

TEXAS DEPARTMENT OF TRANSPORTATION

COMMISSION MEETING

Ric Williamson Hearing Room
Dewitt Greer Building
125 East 11th Street
Austin, Texas

1:00 p.m.
Wednesday,
December 15, 2010

COMMISSION MEMBERS:

Deirdre Delisi, Chair
Ted Houghton
Ned S. Holmes
Fred Underwood
William Meadows

STAFF:

Amadeo Saenz, Executive Director
Steve Simmons, Deputy Executive Director
Bob Jackson, General Counsel
Roger Polson, Executive Assistant to the
Deputy Executive Director
JoLynne Williams, Chief Minute Order Clerk

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P R O C E E D I N G S

1
2 MS. DELISI: Good afternoon. It is 1:35 p.m,
3 and I call this meeting of the Texas Transportation
4 Commission to order. Note for the record that public
5 notice of this meeting, containing all items on the
6 agenda, was filed with the Office of the Secretary of
7 State at 10:53 a.m. on December 7, 2010.

8 Before we begin, please take a moment to place
9 your cell phones and other electronic devices on the
10 silent or off mode, please.

11 During today's meeting we will accept public
12 comment that is relevant to the posted agenda items but we
13 will not have an open comment period. If you would like
14 to comment on an agenda item, please complete a yellow
15 speaker's card, identify the agenda item on which you'd
16 like to speak. You can find these cards outside in the
17 lobby. Please, we ask that you do try and limit your
18 comments to about three minutes.

19 Before we move on to today's agenda, I want to
20 remind you that the 6th Annual Transportation Forum is
21 coming up from January 3 to 5, 2011. We encourage you to
22 come be a part of the discussion about transportation in
23 Texas, and you can register by going to our website to get
24 the information.

25 Before we begin with the rest of the agenda for

1 today, commissioners, does anybody have any comments? No?

2 So with that, Amadeo, I will turn the meeting
3 over to you.

4 MR. SAENZ: Thank you. Good afternoon.

5 The first item on the agenda today, Steve
6 Simmons, deputy executive director, will give us a
7 presentation on our status of the implementation of the
8 2008 Sunset Commission staff recommendations, as well as a
9 report for this morning's hearing. Steve.

10 MR. SIMMONS: Good morning, Madam Chair,
11 commissioners, Mr. Saenz. For the record, I'm Steve
12 Simmons, deputy executive director at TxDOT.

13 Before I get started with the Sunset, I would
14 like to introduce a new employee we have on the second
15 floor, Ms. JoLynne Williams. JoLynne is our new minute
16 order clerk who will be working with the commission, takes
17 Dee Hernandez's place. She started Monday and we're happy
18 to have her onboard and she's hit the ground running.
19 Thank you.

20 MR. UNDERWOOD: Question, Steve, did she have a
21 choice other than to have to hit the ground running?

22 (General laughter.)

23 MR. SIMMONS: She had to think about it when I
24 interviewed her.

25 But anyway, I am here once again to update you

1 on the department's implementation of the Sunset Advisory
2 Commission's recommendations. I will be brief since we
3 had our Sunset Advisory hearing this morning.

4 As you know, the Sunset Advisory Commission
5 staff issued their report last month and are recommending
6 25 issues for the department during the incoming
7 legislative session. That is significantly down from the
8 60 recommendations the Sunset staff had prior to the 2009
9 legislative session, but I do need to point out that ten
10 of those were functions that have now been transferred
11 over to the Department of Motor Vehicles, so it's not
12 applicable to us, so out of the 50 that were applicable to
13 TxDOT, we're now down to 25.

14 We've worked hard the last year, last two years
15 to be more accountable and transparent. The current 25
16 recommendations include the items the department has been
17 implementing since the legislature last met and also
18 covers outdoor advertising, dynamic message signs, the
19 Green Ribbon Project, and regulating oversized and
20 overweight vehicles.

21 Several of these recommendations we believe
22 have been completed to the extent possible by the
23 department, however, Sunset believes or the staff believes
24 to finalize the recommendation the legislature needs to
25 establish these in statute. I look forward to our

1 decision hearing in January and to continue working with
2 the legislature as we continue to make improvements in our
3 accountability and transparency in providing a safe,
4 reliable transportation system for the State of Texas.

5 I think most of you heard the hearing today was
6 very brief compared to last year's and had good
7 interaction between the chair and our executive director
8 regarding the recommendations.

9 I'll be happy to answer any questions.

10 MR. SAENZ: Thank you, Steve.

11 Agenda item number 2, commission, is a
12 discussion item that will be led by Coby, but we have been
13 working and one of the Sunset recommendations had to do
14 with public involvement, and Coby and his group have been
15 leading the charge, and we've got some presenters from
16 Texas Southern University.

17 MR. CHASE: Good afternoon. For the record, my
18 name is Coby Chase and I'm director of TxDOT's Government
19 and Public Affairs Division.

20 I wanted to speak with you today about the
21 department's public involvement processes and policies
22 briefly. Public involvement is a major component of every
23 project, every district and every division in TxDOT. For
24 a state as large as Texas, with our diverse regions and
25 population, public involvement efforts are challenging,

1 and to address these challenges, we enlisted the aid of
2 Texas Southern University.

3 Our interest in updating and refining our
4 public involvement efforts are reinforced by insight
5 provided by the Texas Sunset Advisory Commission in the
6 2008 review of TxDOT that cited the public's high
7 expectations regarding consistent and meaningful public
8 involvement and stated that we were not meeting those
9 expectations.

10 Further, they recommended the development and
11 implementation of a public involvement policy to guide our
12 efforts agency-wide. I don't want to characterize this
13 that we don't have different policies guiding specific
14 efforts. We do. This is a discussion of an umbrella
15 philosophy and an umbrella policy statement by the
16 commission that guides all of our public involvement
17 efforts.

18 As we addressed this recommendation and to
19 assist with our ongoing efforts to improve public
20 involvement, TxDOT sought the expertise of Texas Southern
21 University's Center for Transportation Training and
22 Research for a review of our public involvement processes
23 and practices and for assistance in developing an updated
24 public involvement policy statement.

25 The policy statement developed by TCU which is

1 in your briefing books and will be presented to you in
2 just a moment, the policy statement developed by TCU seeks
3 to establish the goals and principals that will guide the
4 department's future public involvement processes and
5 practices.

6 MS. DELISI: You mean TSU?

7 MR. CHASE: TSU. I'm sorry. Did I say TCU?

8 MS. DELISI: Yes.

9 MR. SAENZ: Twice.

10 MR. CHASE: Well, if you've ever met Robin
11 Ayers in my office, I always speak kindly of TCU, and the
12 gentleman on that end too, so I get it from both sides.
13 But yes, TSU. My apologies to everyone. Just nobody
14 wins, do they.

15 (General laughter.)

16 MR. CHASE: The policy statement developed by
17 TSU seeks to establish the goals and principals that will
18 guide the department's future public involvement processes
19 and practices. In addition, the establishment of this
20 policy is timely as we implement the initiatives
21 established by the 2011-2015 Strategic Plan. Very key
22 elements rest on an active public involvement process, so
23 this is going to help with that too.

24 Our staff is greatly appreciative of the
25 commission for your support of this review, as well as

1 your assistance and direction. In particular, we're
2 grateful to Commissioner Meadows for his assistance in
3 identifying public works projects that included effective
4 and innovative public involvement techniques that TSU dug
5 into a little more deeply.

6 Now, on the TSU staff we worked closely with,
7 of course, Carol Lewis, whom I'll introduce next, Gwen
8 Goodwin and Sasha Sabaroche, which I know just did not
9 pronounce that correctly -- she is a wonderful graduate
10 student. And internally I'd like to thank Jefferson
11 Grimes and Caroline Love and Andrea Lofye and Diana Noble
12 who was kind of our den mother who had to keep reminding
13 everyone to rise above TxDOT policy and processes, we're
14 thinking big picture. She did a very good job of that.

15 In my career at TxDOT I've been very lucky to
16 have had the opportunity to work with or near some of the
17 best thinkers in transportation, like Mike Walton, Tim
18 Lomax, Joe Giglio, Bob Poole, and now Carol Lewis. If I
19 were collecting the rock stars of transportation trading
20 cards, I will have completed the academic team set, and my
21 fascination with this is also the reason people kind of
22 walk away from me at cocktail parties. It's a little
23 wonky.

24 Texas Southern University's Center for
25 Transportation Training and Research is directed by Dr.

1 Carol Lewis. She's an associate professor in
2 transportation studies and director of TSU's Center for
3 Transportation Training and Research. She is responsible
4 for educating students in fundamentals of transportation
5 and urban transportation issues, as well as conducting
6 operational and policy-related transportation research.

