

March 10, 2026

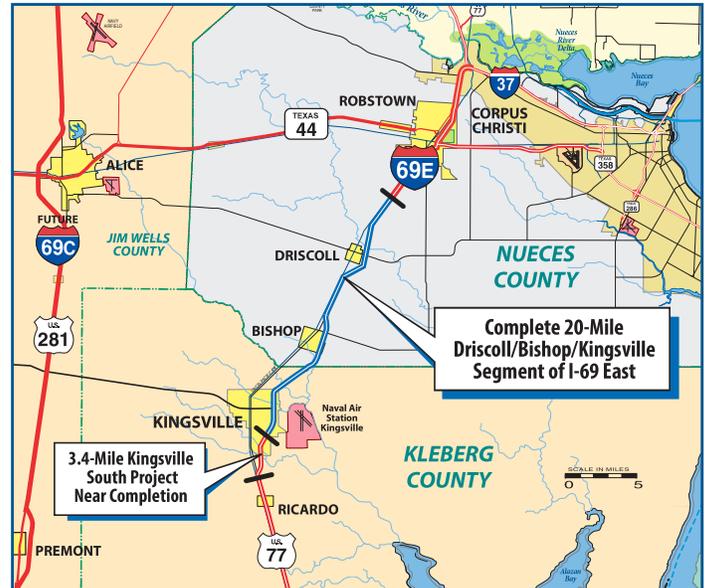
**PLAN TO FLY-IN** – Your community should be part of the Alliance delegation meeting with Members of Congress, committee staffers and Administration officials in this year’s I-69 DC Fly-In next week, March 18 and 19. The registration form for the event is available on our website [HERE](#). The annual I-69 DC Fly-In is an opportunity to stress the need for significant federal funding to help accelerate I-69 construction to address traffic growth and to generate economic development opportunities. Community leaders supporting I-69 development have been making the annual trip to Washington for decades and have been successful at maintaining awareness of the importance of corridor development. This year there will be a special emphasis on explaining the proposal to renew the original federal commitment to funding the future growth of the Interstate Highway System. There is currently no dedicated federal funding to plan and construct Future Interstate Highways. The Alliance is working with other Congressionally Authorized Future Interstate coalitions to advocate for inclusion of a dedicated and predictable funding source in the next surface transportation bill.

**EL PASO ATTORNEY JOINS COMMISSION** – Pat Gordon of El Paso is the newest member of the Texas Transportation Commission. Gov. Greg Abbott appointed Gordon to serve out the remaining year of the term left vacant by the death of Commission Chairman Bruce Bugg of San Antonio. Gordon previously served on the Texas Tech University board of regents and for 15 years represented Texas on the the Rio Grande Compact Commission which administers river water. His law practice focuses on business and tax law including cross-border transactions, particularly involving Mexico.



Pat Gordon

**PLANNING FOR MORE FREIGHT** – Seven in-person workshops are scheduled in April to gather fresh stakeholder input for the upcoming update to the state’s Freight Mobility Plan which must be refreshed every four years. Workshop dates are: April 1st – Fort Worth; 2nd- Dallas; 7th – Laredo; 8th – Rio Grande Valley; 9th-Houston; 14th-Midland; and 16th-El Paso. Registration is required to attend. You can register [HERE](#). The Freight Advisory Committee will again take up the long range planning effort at a meeting March 26 at the TxDOT Greer Building in Austin.



**PROGRESS ON I-69E SIGNING** – TxDOT’s Corpus Christi District is in the process of eliminating the final issue blocking formal designation and signing the 20-mile section of I-69 East in Nueces and Kleberg Counties. The Driscoll/Bishop/Kingsville freeway extension of the interstate south of I-37 and Corpus Christi has been complete and open to traffic since 2023. Formal addition to the national Interstate Highway System of this busy freeway segment has been delayed by the need to eliminate a private driveway, an issue which was identified during the final federal project review process.

**PHARR INTERCHANGE WORK COMPLETE** – Final work on the I-69C/I-2 interchange project in Hidalgo County is now complete. Scheduling of a ribbon-cutting ceremony to celebrate the end of the six-year, \$300 million construction effort is in the works. We’ll share the details here once they are available. The T-shaped interchange is a key component of the highway system in the Lower Rio Grande Valley.

