



TEXAS FREIGHT MOBILITY PLAN



FREIGHT AND ECONOMIC DEVELOPMENT DRIVING THE TEXAS ECONOMY

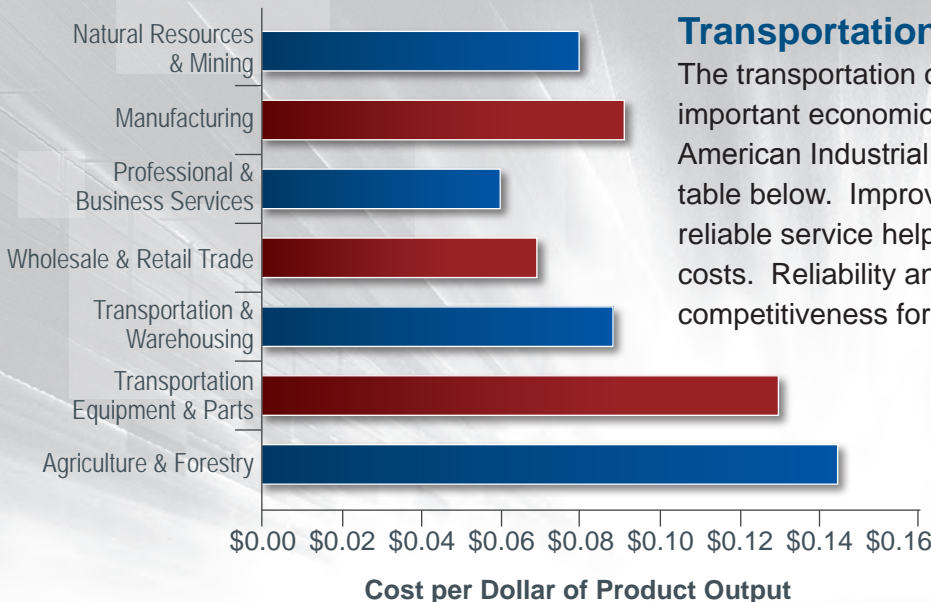
To sustain a dynamic economy and support the creation of additional jobs, Texas must continue to sustain and enhance its competitive business environment, optimizing those factors that are critical to a company's operations and global competitiveness.

In the 2013 *Corporate Site Survey*, an annual research effort to identify the key factors influencing business site location decisions, eleven of the top 26 site selection factors were related to transportation. Highway accessibility has ranked first or second in importance over the life of this study. Other key factors linked to transportation include accessibility of skilled labor, access to major markets, inbound and outbound shipping costs, access to major airports, and railroad services.

Key Transportation Factors Influencing Business Location

Transportation-Related Factors	Ranking	% Ranked Very Important
Highway accessibility	2nd	90.1%
Availability (accessibility) of skilled labor	3rd	89.4%
Proximity to major markets	12th	72.2%
Inbound and outbound shipping costs	16th	63.7%
Proximity to suppliers	19th	54.9%
Accessibility to major airport	21st	52.9%
Raw materials availability (accessibility)	23rd	49.7%
Railroad service	24th	43.6%
Availability (accessibility) of unskilled labor	25th	42.9%
Waterway or ocean port accessibility	26th	19.9%

Economic development is a very competitive business, and transportation can be the deciding factor by improving speed to markets, expanding workforce catchment areas, and reducing costs



Transportation Cost per Dollar of Product

The transportation cost per dollar of product output for several important economic sectors in Texas, based on their North American Industrial Classification (or NAICS) is shown in the table below. Improvements in transportation costs and more reliable service help businesses reduce their overall production costs. Reliability and speed to market are critical factors of competitiveness for many of the economic growth sectors in Texas.



Source: Transportation Satellite Accounts Database, Bureau of Transportation Statistics, Research and Innovation Technology Administration



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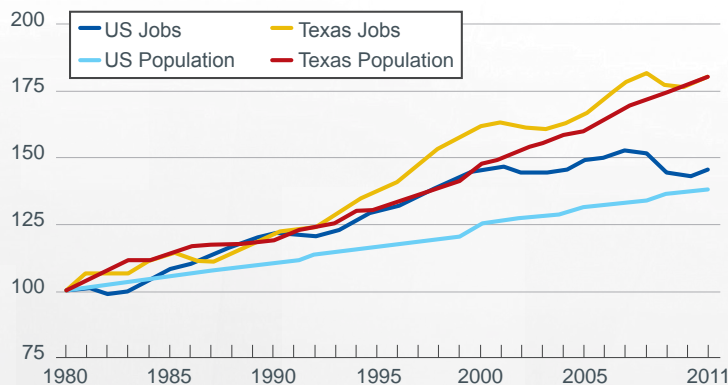


Meeting the Demand for Increased Population and Jobs

Texas' population grew by 11 million people (79 percent) between 1980 and 2011, more than double the growth rate of the nation as a whole. That population growth was also accompanied by job growth. Since the 1990s, the Texas job growth rate has been a full percentage point or more above the national average most years. Texas continues to break records in job creation and exports. But economic development is more competitive than ever, and while Texas is well-positioned to benefit from several important trends, the state must continue to focus on mobility, safety, and preservation of their multimodal transportation corridors to ensure this economic prosperity continues into the future.

Texas Job Growth Tracks Population Growth

Indexed to 1980

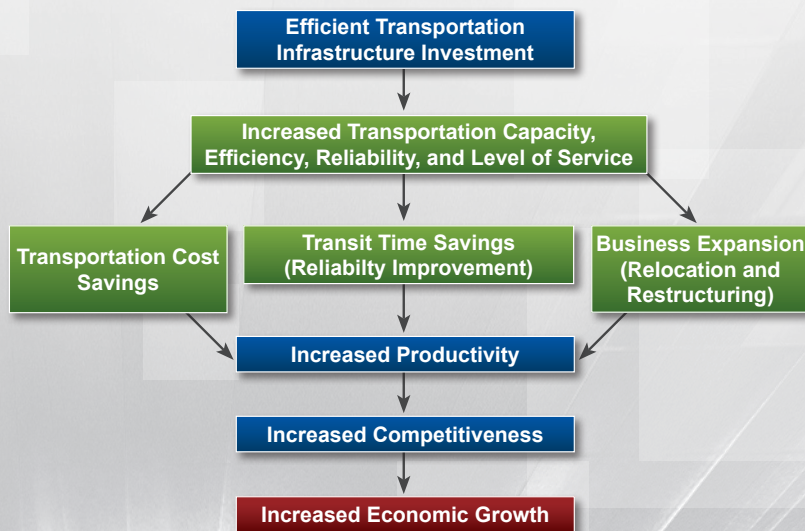


Source: CBPP calculations of Census and Bureau of Labor Statistics data

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Freight Infrastructure Improvements and Economic Growth

Efficient transportation infrastructure investment leads to increased transportation capacity, efficiency, reliability, and level of service, which in turn leads to transportation cost savings, transit time savings (reliability improvement), and business expansion (relocation and restructuring). Those three lead to increased productivity, increased competitiveness, and finally to increased economic growth.



Connecting the Pieces: Population, Jobs, Industry, and Infrastructure

The Texas economy depends on a world-class freight transportation system that enables workers to access jobs, delivery of raw materials and components to manufacturers and processors, and shipment of finished goods to customers across the country and around the world. As the state of Texas plans for the future of its multimodal freight transportation network, keeping these factors in mind will ensure that these industries have what they need to continue to compete in the future and create quality jobs and widely shared prosperity for Texas citizens.



The Economics of Transportation Investments