7 Dr. Lewis serves as the principal investigator
8 of the Petrochemical Transportation Security Center of
9 Excellence, and she is also the principal TSU researcher
10 in the Department of Homeland Security's Disasters,
11 Coastal Infrastructure and Emergency Management Center,
12 focusing on evacuation modeling. Dr. Lewis brings to this
13 project more than 30 years of public involvement
14 experience. She has conducted research for FHWA and other
15 public and private transportation entities, and is the
16 author of numerous published works regarding public
17 involvement in transportation issues. She really truly is
18 one of the best in the business. Recently her research
19 team assessed public involvement techniques for the North
20 Central Texas Council of Governments.

21 I would like to add that it was a sincere
22 pleasure to work with her and her staff on this project.
23 We greatly appreciated the professionalism and the
24 dedication which is also to say she did not let TxDOT
25 overwhelm her or her team. That alone says a lot.

1 Dr. Lewis, I will turn the program over to you.

2 DR. LEWIS: Good afternoon. I would like to
3 thank the introduction that just occurred and to have my
4 name called with my dear friends, Mike Walton from the
5 University of Texas and Tim Lomax from the Texas
6 Transportation Institute. It's a pleasure to be with you
7 here today, Commissioner Delisi, all the other
8 commissioners, Mr. Saenz. We appreciated the opportunity
9 we had to do this work, very important for the State of
10 Texas and very important for us at Texas Southern
11 University.

12 I would also say as we began that the
13 individuals we worked with from TxDOT were just stellar as
14 we proceeded to pull all of the pieces together to indeed
15 develop a policy for your considerations.

16 As you know, the Sunset Commission charged
17 TxDOT to come up with a public involvement policy
18 statement that would direct all the processes that occur
19 in public involvement in the state. This document that
20 you see, Talking with Texans, is one of the pieces that
21 was already in place, and I would stress that as we did
22 the work and combed through the existing material, there
23 was much that TxDOT already had in place that forms a very
24 solid foundation. But again, our specific charge was to
25 direct policy that could be overarching to direct all the

1 public involvement efforts that go on throughout the
2 state.

3 Some of our resources and methods, and we
4 really tried to be comprehensive in pulling together the
5 materials, we looked at the federal, Texas and TxDOT
6 guidelines and processes, we observed several meetings
7 that occurred during the month of June. That was our
8 primary month of activity. Our charge was to get a draft
9 in to TxDOT by July 31, and so we did involve ourselves in
10 observing meetings that were occurring during that time
11 period. We looked at other state departments of
12 transportation, their documentation. We looked at the
13 Fort Worth Public Works project, as was suggested by
14 Commissioner Meadows.

15 In addition to that, we scoured the Sunset
16 Advisory Commission report and we looked at the Grant
17 Thornton report, and then we conducted interviews with
18 TxDOT employees, other government stakeholders that work
19 with TxDOT, and then we interviewed representatives of the
20 Sunset Advisory Commission. So we felt that that gave us
21 a really good spectrum of information from which to pull
22 the policy statement together.

23 So what did we observe, what did we find? In
24 terms of the TxDOT guidelines, polices and procedures,
25 those are well developed and they're in-depth, so there

1 are documents in place within the agency where you can
2 pull all the requirements and there's no question about
3 those. They aligned directly and very well with federal
4 and state regulations. And then when we looked at the
5 TxDOT documents compared to documents of other states
6 around the country, the TxDOT documents do compare very
7 well with the state of the industry and state of the art
8 in looking at those documents.

9 When we went to the meetings, we pulled the
10 material that TxDOT was distributing, we pulled the
11 brochures, we looked at the handouts, we looked at the web
12 pages, and all those materials were very well prepared and
13 so they explained what was going on for the attendees. We
14 looked at everything from project level meetings to the
15 state long-range plan meetings and strategic planning
16 meetings that were going on during the same time. We also
17 visited during the MY35 Corridor meetings and all of those
18 were well documented, they were largely well attended, and
19 so the materials, it wasn't an issue with anything that
20 people were being given.

21 We did find that the open house format which is
22 not unique to TxDOT, the transit agencies do it, the MPOs
23 do it, but that format is sort of difficult for people to
24 understand. They walk in the door sort of expecting a
25 meeting, they expect a hearing, and in fact, the format is

1 open so that you look at something and you walk around.
2 So we think that there is an opportunity to take that
3 format and help attendees to better understand how it's
4 going to proceed. It is a good format and it has many
5 advantages, but just so that people when they walk in
6 understand what's going to happen, we think that's an area
7 that we can work on a little bit.

8 So looking at, again, the 50 states, this is
9 specifically regarding the policy statement, not just
10 materials in general, but when looking at the 50 states,
11 approximately 25 percent, or a fourth of the states in the
12 nation, have a clear policy statement that uses the word
13 policy or philosophy, and that's what we were looking for.

14 And so a state may have that but if we didn't see it sort
15 of up front, then they weren't included here. So that
16 means that indeed we were able to look at how a fourth of
17 the states have worded that policy and what they are
18 doing.

19 So I understand that you have the document, and
20 what we did within in there was to take the series of
21 words and look at how those states were stringing the
22 words together. We then looked at them, not only for word
23 choice but also how they structured their policy, whether
24 they had objectives, whether they had recommendations that
25 were associated with the policy that they stated. And so

1 what we were trying to do there was to create something
2 unique to Texas because we are Texas and we are unique, so
3 we didn't want ours to look like anyone else's but we
4 wanted to understand what we should have involved in our
5 policy statement.

6 When we looked at the Sunset Advisory
7 Commission report, conducted the interviews with the
8 Sunset team and looked at the Grant Thornton report, the
9 thing that we found there was that TxDOT was encouraged to
10 have consistency in its public involvement processes, to
11 somehow express these as meaningful engagements for the
12 public. There was a lot of discussion about focusing on
13 what happens agency-wide, so what we observed there is
14 that some districts had extremely stellar public
15 involvement examples and those stellar examples weren't
16 necessarily being replicated across the state, and so that
17 led into the next recommendation to share best practices
18 among districts.

19 Continuing with what's recommended sort of out
20 of those three sort of areas is to clearly show how the
21 public involvement and their input is used in the
22 decision-making process, to make sure that there's a
23 culture of respect between TxDOT and the stakeholders, and
24 to increase and improve the use of web-based programs. As
25 we all know, people are sort of picking up their handhelds

1 or going to their computers for all information, so that
2 puts a challenge on traditional agencies to quickly move
3 sort of in a very adept sort of way to follow suit.

4 And again, there is use of those web-based
5 programs but technology is advancing so quickly and now we
6 have Twitter and blogs and everything else, so we as
7 public agencies have to stay abreast of how our
8 constituencies are indeed getting and absorbing their
9 information.

10 The last sort of element of this was to do
11 interviews, both with governmental agencies that work with
12 TxDOT and with TxDOT staff, and so there was sort of two
13 big findings out of that. One is that there did seem to
14 be a difference of awareness about what was available from
15 documentation, and this is from TxDOT staff, so in terms
16 of fully knowing what's available, how to use the
17 materials that are available looks like an area where some
18 attention can be paid. And then the governmental agencies
19 that work with TxDOT actually rate TxDOT very well in
20 terms of their public involvement and reaching out to
21 those other agencies.

22 So pulling all of that together, it led to the
23 draft policy statement that we're submitting for your
24 consideration, and I'm going to read it verbatim because
25 that was the essence of what we were charged to do, and so

1 it reads:

2 "The Texas Department of Transportation (TxDOT)
3 commits to purposely involve the public in planning and
4 project implementation by providing for early, continuous,
5 transparent and effective access to information and
6 decision-making processes. TxDOT will regularly update
7 public involvement methods to include best practices in
8 public involvement and incorporate a range of strategies
9 to encourage broad participation reflective of the needs
10 of the state's population."

11 Supporting that, and as we looked at the other
12 agencies throughout the country, we did like the structure
13 where there were objectives to sort of more deeply get
14 into what is intended with the policy statement, and so
15 we've got eight supporting objectives. In the interest of
16 time I did not list them all today but just sort of pulled
17 three up:

18 "Encourage a proactive involvement that is
19 fully integrated and incorporated into planning
20 activities.

21 "Establish and maintain TxDOT's reputation as a
22 trusted source of information.

23 "Proactively seek early continuing input and be
24 responsive to inquiries and suggestions."

25 Supporting the eight policy statements, of

1 which we've seen three, are eight recommendations, and so
2 there's a recommendation essentially tied to each of the
3 objectives, and I did list them all here. I won't read
4 through all of them, but in essence, the recommendations
5 are to continue the culture of outreach, and we did see
6 that once Sunset made its recommendations, TxDOT
7 immediately began to implement that, so TxDOT had been
8 into that a year before this process even started, so we
9 could see those things happening.

10 Continue to prepare written debriefing
11 assessments of each meeting, and that will help with the
12 recommendation to make sure that the input is being
13 incorporated into the findings and into TxDOT's daily
14 considerations.

15 Develop a response mechanism so that people can
16 know that their input was heard.

17 Create a compendium of best practices and
18 success stories that are available on the web so that all
19 of the districts can take advantage of those.

