

**River of Trade Corridor Coalition  
November 29, 2007**

**Remarks  
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President and CEO  
Greater Houston Partnership**

**“Sustaining a World-Class Infrastructure”**

Thanks very much for inviting me this evening. Like you, the Greater Houston Partnership believes that an efficient, productive transportation network is central to regional growth and prosperity, and I appreciate the chance to share some of our thoughts and initiatives with you.

Earlier this year, when the bridge over the Mississippi River in Minneapolis collapsed, it put a spotlight on America’s transportation infrastructure. What we saw was not comforting:

- 33 percent of major U.S. roads are in poor or mediocre condition.
- A quarter of our bridges are structurally deficient or functionally obsolete.
- Our interstate system, which handles 240 million vehicles traveling 3 trillion miles annually, has changed very little since its creation in 1956...when it was designed to serve 65 million vehicles traveling 600 billion miles annually.

Beyond that, there are predictions that by 2020, every major U.S. container port will at minimum – at **minimum** – double the volume of cargo it was designed to handle.

And it is estimated that railroads will need about \$200 billion over the

next 20 years to maintain their existing infrastructure and manage the projected growth in freight.

So now that you have a picture of the problem, let me pass along what I think is a pretty stunning fact: China spends 9 percent of its Gross Domestic Product on infrastructure, and India, 5 percent. But since 1980, America has spent, on average, less than 2 percent annually.

What makes this fact even more amazing – or maybe more unsettling – is that the payback on transportation spending is huge. For example:

- U.S. industries save 24 cents on production and distribution costs for every dollar put into in non-local road systems.
- A \$2.75 billion public investment in freight railroad would save \$10 billion in highway costs over the next two decades.
- And, a little closer to home, as a facility with a \$117 billion impact on this state, there's no doubt that every dollar invested in the Port of Houston goes a long, long way.

We're not immune to these issues in Texas, either. If current spending levels remain constant, we'll have a \$16 billion shortfall between now and 2025 for new transportation capacity in this region alone. We'll be able to fund just 40 percent of needed roadway improvements.

That can only lead to more congestion, which will impact the operations of companies whose profits depend on over-the-road efficiency.

For the Partnership, these are issues where, if you'll forgive the obvious turn of a phrase, the rubber meets the road. That's why, as part of our 10-year Strategic Plan for economic development, we have committed ourselves to taking a lead role in building,

maintaining, and sustaining a world-class infrastructure that makes the region a magnet for commerce.

Our transportation initiatives to date reflect this commitment.

We were instrumental in creating the Alliance for I-69 Texas, and we supported I-69's designation as a Corridor of the Future – which will ensure priority development and funding.

When completed, I-69 will serve as the most direct trade route linking the industrial centers of Mexico, the United States, and Canada. The economic importance of the project speaks for itself:

- I-69 is expected to create more than 40,000 new jobs by 2025, generating \$12.8 billion in wages and \$2.4 billion in added value.
- It is also expected to increase economic activity throughout the eight-state corridor – where 4.2 million people live below the poverty level.
- Corridor states and states using I-69 and its border crossing ports account for nearly 63 percent of total truck-borne trade with North America.
- And since it is the shortest route between the Northeast and South Texas, I-69 will reduce travel times, fuel consumption, and costs.

In other words, I-69 is good for Texas – and good for business.

We have also recognized the contributions of freight rail to the regional economy – not the least of which is its significance to operations at the Port.

The Partnership backed the establishment of the Gulf Coast Freight Rail District, which works to help freight rail and street traffic co-exist

in the region. Additionally, we have been strong advocates for dedicating resources to the Texas Rail Relocation and Improvement fund, whose stated purposes are to relieve congestion, enhance public safety, improve air quality, and expand economic opportunity.

And while I have already spoken a couple of times about the Port of Houston, let me add one more thing:

When you have a facility that is No. 1 nationally in foreign tonnage, No. 2 in total tonnage, and the sixth-largest port in the world, you pretty much do whatever you can to keep goods flowing in and out of there. And we have – including working on behalf of its successful \$250 million bond campaign and setting a 20 percent increase in foreign tonnage as a primary goal of our strategic plan.

I don't need to tell anyone in this room about the value of being able to move products and people in a safe, efficient manner. So in closing, I'll just say this: Mobility means freedom. The freedom to grow, the freedom to prosper, the freedom to achieve. It puts people to work, improves our communities, and strengthens our economy.

That makes it a freedom worth fighting for – and **that** is a fight we at the Partnership are proud to be a part of.

Thank you.