

TEXAS DEPARTMENT OF TRANSPORTATION COMMISSION MEETING

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

Thursday, November 18, 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

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P R O C E E D I N G S

1
2 MS. DELISI: Good morning. It is 9:04 a.m. and
3 I call the regular November 2010 meeting of the Texas
4 Transportation Commission to order. Note for the record
5 that public notice of this meeting, containing all items
6 on the agenda, was filed with the Office of the Secretary
7 of State at 2:39 p.m. on November 10, 2010.

8 Before we begin today's meeting, please
9 remember to place your cell phones and other electronic
10 devices on the silent mode, please.

11 As is our custom, we will begin with comments
12 from the commissioners, and so we'll start with
13 Commissioner Meadows.

14 MR. MEADOWS: Thank you very much, Madam Chair.

15 I just have a couple of brief items I just
16 wanted to mention, first being just expressing my
17 appreciation to the Cameron County RMA leadership for
18 taking the time to introduce me and educate me about their
19 projects last week. Amadeo and Sara Bagwell and I had, I
20 think, a very important time down there just because we
21 did have the opportunity to see the projects.

22 And what I came away from that trip with was a
23 recognition and understanding that some communities in
24 this state, like a Cameron County RMA, have come together
25 and recognized that given the challenges that we have with

1 regard to funding for transportation infrastructure, and
2 certainly now and into the future, they've recognized the
3 opportunities that do exist out there and have recognized
4 that there is a new paradigm and that in order to advance
5 projects that they are going to have to be creative,
6 they're going to have to be collaborative, have to be all
7 the things that we've talked about, and they certainly are
8 a good example, and I encourage other communities to look
9 at their example.

10 Not every one of those projects may be
11 delivered, we don't know what the timing may be, but the
12 fact is that they have a solid plan, they've been open,
13 they've been creative, they've been aggressive, and I
14 think ultimately they'll be successful.

15 I know that Jeff Austin is here today and we
16 have an item on our agenda which is a community in the
17 Tyler area, similar in their approach, recognizing that in
18 order to be successful, you do have to be creative, you
19 have to be bold.

20 Anyway, I just very much appreciate that
21 leadership in Cameron County taking the time to tour us.
22 I will have to say that you all, my fellow commissioners,
23 will appreciate the fact that our colleague, Commissioner
24 Houghton, had been down there a couple of times
25 previously, so I had some obstacles to overcome on

1 arrival, but I was successful in doing so.

2 (General laughter.)

3 MR. MEADOWS: The second item I just wanted to
4 mention is as we have advanced -- sorry, Mr. Houghton, but
5 it's just the truth -- as we advance some of these major
6 projects in the Metroplex, as this commission has
7 certainly been supportive and enabled us to advance
8 literally billions of dollars in projects in a new and
9 creative fashion, certainly our CDA projects would have to
10 be described as such, there are companies that have, in a
11 cooperative fashion, stepped up and really made a
12 difference helping us advance and expedite the delivery of
13 those projects.

14 And I understand today that Bob Garza with AT&T
15 and Mark Webb with Oncor are in the audience, and I just
16 wanted to recognize those two companies as being companies
17 that have stepped up, they have, in a very cooperative
18 fashion, enabled us to expedite some of the utility issues
19 that we've confronted.

20 The third item I wanted to mention, this is
21 going on way too long, I know, but I want to wish
22 everybody a very happy Thanksgiving next week. I know
23 that many people will be on the road and need to be safe.

24 And the last item I would ask is if you see
25 David Casteel anywhere today, you might want to ask him

1 why he is not wearing his cowboy boots. It's the first
2 time I've ever seen him not wearing cowboy boots, and one
3 hint might be that it is deer season.

4 Anyway, thank you very much.

5 MR. UNDERWOOD: I'll associate myself with my
6 colleague's remarks.

7 MR. HOUGHTON: All of them?

8 MR. UNDERWOOD: Except the part about Ted.

9 (General laughter.)

10 MR. UNDERWOOD: But I want to welcome our
11 distinguished guests this morning.

12 And also, I want to express our condolences and
13 our wishes to the family of Trooper Jonathan McDonald who
14 was a DPS gentleman that was killed just south of Post
15 Monday. We consider the DPS part of our extended family
16 and we at the commission and also our TxDOT employees wish
17 their family the best.

18 And again, welcome everybody here.

19 MR. HOLMES: Good morning and welcome.

20 I see that we have a lot of advocates of I-69
21 here this morning and I'm looking forward to hearing about
22 your report. Judge, are you going to give that report?
23 Yes. And you've got a bunch of different segments
24 operating, kind of tell us all about it, how many people
25 are involved, et cetera. We're looking forward to hearing

1 that.

2 And Billy, I guess you're going to do some
3 Grand Parkway report. Looking forward to hearing that.

4 Thank you.

5 MR. HOUGHTON: Good morning, and welcome to
6 all. I see in the audience we've got, again, I-69 as
7 Commissioner Holmes talked about.

8 Commissioner Meadows, while you were down in
9 Cameron County did you see Commissioner Garza's staking
10 signs, I-69 placard signs? Did you help him out with
11 nailing them up? Coming to a community near you.