20 Increase the use of non-traditional outreach
21 and methods, and that's everything from using virtual
22 videos and increased imaging to perhaps, in some cases on
23 a project-by-project basis, considering maybe some blogs
24 and Twitters.

25 The next one, develop and make widespread use

1 of template meeting styles and types. There are some
2 situations where we want an open house, but there are
3 others where individual meetings with stakeholders may be
4 the best approach.

5 The next one is to be careful about
6 nomenclature and published descriptions, so make sure that
7 we stay away from the transportationese in the things that
8 are published.

9 And then next, and we think this is hugely
10 important, is to require public involvement retooling
11 amongst TxDOT staff. So there are some documents and
12 manuals that are there but TxDOT staff don't necessarily
13 know that they're always there, but just like in anything
14 we need to refresh, and even if we know what we're
15 supposed to do and we know the rules, it really advantages
16 us to periodically remind ourselves of that.

17 And so that actually concludes the summary of
18 the report. I'm here and happy to answer any questions
19 that you might have, and again, we're very pleased to have
20 been able to perform this work for you.

21 MS. DELISI: Are there any questions?

22 MR. UNDERWOOD: Not a question, just an
23 observation. I really appreciate the professionalism of
24 the ladies that were involved in this process and want to
25 thank you very much.

1 With Texas Southern, this is the first that
2 I've seen work with them. Is that correct, Amadeo?

3 MR. SAENZ: We may have done some other work
4 with Texas Southern in other areas as part of the regular
5 research program.

6 MR. UNDERWOOD: It is, isn't it?

7 MR. SAENZ: As part of the regular research
8 program on the technical side, we've got some contracts
9 with Texas Southern. This is the first one that we've
10 done dealing with our public involvement and
11 communications.

12 MR. UNDERWOOD: Because I was very impressed by
13 the professionalism that you have used and I really
14 appreciate it, and I'm glad to see that we're doing more
15 work with you. Thank you.

16 DR. LEWIS: Thank you very much. And indeed,
17 we have projects with the research group right now that we
18 call RMC. I'd have to really pull up what RMC stands for.

19 MR. SAENZ: Research Management Committees.

20 DR. LEWIS: There you go. We've got work with
21 number two right now, along with University of Texas is
22 one of our partners with that.

23 MS. DELISI: When you were talking about the
24 open house format is not well understood, you said it's a
25 useful format or a good format, did you all make

1 observations about what formats are best used for certain
2 types of public involvement or at certain levels of public
3 involvement, and do you make recommendations in that
4 regard?

5 DR. LEWIS: We did not specifically in this
6 instance because our charge was the policy piece.

7 MS. DELISI: Okay.

8 DR. LEWIS: From other work we could do, we
9 could kind of address that, but not as part of this
10 particular scope.

11 MS. DELISI: Okay. Because it seems to me
12 that's sort of the next logical, so if there are different
13 formats and some formats aren't well understood but still
14 are good formats, when should they be used and how do we
15 better inform the public about these.

16 MR. UNDERWOOD: What to expect is what you're
17 saying also because you said that they didn't know what to
18 expect when they were getting there and whatnot.

19 DR. LEWIS: Yes, that's correct. And so
20 indeed, just a real quick sort of fix to that is to hand
21 out a sheet of paper at the very beginning, have someone
22 there to say this is an open house format, you walk around
23 independently to each of the stations, have the stations
24 numbered, tell them to start with number one and then work
25 your way around, and it's probably about as simple as

1 that. But in terms of when to use it, that would be
2 another question.

3 MR. SAENZ: And commissioners, the plan is we
4 worked on developing the policy statement and kind of
5 identifying what we have. The next step is to continue to
6 work with Texas Southern to, in essence, develop what I
7 would call a public involvement process manual or update
8 the manuals that we have that would, in essence, lead us
9 to some training for our people, identifying what type of
10 public involvement best fits the types of projects, have
11 the training so that this could become an ongoing process
12 as new people come in and we identify more best practices,
13 we'll update and continuously work on making sure that our
14 public involvement is what I would say up to very high
15 standards.

16 MR. MEADOWS: I just want to thank you all
17 again. This is good work and where it really manifests is
18 when you look at these recommendations. What it basically
19 says is, and we all know, that we've been in the public
20 involvement business for a long time. The fact is,
21 though, that the public is not perceiving that their
22 participation is even recognized or their comments ever
23 translated, communicated and understood by those that are
24 making policy decisions, and that's what's reflected in
25 your recommendations, first.

1 I think this format issue is another thing.
2 You know, we've gone through the motions, if you will. I
3 mean, so many of the things that we do require a public
4 process and that's a box that you just check off. Well,
5 the fact is that in order for us to be effective in terms
6 of communicating with the public and carrying out -- it is
7 the people's business, I guess, that we are in, so we
8 probably ought to listen to the people. It's beyond just
9 checking the box off, and I think you're headed in this
10 direction.

11 That format issue, there is so much that can be
12 learned. We've assumed that public involvement means that
13 we have a big hall and we have a public meeting, we
14 involve and engage and we have a power point, and then we
15 listen to the people and we say we've done it. Well, the
16 fact is there's so many other ways to do that now that are
17 much more effective in terms of bringing people on and
18 making sure that A, they understand what's being proposed,
19 and B, that they have the opportunity to participate in
20 the process and they do feel like that their comments are
21 considered credibly.

22 And I think there are some challenges we have.
23 The challenges are we kind of have to relearn the way it
24 is that we do it, and I think you've set the stage for
25 that. And I think that we're doing some things better

1 already. I really do think the last two years that we've
2 done some good things in terms of more grassroots work,
3 engagement of the population. The MY35 initiative is a
4 great example. But there are other lessons to be learned
5 and we have a ways to go.

6 Thank you very much for your help. It's a good
7 start.

8 DR. LEWIS: Thank you. I appreciate it.

9 If you would allow me too to just mention a
10 couple of things. One of the things that was stated in
11 the introduction is that I've done a lot of public
12 involvement work, and so my students have also sort of
13 embraced some of the public involvement aspects.

14 So last semester, this was Spring 2010, I have
15 a seminar class and students can do a project of their
16 choosing, so one of my students chose to do an examination
17 of the public involvement effort around the Grand Parkway
18 in Houston. And he actually took it on to prove that
19 public agencies don't listen to the public; that was
20 really his thinking. By the end of it he was very
21 impressed because the alignment of the Grand Parkway in
22 Houston was changed due to public input.

23 So I think that that's happening a lot but it's
24 not documented and posted, so that's one of the things
25 that TxDOT will want to do more of.

1 MR. HOUGHTON: So public agencies aren't
2 getting the credit that's due.

3 DR. LEWIS: That's exactly correct.

4 MR. HOUGHTON: Thanks.

5 MR. HOLMES: And I know that David Gornet
6 appreciated your saying that.

7 (General laughter.)

8 DR. LEWIS: Thank you.

9 MR. SAENZ: Thank you, Dr. Lewis and Gwen and
10 Sasha. I won't try to pronounce Sasha's last name. Good
11 job, and we look forward to continuing to work with you as
12 we move this thing to the next phase.

13 Agenda item number 3, commission, is a report
14 led off by Mary Meyland but presented by TTI dealing with
15 the vehicle mile fee system study. Mary.

16 MS. MEYLAND: Good afternoon, commissioners,
17 Chair Delisi. It is my pleasure to be here as your
18 director of Strategic Policy and Performance Management to
19 introduce to you again the topic of the VMT, vehicle mile
20 traveled fee exploratory study that we kicked off about
21 six to seven months ago. It was completed in August of
22 this year, and we do have the final report in draft form
23 and we have the leading researcher in this endeavor here
24 to help us kind of explain to you the findings of this
25 study.

1 When we initiated this undertaking, the scope
2 was very critical, and one of the things we realized, and
3 it's going to be reiterated again in Ginger's
4 presentation, but I wanted to make sure you understood
5 that the position that we took as an agency to help drive
6 their focus, kind of pulling off of Dr. Lewis's
7 presentation, the one thing that was missing from all the
8 elements of the investigations that were being conducted
9 nationally was the public perception, that there really
10 hasn't been an initiative or a state initiative or even a
11 public initiative to evaluate the public perception as far
12 as this topic is concerned.

13 So as we pushed forward with the initiation of
14 the study, that was one of the things that we wanted to
15 come out of this: particularly why and how to help Texans
16 understand this.

17 So without further to do, I'm just going to
18 introduce Ginger. She is our senior research engineer and
19 a program manager in the Austin office of the Texas
20 Transportation Institute. She has led this research on
21 mileage and VMT-based fee since 2007. Her studies have
22 covered public attitudes and perceptions, technology
23 approaches and institutional issues. She's chaired the
24 first mileage based user fee symposium which this year I
25 think is the third that that endeavor is being done, so

1 it's still an initial issue, something brand new that a
2 lot of people are just getting involved in, but we were
3 very honored to be able to proceed with this study, and
4 she's got the results for us. Ginger.