**SLOW START TO PROJECT CONTRACT LETTINGS** – During the first six months of FY 2026 ending in February, TxDOT has awarded construction contracts totaling \$3.5 billion compared to \$7.3 billion at the same time last year. The target total for FY 2026 is \$11.2 billion. Commissioner Alvin New pointed out that this year TxDOT is getting more quality bids and more competitive bids on projects across the board. With bids mostly lower than estimates, the department is lining up additional projects to be let before the end of the fiscal year in August.

## Texas Highway Funding Facts

One thing is for sure when it comes to learning how we fund Texas highways -- things can get a little complicated.

It takes some time and effort to understand each of the sources that make up the approximately \$20 billion a year that goes into developing and maintaining our state transportation infrastructure. The Alliance Update will be taking an ongoing look at the elements of the funding process.

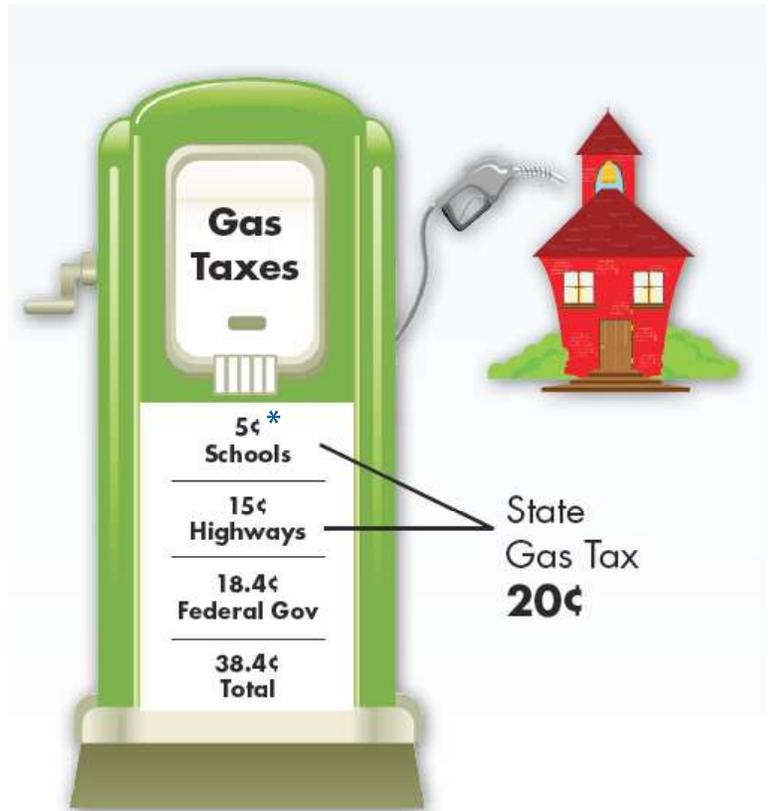
Motor fuels taxes, vehicle registration fees, federal reimbursements, sales taxes and a share of oil and gas production fees provide most of today's available funding.

**THE GAS TAX** - In 1923 the Texas Legislature first imposed a gasoline tax at a rate of 1 cent per gallon. Since then it has been understood that state and federal motor fuels taxes function as user fees in exchange for using the state's roadways.

Although gas tax rates have not increased since the early 1990s, the gas tax still plays a prominent role in TxDOT's budget. The federal portion of the gasoline tax is 18.4 cents/gallon. The state gas tax remains at 20 cents/gallon total, with 15 cents going to the State Highway Fund and 5 cents to the Available School Fund. The state tax has remained unchanged since 1991 and the federal motor fuels tax rate has been 18.4 cents per gallon since 1993. While fuel sales in the state have increased a great deal in volume since the 1990s, inflation has drastically reduced the buying power of those dollars. That has undermined one of our key traditional highway funding mechanisms. The state gas tax generated \$4 billion in 2024 with \$2.8 billion going to the State Highway Fund.

Increasing fuel taxes has been discussed from time to time over the past 35 years but has never been seriously considered.

In 2023 the Legislature passed and voters approved a new dedicated registration fee on electric vehicles aimed at ensuring that EV owners contribute to the costs associated with maintaining the state's transportation infrastructure.



*This illustration is part of a highway finance educational piece presented in 2014 by then Texas House Transportation Committee Chairman Joe Pickett of El Paso. At that time the state's highway funding was in crisis and a campaign was underway to establish new dedicated revenue sources which resulted in passage of Prop 1 and Prop 7 which today provide about \$4 billion to \$5 billion per year.*

*\* The state constitution directs that 25% of the state motor fuels tax go to public school funding.*



Alliance for I-69 Texas

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