



AGC of TEXAS



Highway, Heavy, Utilities & Industrial Branch
JENNIFER WOODARD, Executive Vice President

May 7, 2020

The Honorable John Cornyn
Office of Senator John Cornyn
517 Hart Senate Office Building
Washington, DC 20510

Dear Senator Cornyn:

On behalf of the Associated General Contractors of Texas (AGC of Texas), and its over 800 member companies, I am writing to express AGC of Texas' gratitude for your continued effort to address the unprecedented impacts of the novel coronavirus (COVID-19) pandemic. The relief packages passed by Congress thus far have been very helpful, however more is needed. As you consider the upcoming relief legislation, AGC of Texas strongly urges you to provide state departments of transportation (DOTs) with an immediate \$50 billion infusion of federal funding. This funding will help ensure that planned transportation projects move forward and mitigate potentially significant transportation construction job losses, including in Texas. Additionally, AGC of Texas urges adoption of language in any future relief or stimulus bill to provide flexibility to states allowing the expenditure of already enacted COVID19 relief funds or future COVID19 relief funds for any Essential Critical Infrastructure as defined in the Department of Homeland Security Cybersecurity & Infrastructure Security Agency Guidelines, Version 3.0 (April 12, 2020)(or as amended in the future).

The COVID-19 pandemic has highlighted and reinforced that a safe, efficient, and reliable transportation system is vital to the expeditious delivery of raw materials, goods, and services needed by first responders including healthcare operations, businesses, and the American people during any national emergency. According to The Road Information Program (TRIP), the design, construction, and maintenance of transportation infrastructure in Texas supports approximately 358,000 full time jobs across all sectors of the Texas economy. These Texans, who work as project managers, equipment operators, construction workers, inspectors, material suppliers, engineers, and numerous other professions, both in the public and private sector, have been working diligently since the beginning of this crisis in order to build the critical transportation infrastructure Texas and the United States needs.

However, due to the COVID-19 pandemic the stability of funding for critical infrastructure projects is now at risk. The primary funding sources for Texas transportation projects are the state motor fuel tax, annual vehicle registration fees, oil and natural gas severance taxes, the motor vehicle sales tax, and a portion of the state's general sales tax. According to information recently released from the Texas Comptroller of Public Accounts, each one of these revenue streams has suffered a significant decrease, and it is expected this trend will continue for the next several months. Some of the highlights of this report include:

- Motor vehicle sales and rental taxes — \$164 million, down 45 percent from April 2019, the largest monthly drop on record in data going back to 1983;
- Motor fuel taxes — \$284 million, down 12 percent from April 2019, the steepest drop since 1991;
- Natural gas production tax — \$67 million, down 48 percent from April 2019;
- Oil production tax — \$191 million, down 45 percent from April 2019

As a result, the ability of TxDOT to carry out their core functions, including capital construction programs, may be at risk. AGC of Texas believes an immediate infusion of federal funding will help allow TxDOT employees and transportation construction workers to advance and deliver critical projects.

AGC of Texas appreciates your leadership during this unprecedented time and your consideration of this request. Please do not hesitate to reach out if you have any questions or if AGC of Texas may be a resource to you and your staff.

Sincerely,

A handwritten signature in black ink that reads "Robert Adamson". The signature is written in a cursive, flowing style.

Robert Adamson
President, AGC of Texas