5 MS. GOODIN: Thank you, Mary, for that
6 introduction. For the record, my name is Ginger Goodin,
7 and I'm with the Texas Transportation Institute, and what
8 I'd like to do is share with you the findings from our
9 study which we've been working on since February.

10 I want to start by giving a little background
11 of how we got to where we're at now. Mary mentioned that
12 we've been doing research in this area for several years.
13 One of the first studies we did in Texas was working with
14 the North East Texas Regional Mobility Authority. They
15 had an interest in mileage fees from the perspective of a
16 local option fee on top of the gas tax, if you will, and
17 so we did some work on that. The Legislative Budget Board
18 also issued a study in 2009 looking at long-term
19 sustainability concerns with the fuel tax and suggested
20 that if federal funding became available for a pilot
21 project that TxDOT should support that.

22 The NET RMA study formed the basis, I believe,
23 of House Bill 3932 which was proposed in the last session
24 and folded into House Bill 300. So that's kind of the
25 background of what's been going on in Texas up to this

1 point. I think what TxDOT wanted to do, the North East
2 Texas RMA study was very narrowly focused in that
3 particular region, TxDOT's interest was to take that
4 beyond to kind of a broader statewide perspective.

5 A little bit more on context. The
6 Transportation Research Board has predicted that fuel
7 consumption is going to drop by 20 percent by 2025, and
8 this is not news to you, but the fuel tax is going to be
9 problematic in the long term. It is the primary source of
10 funding but it is going to decline for a number of reasons
11 and become less sustainable and less equitable in the long
12 term. So the whole context for this is is there a better
13 alternative than the fuel tax for funding.

14 I want to talk a little bit about the research
15 and testing that's underway at the state and national
16 levels. There have been, in addition to the
17 Transportation Research Board, a couple of national
18 commissions that have looked at this, mandated by
19 Congress, as well as the Bipartisan Policy Center and the
20 Miller Center. All have said that looking at mileage
21 based fees makes sense and that it should continue to be
22 explored because of the sustainability issues with the
23 fuel tax.

24 At the federal level there is a national study
25 going on right now, a pilot program in twelve different

1 regions. Austin was one of those in which pilot
2 participants were recruited with an onboard unit placed on
3 their vehicle and it's been part of that study which is
4 now in the process of wrapping up. And the federal
5 government is pursuing some additional exploratory
6 research in this area.

7 There is quite a bit of state level activity.
8 The states have their own fuel tax and so they have also
9 been looking at this, and so the most prominent, of
10 course, is Oregon, but also Washington State in the
11 Seattle region. Minnesota is doing a pilot project right
12 now; the State of Colorado is doing an exploratory study;
13 and the I-95 Corridor Coalition which is the 15 states on
14 the Eastern Seaboard has done an administrative and legal
15 study looking at a multi-state implementation. So we're
16 seeing an acceleration in the research activity in this
17 particular area.

18 The basis of this is that it's considered that
19 paying by the mile as opposed to paying by the gallon
20 better reflects actual use and it's not affected by
21 increases in fuel efficiency but, as you know, it
22 represents a significant change over the way that we're
23 currently doing business.

24 So what we were charged with doing is to look
25 at mileage fees as a possible funding mechanism for Texas.

1 We started by documenting what's going on in other
2 places, both domestically and internationally, and then
3 probably the most important part of what we did is get
4 input from Texans, both from the driving public through
5 focus groups as well as a number of stakeholders that we
6 interviewed, and we did engage a technology panel to help
7 us sort through what we're hearing from the public and how
8 some of those concerns may be addressed from a
9 technological standpoint.

10 And the study documents that process, but we
11 are presenting some concepts for consideration. We
12 haven't got into detail about how these concepts might be
13 implemented but we're presenting these as ideas for moving
14 forward if there is an interest in doing so.

15 So I want to talk a little bit about the focus
16 groups, and I'm going to hand out this document that we
17 used in our focus groups. As you can see from the
18 locations, we covered the whole state, we got a variety in
19 terms of geography and the size of the communities that we
20 went to and talked to drivers. We used a variety of
21 recruiting mechanisms, depending on the size of the
22 community, but we had anywhere from four to twelve people
23 in the focus groups.

24 Let me just back up and say the people in our
25 focus groups did not know what they were going to be

1 discussing, we just said it was on transportation funding.

2 So what we did is we spent the first 20 minutes or so
3 getting everybody on the same page with how is
4 transportation funding done now, and that's what this
5 handout helped us do. So you can see from that we talked
6 about the fuel tax, how transportation is funded, where
7 the fuel tax goes, how it's assessed on a per-gallon
8 basis, and then over the long term what fuel efficiency
9 does in terms of the overall revenue picture.

10 I will say that as we introduced this idea the
11 first question that we asked in our focus groups is how is
12 transportation funded at the state level. With one or two
13 exceptions, nobody knew that there was a fuel tax, nobody
14 knew the amount of the fuel tax, nobody knew how much they
15 pay, and that's an important premise because the idea of
16 moving to a new system is a much more difficult leap when
17 you don't even know how it's currently being funded.

18 So after we went through this exercise of
19 educating, getting everybody kind of on the same page
20 where they understand what are the long-term issues with
21 the fuel tax, then we introduced the idea of the mileage
22 fee. We asked for the reaction to that and then we got
23 them to give us some feedback on some technology options,
24 from a low tech which was an odometer reading up to a high
25 tech which would be a GPS-based system, and then we asked

1 some questions about payment and transition from a fuel
2 tax.

3 So what we found overall is that, as I
4 mentioned, lack of knowledge of the fuel tax and
5 transportation funding, and that plays into how people
6 view moving to a new system. There was, obviously, a
7 negative reaction to mileage fees. The concerns that we
8 heard raised were pretty consistent across the focus
9 groups. Even though different focus groups in different
10 areas all had these concerns, privacy, cost and
11 enforcement, in some groups privacy was more prevalent, in
12 other groups the cost.

13 And the cost would be the cost of
14 administration, the creation of new bureaucracy. The fuel
15 tax is cheap to collect; this is going to be something
16 that's more expensive. Privacy is obvious in terms of
17 will the government know my location based on the type of
18 system that would be used to collect the data. And then
19 enforcement, is there an opportunity for people to cheat
20 the system. So they want to know how those issues would
21 be addressed in the system.

22 In terms of preferences, people overwhelmingly
23 supported low tech as opposed to a high tech option. They
24 preferred simplicity. They don't like the idea of a
25 single annual payment and they would prefer that spread

1 out over time. They would like for it to be as much like
2 we're doing it now, paying at the pump, if that's
3 possible.

4 So the three principal concerns: maintaining
5 driver privacy, administrating the system effectively, and
6 ensuring the fairness of enforcement. So the key to
7 addressing those public concerns, if this is going to be
8 pursued, is to craft effective public policy that
9 addresses those concerns from the beginning. And one of
10 the ideas of a technology demonstration, it does provide
11 the opportunity for a proof of concept to the general
12 public. It can show them how privacy could be addressed,
13 how it could be administered, how enforcement would be
14 done.

15 When talked particularly to our stakeholders,
16 there are some opportunities here, and even in our focus
17 groups people expressed that that's a logical and
18 sustainable solution. In some of our focus groups, for
19 example, some people, before we even introduced mileage
20 fee and showed them what is happening with fuel efficient
21 vehicles, we did have individuals say, well, why don't we
22 pay by the mile. So it is a logical, rational approach,
23 but again, the simple solutions are going to engender the
24 most support from the public and the demonstration, if a
25 demonstration is pursued, would have to address the

1 concerns that we heard about privacy, administration and
2 enforcement.

3 So most of our research report is a detailed
4 documentation of all of the activities related to our
5 focus groups, our stakeholder interviews, as well as our
6 technology panel.

7 What I'm going to do for the remaining slides
8 that I have here is talk about a suggested pilot model,
9 and again, if there is a desire to continue to move this
10 forward, we have laid out an idea or a concept for a pilot
11 that might want to be pursued.

12 In terms of those three main areas: maximizing
13 driver privacy, that was factored into the way we
14 identified the model that we would recommend be pursued;
15 can you rely on some existing frameworks to minimize the
16 administrative costs which was one of the other big
17 concerns; and how can you use existing systems to enforce
18 it and make sure it's a credible process.

19 So our proposed model is basically an
20 implementation of mileage fees on electric vehicles. This
21 targets a group of vehicles that will not be paying the
22 fuel tax. We heard in our focus groups that people
23 thought this was logical. I mean, we did have a couple of
24 people who said they should continue to get a break
25 because what they're doing is good for the environment,

1 but as a whole, people thought they should pay their fair
2 share for using the system.

3 By doing this implementation on this smaller
4 fleet of vehicles, what it could do is provide a proof of
5 concept that addresses those three main concerns. And one
6 of the things that if you look at the other pilot projects
7 around the country what they have largely been is
8 technology tests to see how people react to GPS or
9 location data and that kind of thing, but nobody has
10 really put anything in place that will demonstrate how
11 these kinds of concerns will be addressed in terms of
12 privacy and the administrative side of it and the
13 enforcement.

