate and House transportation committees, Nichols and Canales provided the leadership to extend Prop 1 and Prop 7 revenue streams until Year 2042 and negotiated a simple \$200/year registration fee on electric vehicles that will plug a growing hole in fuel tax revenues. Since passage eight years ago, Prop 1 and Prop 7 have provided more than \$26 billion for new projects. Significantly, several bills that would have diverted highway funds to other uses died quietly in committee. Chairman Canales was able to pass a study bill that should draw more attention to highway infrastructure needs near Texas-Mexico border crossings. And he passed a TxDOT safety bill giving the department power to set temporary variable speed limits. While Governor Abbott has promised to call multiple special legislative sessions this year, transportation issues were addressed in the regular session and none are likely to be on the agenda.

FINAL BUDGET – Lawmakers provided TxDOT with a record \$37.2 billion in appropriations for the FY24-FY25 biennium, with \$18.5 billion in 2024 and \$18.7 billion in 2025. The 2-year totals include \$12.8 billion in federal funds, \$8.2 billion from fuel taxes and vehicle registrations, \$6.8 billion from Prop 1 (oil and gas production taxes) and \$6.4 billion from Prop 7 (sales taxes). In FY23 TxDOT is on track to award a record \$12 billion in projects. The department reports that construction inflation, which had jumped as much as 30%, has moderated in recent months.

UTP SCHEDULE – The Transportation Commission will review a summary of the Draft 2024 UTP at its June 29 meeting. The Draft UTP will be posted for public review in early July and must be adopted in August. The 10-year program is expected to include about \$100 billion in projects including about \$16 billion in overall safety investments.

FEDERAL REPORT – The passage of federal debt ceiling legislation has cleared the way for the regular annual appropriations process to move forward. House and Senate appropriations committees are working on 2024 funding to keep federal highway programs moving forward.

I-69C/I-2 PROJECT HITS MILESTONE – Last week the first of three high capacity direct connectors opened to traffic in the \$303 million reconstruction of the T-shaped interchange of I-69C and I-2 in the Lower Rio Grande Valley. The flyover now carries traffic that is southbound from Edinburg on I-69C onto I-2 heading eastbound toward Harlingen and I-69E. The



Northbound I-69C direct connect construction in Pharr (Dragados-Pulice JV photo)

interchange project started in 2019 under a design-build contract and is about 75% complete. It includes four direct connectors and freeway widening and realignment. The McAllen to Edinburg connector is expected to open in July and the Harlingen to Edinburg ramp should open later in the year.

TWO MORE INTERCHANGES – Construction is also underway at major I-69 interchanges in Houston and Laredo. Work on the \$300 million I-69/Loop 610 interchange near the Galleria started in 2017 with completion expected in 2024. In Laredo the I-69W/I-35 interchange is being upgraded with a series of direct connectors. Eastbound I-69 to southbound I-35 and westbound I-69 to southbound I-35 flyovers are now under construction.

NEW FREIGHT PROJECTIONS – Truck, rail and waterway freight movements in Texas are all projected to double by 2050. At the same time the value of those goods is projected to increase by 150% to meet the demands of a Texas population expected to grow to approximately 45 million. That translates to an urgent need to upgrade the state’s interregional highway connections including seamless completion of I-69.

NEW VIDEO – Eastex Photography has posted a new video on YouTube of progress on the Nacogdoches US 59/Future I-69 project. View it at: www.youtube.com/watch?v=Ai_6DDarleg

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