Research Project Statement

Fiscal Year: 2005
Project Statement Date: Revised 12/10/2003

Project Number: 0-4871
RMC Number: 2

Title: Transportation and the Texas Economy

Developed By: TAP

<table>
<thead>
<tr>
<th>TxDOT Project Personnel</th>
<th>Name</th>
<th>Office</th>
<th>Area Code/ Phone Number</th>
<th>Email</th>
<th>Fax Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program Coordinator (PC)</td>
<td>Agustin (Gus) De La Rosa</td>
<td>IRO</td>
<td>(512)374-5327</td>
<td><a href="mailto:gdelaros@dot.state.tx.us">gdelaros@dot.state.tx.us</a></td>
<td>(512)374-5325</td>
</tr>
<tr>
<td>Project Director (PD)</td>
<td>Denise Pittard</td>
<td>LAO</td>
<td>(512)463-8746</td>
<td><a href="mailto:dpittard@dot.state.tx.us">dpittard@dot.state.tx.us</a></td>
<td>(512)463-9389</td>
</tr>
<tr>
<td>Project Advisors (PAs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Duration (# of years): 

<table>
<thead>
<tr>
<th>First Year FY</th>
<th>Second Year FY</th>
<th>Additional FYs FY</th>
<th>Total Budget: $</th>
</tr>
</thead>
</table>

Project Description:
In the 1980’s, TTI economists conducted a study of the role of transportation in the Texas economy, the idea of which was to document to the citizens of Texas just how important transportation -- in all its forms and modes -- had become to the State. Using an adaptation of the methodology used nationally by the TAA (Transportation Association of America) to measure “Transportation in the United States”, TTI researchers produced results showing that transportation expenditures in Texas were responsible for about 25% of the state’s gross state product (GSP). At the time, similar calculations for the US showed transportation contributed about 20% toward the gross national product.

Such results gave strong support to the idea that Texas is a transportation intensive state and that transportation means more to Texas than it does to the “average” state in the U.S. Also, the difference of 5 percentage points between US and Texas measures represents also some non-trivial economic facts. For instance, given Texas’ current GSP, a 5% additional contribution to the economy from transportation would mean almost $40 billion more in total expenditures could be attributed to transportation. In terms of jobs for Texans, a 5% additional contribution from transportation would account for almost 500,000 more jobs in the state’s economy that were based on the state’s transportation intensive industry.

In the ensuing 20 years since these measures for Texas were computed, the general direction of the magnitude of expenditures as a percent of national GNP has declined. But, there has been no update to the measures for the State of Texas, so that presently lawmakers, policy makers, and others are frequently forced to use the national estimate, which currently is slightly more than 15%, as a surrogate for conditions in Texas. This probably understates the role and importance of transportation in the State and reduces the measures of the magnitudes of impacts that should be expected from the transportation sector.

For the foreseeable future, Texans will be analyzing and evaluating the importance and dimensions of the state’s transportation system and network, especially the Trans-Texas Corridor Plan and other significant regional and local transportation plans such as, the border regional transportation, NAFTA corridors, major metropolitan regional plans, and others. Current, accurate, and objective economic measures that delineate the importance of transportation to Texas are crucial to the public debate and policy-making process in deciding what Texans want for their transportation system.

A research study should be undertaken to compile, using existing US and Texas based data sources, an economic profile of the importance of the transportation system and its services to the State of Texas, which should include:
1. All transportation outlays and the Gross Texas Product
2. Outlays for Freight Transportation, total and by mode
3. Outlays for Passenger Transportation, total and by mode
4. Employment in Transportation and Related Industries
5. Outlays for transportation equipment and investment in capacity
6. Governmental expenditures for transportation services and facilities

One Possible Approach:

1. Review current studies from other states.
2. Review the methodology currently used by Eno Foundation to produce national estimates for transportation in America.
3. Review methodology used in USDOT/Commerce to calculate measures of transportation in the national product accounts.
4. Develop applicable methodology for Texas.
5. Obtain data inputs and information.
6. Conduct analysis.
7. Document the results and report the results.
8. Prepare a “Pocket Guide to Transportation and the Transportation Economy.” This guide will serve as an information resource for legislators and others.

Deliverable Products And Reports:

- **P1.** A “Pocket Guide to Transportation and the Transportation Economy.” The guide should be bound and presented in an easy to read format. It should contain the summary data relating to Texas’s transportation system and the Texas economy, including the system’s future impact on economic growth and stability. The guide should be based on the information contained in the reports, but presented in such a manner as to be easily understood by the general public. It will also serve as an information resource for the Legislators. The guide should be in color, and should use graphs and illustrations to present findings. An example of a similar guide (in terms of format) is the Bureau of Transportation Statistics “Pocket Guide to Transportation.” (see http://www.bts.gov/publications/pocketguide/)
- **R1.** Interim report summarizing the methodology, data, and findings developed to date, at end of the first 9 months.
- **R2.** Research report
- **PSR.** Project Summary Report

Implementation:

The Guide would be a useful tool to every District’s public information officer as well as TxDOT’s Public Information Office. Further, the Guide could be made available to the general public and Legislators during the 2005 Session.

Pre-proposal Meeting:

☐ Yes  ☐ No February 18, 2004 at 10:00 a.m. at TxDOT, Camp Hubbard Bldg. 1, 2nd Floor Alamo Room. Tele-conferencing will be available.

Sole Source Justification, if applicable:

Additional Information:

Proposal Submission:

- Proposals are required to be submitted in both hard copy (4 copies) and PDF format (1 PDF file per proposal). Both formats are used within TxDOT for evaluating the proposals and must contain identical information.
- The “Background and Significance” portion of the proposal should be limited to 10 pages.
- All proposals from researchers should be sent directly to your university’s Research Liaison for submission to RTI. The Research Liaison is TxDOT’s official contact with the university.

Deadlines (for RTI use only):

1. All individuals interested in proposing are encouraged to contact the PC or PD by February 12, 2004.
2. Proposals are due to RTI by 4:00 p.m. CST on March 24, 2004.