14 The Comptroller's Office we identified -- and
15 we did talk to them through this process -- would be a
16 logical lead because they are currently administering a
17 form of a weight distance tax on liquified fuel vehicles,
18 so there is an existing framework, and it would involve
19 coordinating with DMV and TxDOT to leverage that existing
20 system.

21 We would suggest that the collection be an
22 annual odometer reading, the low tech solution that people
23 preferred. It could be a flat fee tied to annual vehicle
24 inspection, all your miles would be counted, including
25 out-of-state mileage, and a flat rate could be charged for

1 that. I could result in potentially a high lump sum
2 annual fee, and so this is where the focus group
3 participants said we would prefer that not be the case, we
4 think that's difficult for low income drivers, so
5 spreading it out quarterly might be a way to do that.

6 We would also suggest that as part of this that
7 a GPS-based solution, more of a high tech solution --
8 which we did get some people who liked that idea -- be
9 tested on an experimental basis where people could opt
10 into that, and that way they could get more detailed
11 information on their travel and on their routing in
12 exchange for some of the privacy. And that way you would
13 be able to discount your out-of-state mileage

14 In terms of privacy, the low tech solution for
15 odometer gathers no location data so it has the highest
16 level of privacy; the high tech solution would be provided
17 for those who are less concerned about privacy and would
18 provide them with some more detailed location data. And
19 so the voluntary nature of this might appeal to people.

20 From the administrative side of it, as I
21 mentioned before, if we could leverage the existing
22 systems that are in place and enhance the enforcement
23 mechanisms with the current liquified fuel process, that
24 that may be a way to do it and minimize the administrative
25 costs. The high tech solution, it's kind of difficult to

1 predict, that would be experimental, but it could be
2 something that could be offered by the private sector.

3 And then in terms of enforcement, with the low
4 tech and the high tech solution you still have the
5 verification of mileage at the annual inspection through
6 an odometer read. If there is a discrepancy, you could
7 charge a fee for that discrepancy.

8 I will say that one of the things of the many
9 policy questions that should be discussed as part of this
10 process is would this mileage fee be a replacement for the
11 fuel tax or a supplement. And we've been discussing with
12 some of our colleagues around the country the idea of
13 supplementing the fuel tax has some advantages, and those
14 are listed here, but one of the concerns about annual
15 payments, if it's just a small incremental amount on top
16 of the fuel tax, that would be less of a burden in terms
17 of a single payment. You would still maintain incentive
18 for fuel efficient vehicles with the gas tax but you would
19 have this incremental mileage fee on top of it.

20 Finally, there are an umber of policy questions
21 that would need to be addressed, and some of those are
22 listed here, but a lot of it has to do with the rate
23 structure. We get questions about how much would be
24 charged and would it vary by vehicle, and would it be
25 based on time and location, and would it vary by the

1 emissions class of the vehicle. All these are very good
2 questions but those would have to be handled at a policy
3 level. What we think could be done with a pilot project
4 is that it will help answer some of those fundamental
5 questions that we hear from the public and giving a
6 platform for continued discussion of some of these bigger
7 policy issues.

8 So the question: Are mileage fees right for
9 Texans? Our answer is not now. What we hear from Texans
10 is we need to fix the current system, and in many ways
11 because they're unclear about how the current system
12 works, they don't recognize that there is a problem. I
13 mentioned the concerns, privacy, administration and
14 enforcement, those will have to be addressed.

15 The bottom line is the fuel tax alone isn't
16 going to sustain transportation so there's a need for a
17 solution, and one of the things we heard from our
18 stakeholders was the user fee approach makes logical sense
19 and what we heard from most of our focus group
20 participants, electric vehicles seem like a logical
21 starting point.

22 And with that, I'll be happy to answer any
23 questions.

24 MR. MEADOWS: As part of the study did we look
25 at or ask the question regarding any legal obstacles that

1 might be seen with utilization of GPS technology and the
2 requirement to utilize GPS technology?

3 MS. GOODIN: We did not look at legal issues
4 with that.

5 MR. MEADOWS: I don't know if there are or not.
6 That always is a good question to ask, in my experience.

7 MR. HOUGHTON: So what is your next step?

8 MS. GOODIN: We've presented these
9 recommendations and we're done with our study, our
10 exploratory study is completed.

11 MR. SAENZ: Ginger, you all presented the same
12 report to some of the Select Committee on Transportation
13 Funding?

14 MS. GOODIN: Yes. Well, we presented
15 preliminary findings to that group.

16 MR. SAENZ: Preliminary findings. Any feedback
17 that you received from them that you can share?

18 MS. GOODIN: We had lots of questions, and many
19 of the questions get into this policy discussion of how
20 does this impact rural drivers, people who drive long
21 distances, and hurricane evacuation, and we got a number
22 of those kinds of questions. They're all good questions
23 and if this is pursued those need to be discussed.

24 Some of the things that we hear in the focus
25 groups, and it's somewhat reflected in the discussion in

1 that particular hearing, is that because people don't know
2 they're paying a fuel tax right now, well, they hear
3 mileage fees and they think people who drive long
4 distances will have to pay more, but if you're already
5 paying the fuel tax and you're consuming a lot of fuel to
6 drive long distances, then you're already paying more
7 because it's very much a user fee. But because people
8 don't know that, they're not making that connection. Even
9 though the little education process that we did, the
10 connection was not made.

11 MS. DELISI: Do you have an opinion whether
12 this is something that could be done effectively that a
13 stand-alone state could do, or would this have to be part
14 of a national solution, recognizing that this doesn't
15 allow us to -- if you're an out-of-state registered
16 vehicle, you're driving on our roads for free. I mean, do
17 you have an opinion about whether or not this is something
18 Texas could pursue in a vacuum?

19 MS. GOODIN: I personally don't think so and I
20 don't think any state that is pursuing this right now in
21 terms of the research and the testing wants to pursue it
22 independently.

23 The idea of doing it as a supplemental fee on
24 top of the fuel tax, retaining the fuel tax means that you
25 could still get some of that revenue from out-of-state

1 drivers, but there's a lot of discussion that a national
2 framework needs to be developed so that we don't have
3 these issues. And the trucking industry, which we heard
4 through our interviews, is very interested and concerned
5 about how this would work on a state-by-state basis as
6 opposed to a national framework.

7 MR. HOUGHTON: So do we wait for the federal
8 government on this one?

9 MS. GOODIN: There's some activity at the
10 federal level, but most of the activity, if you talk about
11 getting down to the nuts and bolts of how it would work,
12 most of that's happening at the state level.

13 MR. HOUGHTON: Comments out of the current
14 administration or DOT says they're not interested in
15 vehicle miles fee.

16 MS. GOODIN: They are kicking off some research
17 in January, a large exploratory study, so there is some
18 indication that they're interested

19 MR. HOUGHTON: It seems to me, like you said,
20 it probably needs a national framework to get the
21 automobile manufacturers engaged as putting some type of
22 reader on the odometer if, in fact, you can turn it on,
23 turn it off, if that's one of the options. But implanting
24 GPS in cars that aren't equipped, you're talking about
25 significant capital costs, or at the pump, or those sorts

1 of things.

2 MS. GOODIN: If you will, let me describe a
3 little bit about the Minnesota pilot project because they
4 are using an after-market device and essentially they're
5 using a smartphone. So the smartphone is GPS-enabled, and
6 what they're trying to do is figure out how to tie it to
7 the vehicle, but that smartphone would be able to give you
8 route and mileage information. And the way they're
9 setting it up is that that information is captured by
10 facility type, by freeway, arterial street, county road,
11 and transmitted to a billing center, for example, by that
12 type of facility. So there's no location data, it doesn't
13 say what route anybody drove on but it just said they
14 drove this many miles on this type and this many miles on
15 this type.

16 MR. HOUGHTON: So it's GPS?

17 MS. GOODIN: It's a GPS-enabled smartphone.

18 MR. HOUGHTON: Okay. So I get in my car, I
19 turn this on.

20 MS. GOODIN: And somehow it connects with your
21 vehicle and knows your vehicle is connected to your phone.

22 MR. HOUGHTON: But you have to have something
23 in a vehicle.

24 MS. GOODIN: Something. And that what has yet
25 to be determined, whether it's a Bluetooth device or an

1 RFID.

2 MR. HOUGHTON: But they're kicking that off.

3 MS. GOODIN: Yes.

4 MR. HOUGHTON: How big is that study, how many
5 cars, do you know?

6 MS. GOODIN: I think they're recruiting 500
7 participants and it will kick off, they'll go live in
8 July.

9 MR. HOUGHTON: Five hundred all over the state
10 or in just a particular area?

11 MS. GOODIN: I'm not sure if it's statewide or
12 just in the Minneapolis-St. Paul area.

13 MR. HOUGHTON: It will be interesting to see
14 their results. So we're going to learn from them. Right?

15 MS. GOODIN: I hope so.

16 MR. HOUGHTON: What does it cost? Do you know
17 what the cost of their study is?

18 MS. GOODIN: I do not know.

19 MR. HOLMES: Are there some projects in Europe
20 where they're actually utilizing this technology?

21 MS. GOODIN: Yes. I think the most prominent
22 would be the German truck tolling system which is only
23 large commercial vehicles, and the rate is applied based
24 on the mileage as well as the emissions class of the
25 truck. And they put this in place because they were

1 getting so many drivers from outside the country coming
2 through their country, so they were trying to capture the
3 wear-and-tear of those vehicles on their autobahn system.

4 They have seen a change in fleet turnover
5 because of the emissions charge because they do charge a
6 higher rate for more polluting vehicles, so they have seen
7 that there has been a change resulting from that pricing.

8 MR. HOLMES: And how did they solve the
9 question of a truck from France or Italy or some other
10 country other than Germany?

11 MS. GOODIN: I think, from what I recall, they
12 have two systems. They have a GPS-based system so you
13 have to have this device in your vehicle, but I think
14 there's also a manual reporting method that they allow too
15 so you have to report your mileage and turn it in. They
16 have very extensive enforcement. They have roving patrols
17 that will pull trucks over and if they don't have their
18 device and they haven't been paying their mileage fee,
19 they charge them fee right on the spot with their credit
20 card machines and they pay their \$3,000 fine, or whatever
21 it is. So they're very aggressive.

22 It's a very expensive system to administer but
23 they've also raised a significant amount of revenue, and I
24 don't have those numbers on me but it's been, I think, by
25 all accounts a successful system.

1 MR. SAENZ: I guess you talked about the
2 potential pilot project because of the electric cars, and
3 we hear and see on TV every day that they're coming.
4 Those probably are going to be operating in the big
5 metropolitan areas that are close because of the range of
6 service that they can provide. I would be interested in
7 seeing how maybe we could see what it would take to study
8 something like that, because those vehicles will be on the
9 system, they will be causing damage, they will be in
10 congestion, but yet they're not providing any revenue at
11 all.

12 So something that maybe we just need to sit
13 down and think out a process to see what would need to
14 happen to try something like that.

15 MR. UNDERWOOD: And when you do that, you need
16 to also look into the fact of what the actual weight of
17 the vehicles are, and I say that in respect to like a
18 forklift gasoline or diesel powered is one weight, and yet
19 an electric forklift can weigh as much as 13,000 pounds.
20 So we need to look into the weight of it because of the
21 batteries or whatever it is, the equipment, because that
22 in itself is what's going to be damaging the road, the
23 actual weight -- not damaging it but wear-and-tear. I
24 don't mean damaging. Please don't take that the wrong
25 way. I get in enough trouble as it is. I can dig my own

1 grave without any help, thank you.

2 (General laughter.)

3 MR. HOUGHTON: It seems like this conversation
4 is kind of going off the end of a table where we may
5 forget about it or something, but it seems like, without
6 knowing all the specifics, that maybe Minnesota has got
7 the right idea just to kind of dip their toe in the water
8 to see if it works, the 500 people in some area based upon
9 somebody willing to have a GPS device attached to them.
10 Can we explore that a little bit more in-depth, see what
11 they're doing, how much it cost, and see if we can do it
12 in Fort Worth where Bill Meadows lives?

13 MR. MEADOWS: I'm sorry, I was nominating you,
14 and I'm pretty sure that that GPS is in your Hummer.

15 (General laughter.)

16 MS. GOODIN: Yes. We'd be happy to gather
17 information on that.

18 MR. HOUGHTON: I'd sure like to know the
19 specifics to keep this dialogue going, to find out what
20 they're doing. I've heard of the Oregon, I'm not sure
21 about that one. But I guess if you get 500 people that
22 are willing to do this and then you have the results of
23 something solid and track that and see what it is, and
24 maybe we replicate that somewhere, or some form of it.

25 MS. GOODIN: I will tell you, I have to give

1 Mary Meyland a lot of credit. One of the things she asked
2 us to do at the beginning of this study is to set up a
3 bimonthly conference call with all of the states who are
4 interested in this topic. So TxDOT has facilitated this
5 discussion with other states so that we can all
6 communicate and share information and keep abreast of what
7 others are doing, so that continues.

8 MR. HOUGHTON: Well, maybe this will be the
9 something, if you get all the states, instead of the
10 federal government, in their infinite wisdom, telling us
11 what we need to be doing, maybe we're going to tell the
12 federal government this is something we've looked at and
13 here's something we need to consider from the states to
14 the federal government.

15 MR. SAENZ: I think maybe possibly looking at,
16 if there's interest of several states, some kind of a
17 pooled fund study where you could have different
18 mechanisms out there, maybe something to address the new
19 different powered cars and existing cars and evaluate, but
20 they're now being done at a much wider area, a much larger
21 area.

22 MR. HOUGHTON: So we can keep that and report
23 back and let us know.

24 MS. GOODIN: Sure, definitely.

25 MR. HOUGHTON: More facts about Minnesota.

1 They seem to be really focused on it.

2 MS. GOODIN: Okay. Thank you so much.

3 MR. SAENZ: Thank you, Ginger.

4 The last item, Toribio Garza, our director of
5 our Maintenance Division, will lead a discussion on a
6 maintenance sponsorship program for highway maintenance at
7 safety rest areas and such.

8 MR. GARZA: Yes. This is a lot easier than
9 that other topic we just had.

10 Good afternoon, Madam Chair, commissioners, Mr.
11 Saenz. For the record, my name is Toribio Garza. I'm the
12 director for the Maintenance Division. I'd like to take
13 just a few minutes of your time to talk about a potential
14 sponsorship type program that may help us realize some
15 benefits in maintaining our system.

16 In our continued efforts to find ways to
17 maintain our transportation system with our limited funds,
18 we would ask the commission for your consideration of some
19 ideas that we'd like to pursue to develop a market-driven
20 sponsorship of some of our programs. This agenda item is
21 presented for your review, for your ideas, for your
22 comments. Staff would come back at a later date and look
23 at the rules that would need to change and then come back
24 for your approval to proceed.

25 There's four areas that we'd like to look into,

1 the first one being sponsorship of the Adopt-a-Highway
2 Program, and I'll elaborate on all of these. Expanding
3 our Adopt-a-Highway Program for our interstates would be
4 the first one. Sponsorships may also be possible for
5 roadside maintenance to include mowing and vegetation
6 management of our roads. We'd also like to pursue
7 sponsorships of our picnic areas and maybe even our mobile
8 assistance patrol program, or our courtesy patrol, HERO
9 patrols.

10 The sponsors would be allowed to have signs
11 erected along our highways recognizing their participation
12 and sponsorship of the various highway-related activities.
13 We would envision this program to be similar to our logo
14 program where a selected vendor through an RFP process
15 would coordinate all the sponsorship activities.

16 Our current Adopt-a-Highway Program, volunteer
17 program started in our state back in 1985 and it's
18 expanded to 48 states and various countries. Currently
19 there's over 4,000 volunteer groups that pick up litter in
20 over 8,000 miles, or about 10 percent of our system, and
21 we estimate it saves the state about \$5 million a year.

22 We think we could expand the program to allow
23 businesses to financially sponsor litter removal on
24 designated interstates. Interstates are currently
25 excluded from our program, some safety concerns and high

1 ADT and so forth. Last year just on interstates we spent
2 about \$7 million picking up litter.

3 Through an RFP, again, a vendor could be
4 selected to facilitate all aspects of the program, they
5 could obtain sponsors, they could coordinate litter
6 removal statewide, they could install the signs,
7 professionally market the program to increase awareness
8 and participation. As indicated here, there are some
9 other states that are moving in this direction. We'd like
10 to try that.

11 The next area is our roadside maintenance.
12 Similar to our sponsor-a-highway program, we'd like to
13 pursue this roadside maintenance program. In addition to
14 litter pickup, this program would allow sponsors to mow
15 and maybe do some vegetation management, tree trimming
16 along our right of ways. As an example, a sponsorship
17 could be for a designated ten miles of interstate. It
18 would enable the department to supplement our funds.

19 In a related example, Kansas DOT is currently
20 implementing a plan to obtain sponsors for their wi-fi at
21 their rest areas. Sponsors get a sign along the highway
22 near the rest area indicating their participation and the
23 company's logo.

24 The next area would be our picnic areas. We'd
25 like to hear your comments and ideas about maybe pursuing

1 a sponsorship of our picnic areas. We have a little over
2 600 picnic areas statewide. Last year all but 15 were
3 maintained by TxDOT. We spend a little over \$7 million
4 every year maintaining these facilities. The photo there
5 in the lower left is one that's been adopted by a group,
6 several clubs and so forth, and there's a garden club in
7 the Amarillo district, and they've done a great job for
8 years maintaining this facility. We have the teepees in
9 West Texas and the oil derricks there in East Texas. This
10 sponsorship program could be a viable option to closing
11 our picnic areas down. We could go out there and see if
12 there's any interest in that.

13 The last area that I'd like your comments and
14 ideas is a sponsorship of our HERO patrols. They call
15 them different things, we call them courtesy patrols. But
16 again, these services provide assistance to the motorists,
17 especially in our very high ADT, busy highways. We
18 currently have a variety of courtesy patrol operations
19 throughout the state. Dallas and Tarrant counties operate
20 patrols in the Dallas and Fort Worth districts. CAMPO and
21 CTRMA operate vehicles along 35 here in Austin. There's a
22 group of automobile dealerships in the Houston area that
23 have partnered with Harris County and Metro and they have
24 a program. We'd like to see if there's interest in
25 private sponsorships to bring some of the other metro

1 areas into a courtesy patrol that could help us there.

2 FHWA allows transportation agencies to form
3 these partnerships. By carefully choosing the sponsors
4 with a strong commitment to safety, some states, Georgia,
5 New York, Massachusetts have taken advantage of this.
6 We'd like to do the same.

7 Again, these sponsorship options are for your
8 comment, for your input, for your suggestions. We would
9 go back and take a look at what would need to change in
10 our system and our program to allow this. I'd be glad to
11 try to answer any questions.

12 MR. HOUGHTON: What legally can we do? No.
13 What can't we do?

14 MR. GARZA: I understand, Commissioner, and our
15 attorney is here, I understand we can do most of this
16 except for we need to get some rule changes to allow
17 mowing on the interstate.

18 MR. HOUGHTON: How about statute, any statutes
19 that need to be changed at the legislature?

20 MR. GARZA: I don't believe so.

21 MR. HOUGHTON: Here comes my lawyer -- lawyers.

22 MR. SAENZ: But Toribio, I think what you also
23 would want is you could have sponsors that would help and
24 provide money and the mowing could be done still by
25 contract. You're just having someone help you maintain

1 this particular segment of road and for that they would
2 get a sign that says this segment is through a donation by
3 ABC, Coca-Cola, whatever. In other words, it could be as
4 simple as a program where for a donation then they would
5 get a sign that they're helping sponsor maintaining this
6 segment of highway, this picnic area, this rest area, and
7 such and so forth. So that is the simplest way, instead
8 of trying to get somebody and you have different
9 contractors, then you get into a lot of liability issues
10 and insurance requirement issues.

11 MR. HOUGHTON: Does my lawyer have a comment?

12 MR. JACKSON: There are some state and federal
13 statutory issues dealing with these types of programs.
14 We're optimistic we can work with them for all the
15 programs except not necessarily the last one, the HERO
16 program. For the first three I think we may have to do
17 some rulemaking but it's the last issue, the courtesy
18 patrol that has the biggest obstacle.

19 MS. DELISI: How far can we go? Can we put
20 sponsorships on printing the state map?

21 MS. BLEWETT: On this we're looking at putting
22 sponsorships signs up on the highways, and for that it has
23 to be tied to transportation and safety. So on the
24 maps --

25 MS. DELISI: That's just an example. How far

1 can we go overall with what we do at this agency? Is it
2 just maintaining the roads and the rest stops?

3 MS. BLEWETT: For that type of advertising, I
4 think we would need a state statutory change as we have
5 for the magazine.

6 MR. HOUGHTON: If I have a big sign outside the
7 El Paso rest stop that says Sponsored by Houghton
8 Financial Partners, that would take a statutory change?
9 Private sector handing over money to have a big sign out
10 there to help support and maintain that facility.

11 MS. BLEWETT: No. We have to have a program
12 within the department for us to be able to use that under
13 the federal regulations. There's not a state prohibition.

14 MR. HOUGHTON: That doesn't answer my question.

15 MR. UNDERWOOD: When you see somebody
16 sponsoring a highway, is that a contracted deal with them?
17 How does that happen, this roadway has been sponsored by,
18 I saw the picture, so-and-so, is that a year contract, is
19 that a contract, or what?

20 MS. BLEWETT: We're looking at developing a
21 program.

22 MR. UNDERWOOD: No. What is it now?

23 MS. BLEWETT: We don't have one now.

24 MR. UNDERWOOD: So these people sponsored, what
25 do they do? How are they a sponsor then?

1 MR. SAENZ: Right now for Adopt-a-Highway,
2 Commissioner, they are volunteer groups that go out there
3 and pick up litter and for that they get a sign.

4 MR. HOUGHTON: But there's signs out there.

5 MR. UNDERWOOD: So all they do is get a sign
6 and then they're the ones that pick up the trash, but
7 that's it.

8 MR. SAENZ: Yes, sir. They're required to pick
9 up the trash at least twice a year, I think.

10 MR. UNDERWOOD: But what if they don't pick it
11 up? Is there a contract involved?

12 MR. HOUGHTON: We just take down the sign.

13 MR. SAENZ: The contract is the Adopt-a-Highway
14 agreement between us and them.

15 MR. UNDERWOOD: So there is an agreement.

16 MR. SAENZ: Yes, sir.

17 MR. HOUGHTON: The concept is if you go into
18 Darrell Royal Memorial Stadium up on the scoreboard there
19 are advertisers that paid for a piece of that scoreboard,
20 so we're trying to replicate the same thing here. There
21 is a rest stop in El Paso that costs us money. Now, I
22 don't intend for us to go cover the cost of that, but we
23 go to McDonald's and say, For partial sponsorship of rest
24 stops, it costs you X to have a big sign out there. Can
25 we do that?

1 MS. BLEWETT: We develop a program.

2 MR. SAENZ: Commissioners, what I would
3 recommend is --

4 MR. HOUGHTON: Wait a minute. Let her answer
5 the question. Thank you.

6 Answer?

7 MS. BLEWETT: Yes. We have allowed for
8 advertising in the right of way for limited purposes if
9 the donation or the monetary value is going to
10 transportation purposes. So if we develop a program that
11 meets Federal Highways requirements, then we could do
12 something along those lines where it is you gave us this
13 much money and we put up a sign saying you donated.

14 MR. HOUGHTON: Sponsored by.

15 MS. BLEWETT: Yes, this rest area is sponsored,
16 or the next ten miles trash pickup was done by McDonald's.
17 Our current Adopt-a-Highway program predated some new
18 regulations -- well, they're not necessarily new, but the
19 current regulations from the Feds that limited what type
20 of advertising we could have in the right of way. It was
21 limited to only volunteer sponsors.

22 MR. HOUGHTON: Now, this includes state
23 highways too?

24 MS. BLEWETT: Yes.

25 MR. HOUGHTON: Anything federal aid highway.

1 MS. BLEWETT: Yes.

2 MR. SAENZ: Both state and federal.

3 MR. HOLMES: Help me understand the
4 difficulties with the HERO program. If it has to be
5 transportation-oriented and you have a HERO program that
6 helps remove stalled cars and eliminate congestion, that
7 doesn't qualify?

8 MS. BLEWETT: The HERO program or the
9 sponsorship for that type of program, we're not looking
10 really at federal problems, we have some stat liability
11 problems where our liability as an agency, because our
12 employees are exempt, or not necessarily exempt, but the
13 liability that we carry for our own employees is not
14 substantial which if we allow others to do this job for
15 us, the liability issues.

16 MR. HOUGHTON: No. We want to put a sign on
17 the truck that says Funded by or Sponsored by State Farm
18 or Allstate.

19 MR. HOLMES: Yes. These are our employees, our
20 vehicles, our crews, simply signed by McDonald's sponsored
21 this emergency aid truck.

22 MS. BLEWETT: Looking at it in those lights,
23 under the federal program we're probably okay. It's just
24 we have to make sure that the program we develop works
25 with the federal advertising issues and the state's --

1 MR. HOUGHTON: It's to cut costs and supplement
2 revenue to the agency.

3 MS. BLEWETT: -- and meets with the state
4 liability issues.

5 So our original thought or original
6 conversations on these types of programs have not been our
7 employees always manning the trucks, so when we develop
8 our program we would have to be very careful in developing
9 it so that it maintains the state requirements.

10 MR. HOLMES: And so the original statement, and
11 I think Bob made it, was that there were bigger problems
12 with the HERO program, that was under the assumption that
13 third party employees would be actually executing that
14 program on the highways?

15 MR. JACKSON: Yes, sir. But also, even if you
16 didn't, we'd want to look at state authority to advertise.

17 Generally you need specific authority to advertise. We
18 have that in a number of areas and we have more concern
19 with whether we have that for that type of a program.

20 MR. HOUGHTON: This road is brought to you by
21 Houghton Financial Partners.

22 MR. MEADOWS: Let me just say I'm a little
23 confused, but that's not unusual. I'm just reading that
24 several state DOTs have sponsors for their service in this
25 presentation, so it would seem like maybe you all ought to

1 talk and maybe do a little research into what it is that
2 maybe these other state agencies do and how it is that
3 they might accomplish that, and that might be part of a
4 followup presentation because that would seem to answer at
5 least one of the questions regarding a potential obstacle.

6 Would that be accurate?

7 MR. GARZA: Sure.

8 MR. MEADOWS: Thank you.

9 MR. SAENZ: The second thing, commissioners,
10 that I would recommend is that we do some kind of a
11 request for information to find out if there is interest
12 out there in these types of programs.

13 MR. HOUGHTON: I will bet you there is.

14 MR. SAENZ: I'm sure there is, but it will also
15 give us an opportunity to see what kind of interest or
16 what kind of ideas could come in and then we can determine
17 what needs to be changed with respect to rules or law
18 changes.

19 MR. HOLMES: Amadeo, it seems to me that the
20 level of interest may tie pretty directly to the cost we
21 assign to it, and so I don't understand exactly how the
22 compensation level for putting the name on the side of an
23 emergency truck would change the impact of the law. I
24 mean, either you're being compensated or you're not,
25 either the sign is on the truck or not, whether it's \$10

1 or \$1,000 or \$10,000. I mean, it's the same legislative
2 empowerment. Right?

3 MR. HOUGHTON: We have some precedent,
4 according to Mr. Meadows, there's three, other DOTs. It
5 would be interesting to see what kind of revenue they're
6 garnering from these types of programs on significantly
7 inferior products in those states.

8 MR. GARZA: Okay.

9 MR. SAENZ: Yes, Doris.

10 MR. HOUGHTON: Doris is back there waving her
11 hand.

12 MS. HOWDESHELL: If I might add some
13 information about the Adopt-a-Highway portion of it. for
14 the record, my name is Doris Howdeshell, director of the
15 Travel Information Division.

16 The State of California has used a sponsorship
17 program for Adopt-a-Highway for a number of years. It
18 works very much like our logo signing program. There's an
19 RFP issued, a company is hired to do all the solicitation.

20 They then hire the pickup, contractors, professionals
21 that do that, maybe a contractor that we're currently
22 using. They pay them, they have insurance, they have
23 liability, they put the sign up. What we get is the
24 litter picked up for no cost. We don't actually get like
25 advertising revenue.

1 Does that help on the Adopt-a-Highway portion
2 of it? It's a turnkey project RFP issued. There's a
3 company actually called the Adopt-a-Highway Corporation
4 that does this. There's two that I know of in the nation.
5 They do it for Nevada, they do it for Kansas, they do it
6 for California.

7 MR. HOUGHTON: Well, there's a new paradigm in
8 these worlds today. You know, 10-15 years ago you'd go to
9 a professional baseball, college football or any of those
10 and there wasn't a sign anywhere. Now these stadiums have
11 signs all over them and it's nothing more than for revenue
12 enhancement. And I think we've got to think outside that
13 box again on what are others doing in these sectors to
14 revenue enhance and how can we take advantage of the
15 private sector wanting to advertise, and that's what it
16 is.

17 MS. HOWDESHELL: It is. And actually to answer
18 the Chair's question about the map, a number of years ago
19 we actually had a sponsor that paid for -- I could be
20 wrong about the dollar amount but I think it was about
21 \$20,000 for one panel on the map, and with the actual size
22 of that map, the number of panels available at the time,
23 that as about he maximum revenue that we could get because
24 space is so limited. But we can actually sell an ad on
25 the map, just like we sell ads in our travel literature.

1 MS. DELISI: So how much does it cost us to
2 print the maps?

3 MS. HOWDESHELL: About a quarter apiece and we
4 print about 1.2 million a year.

5 MS. DELISI: 1.2 million a year at 25 cents
6 each.

7 MS. HOWDESHELL: And as Bob just reminded me,
8 we have statutory to do that for our travel literature,
9 including Texas Highways Magazine.

10 MS. DELISI: We're volunteering to give up our
11 panel with our pictures on the back.

12 MR. HOLMES: A quarter of a million.

13 (General laughter.)

14 MR. HOUGHTON: I think it's revenue
15 enhancement. We have to look at ways of earning new types
16 of revenue to everything we can get. You know, it's funny
17 that when you hear the pundits on these talk shows news-
18 wise on the federal basis talking about the tax -- I don't
19 want to call them tax cuts, the extension of the Bush tax
20 cuts, and they talk about revenue cuts and they say \$9
21 billion is a drop in the bucket. Well, it's not a drop in
22 my bucket. So we have to look at any new revenue, and of
23 course, cost-benefit analysis you have to look at at the
24 same time, but garnering new revenue is an opportunity
25 here to keep these programs going and to put more money to

1 concrete and pavement than to these sorts of things.

2 MS. HOWDESHELL: And I absolutely concur with
3 that. I mean, we count every penny to us since the
4 magazine is supposed to break even. A number of years ago
5 we changed the trim size on that magazine, that's like a
6 quarter of an inch of paper and it saves some thousands of
7 dollars to do that. So we're always looking for ways to
8 cut even a few thousand, a few hundred.

9 MR. HOUGHTON: But I'm looking at raising that
10 revenue too. This is an opportunity.

11 MS. HOWDESHELL: Well, we tried to find out, we
12 called Nevada, we called Colorado and we called California
13 to find out if they would tell us what kind of revenue
14 they might be getting from the program. Each one of them
15 told us we don't collect revenue from the program, what we
16 do is we save the money that we would use to pick up
17 litter along X number of miles, then we use that money
18 elsewhere in our system. That's how they positioned it to
19 us.

20 MS. DELISI: How much are they saving?

21 MS. HOWDESHELL: I have my figures back in my
22 notebook, I can't remember for sure. But a few of them,
23 the programs are relatively new, like 31 miles is being
24 picked up in one location, 325 miles in another state.
25 And then as I mentioned, all of California's Adopt-a-

1 Highway program, whether it's interstate or US highway or
2 if they have something similar to a farm to market,
3 they've always done their Adopt-a-Highway program this
4 way, contracting it out, basically.

5 So I hope that helps on the Adopt-a-Highway
6 portion, and I'll be glad to give you e-mails or whatever
7 if we can get some additional information on revenue
8 collected from the locations for Adopt-a-Highway signs.
9 Now, the HERO program and the other ones that Toribio
10 mentioned are certainly out of my area of expertise, but
11 we'll see what we can gather on Adopt-a-Highway.

12 Thank you.

13 MR. KEITH: For the record, my name is Andy
14 Keith. I'm the Facilities Branch supervisor in
15 Maintenance Division working under Toribio, and I've done
16 a little research on the HERO program, give you a little
17 insight on what's going on.

18 New York, for instance, State Farm sponsors
19 their HERO program -- I think they don't call it HERO,
20 they've got another name for it -- but they contribute \$2
21 million towards the program per year. And the money
22 doesn't all come from state funds, some of it comes from
23 federal. Georgia, for instance, I think has \$1.2 million
24 towards it. It does not pay for the HERO program, it just
25 contributes and alleviates some of the funding for it.

1 I think probably in the Dallas-Fort Worth area
2 in here in Texas we spend, we're matching it about 16
3 percent of what is total for the program, the other is
4 contributed by different other federal funding, sometimes
5 it's air quality funding, things such as that to help,
6 because like you mentioned, it is a mobility issue,
7 getting people through congested areas. And that's
8 primarily where it is is just the more congested areas.

9 But I thought that might help a little bit as
10 far as what money it is. For instance, in New York the
11 program is actually \$10 million per year.

12 MR. HOUGHTON: Ten?

13 MR. KEITH: Right.

14 MR. HOUGHTON: So a fifth of it is being
15 contributed by State Farm.

16 MR. KEITH: That's correct. I don't want to
17 give the wrong impression that it's totally paying for it.

18 MR. HOUGHTON: No. I'm not thinking it will
19 be, but \$2 million is \$2 million.

20 MR. KEITH: That's correct. And there was some
21 pride from the folks in New York saying that probably it
22 would have gone away had it not been matched. In other
23 words, they were using state funds and they felt that it
24 would not be something that they would be able to do if it
25 didn't have the support from basically the private sector.

1 So I just wanted to contribute that as well.

2 MR. GARZA: Thank you, Andy.

3 Thank you, folks.

4 MR. HOUGHTON: Thanks.

5 MR. SAENZ: Thank you, Toribio.

6 MS. DELISI: That concludes the posted items on
7 today's agenda. Is there any other business to come
8 before the commission?

9 (No response.)

10 MS. DELISI: There being none, I will entertain
11 a motion to adjourn.

12 MR. HOUGHTON: So moved.

13 MS. DELISI: Is there a second?

14 THE WITNESS: Second.

15 MS. DELISI: All in favor?

16 (A show of hands.)

17 MS. DELISI: The motion passes. Please note
18 for the record that it is 2:57 p.m., and this meeting
19 stands adjourned.

20 (Whereupon, at 2:57 p.m., the meeting was
21 concluded.)

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MEETING OF: Texas Transportation Commission

LOCATION: Austin, Texas

DATE: December 15, 2010

I do hereby certify that the foregoing pages, numbers 1 through 67, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Transportation.

(Transcriber) 12/21/2010
(Date)

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