12 Glad to have everyone here today, and happy
13 Thanksgiving to all, and drive safely as you leave here
14 today.

15 MS. DELISI: Thank you, commissioners.

16 I just want to remind everybody that if you
17 wish to address the commission during today's meeting,
18 please complete a speaker's card at the registration table
19 in the lobby. To comment on an agenda item, please
20 complete a yellow speaker card and identify the agenda
21 item, please. If it's not an agenda item, we'll take your
22 comments at the open comment period at the end of the
23 meeting. For those comments please fill out a blue card.

24 Regardless of the color of card, we do ask that you try
25 and limit your comments to about three minutes.

1 Also, before we move on to the rest of today's
2 agenda, I want to remind everybody that the 6th Annual
3 Transportation Forum is coming up on January 3 through 5,
4 and we encourage you to come and be a part of the
5 discussion about transportation. You can register by
6 going to our website, or to get more information.

7 Our first item of business today is approval of
8 the minutes of the October 27 and 28 commission meetings.
9 Members, the draft minutes have been provided in your
10 briefing materials. Is there a motion to approve?

11 MR. HOLMES: So moved.

12 MR. HOUGHTON: Second.

13 MS. DELISI: All in favor?

14 (A chorus of ayes.)

15 MS. DELISI: The motion passes.

16 With that, I'd like to invite David Laney to
17 come on up and give an update report on the activities of
18 the Restructuring Council.

19 MR. LANEY: Thank you, Madam Chairman, members
20 of the commission and Mr. Saenz. I've been asked by Jay
21 Kimbrough to convey to you his remarks, and I should be
22 able to answer any questions you might have, but it's very
23 brief and succinct. The target dates will be mid December
24 in terms of the delivery of the report.

25 For the record, my name is David Laney, and the

1 update is as follows.

2 At our September commission workshop, Jay
3 Kimbrough reported on the effort to consolidate
4 recommendations made to TxDOT from Grant Thornton and
5 other reports and audits, a variety of audits, in fact.
6 And since the last update in September, Phase 1 of the
7 database which is listing of all of the recommendations
8 was launched on October 1. Phase 2 of the database which
9 includes all the actions of the department and supporting
10 documentation was launched this past Monday on November
11 15. On September 29 the council provided a demo of the
12 database to the executive branch and staff of the
13 executive branch, legislative committees and staff at the
14 Capitol.

15 As we progress through our review of the Grant
16 Thornton recommendations, we have continued to meet with
17 representatives of Grant Thornton to ensure the focus and
18 to ensure our understanding of their intent of the
19 recommendations is maintained.

20 The council continues to meet and consult with
21 members of TxDOT staff regarding a variety of topics to
22 better understand the impact of the changes that may be
23 proposed. And I have to add that in all cases TxDOT staff
24 has been very responsive. We have been very impressed
25 with the quality and the speed with which we have received

1 the information, but the information is first class. So
2 my compliments to TxDOT and TxDOT staff in that regard.

3 The council continues, analyze and discuss the
4 content of our final report. We have begun to draft
5 sections of the report, although none of the
6 recommendations have been finalized at this point.

7 Our next steps, we expect to finalize the
8 report and present the report to the commission at the
9 December 16 meeting and we also plan to develop some kinds
10 of mechanism to ensure the department develops a process
11 to maintain the content of the database so it stays
12 current and stays relevant.

13 And that concludes my remarks.

14 MS. DELISI: Are there any questions for Mr.
15 Laney?

16 (No response.)

17 MR. LANEY: Appreciate it.

18 MS. DELISI: Thanks, David.

19 Okay. With that then, I will turn the meeting
20 over to Amadeo for the rest of the agenda.

21 MR. SAENZ: Good morning. Thank you, Madam
22 Chair.

23 As we move on to agenda item number 2, I'm
24 going to take agenda item 2.d first and ask Steve Simmons
25 to give us an update of the Internal Compliance Program.

1 Steve is kind of wearing two hats this morning and he has
2 to go to a meeting at DIR. So with that, Steve.

3 MR. SIMMONS: Good morning, Madam Chair,
4 commissioners, Mr. Saenz. For the record, I'm Steve
5 Simmons, deputy executive director, and once again I come
6 before you in my capacity as the interim Internal
7 Compliance officer.

8 I don't need to go back through the start of
9 this other than to say we began the Internal Compliance
10 Program back in November of 2007 and have met many
11 milestones since we have finished.

12 The success of our program has garnered some
13 national and regional attention. We have received several
14 awards for our Internal Compliance Program. AASHTO
15 recognized our ICP program with their Performance
16 Excellence Award, their silver medal, WASHTO provided a
17 Quality Award for our ICP program, and then internally
18 from TxDOT it received the Journey Toward Excellence Award
19 in the bronze category. This was for the research of the
20 practices utilized in private and governmental
21 organizations in the development and implementation of a
22 plan for the TxDOT Internal Compliance Program.

23 Our core members were Suzanne Mann from our
24 General Counsel's Office, of course our General Counsel
25 Bob Jackson, Joanne Wright from our General Counsel's

1 Office, Beverly West who has most ably assisted me in
2 keeping the office going on a day-to-day basis, and of
3 course, members from our Human Resources Development
4 Division, specifically the Training Quality and
5 Development Team.

6 As far as other items that have been going on
7 in the ICP, we are 98 percent with our second annual
8 training of all our employees on our ethics and code of
9 conduct process. Of course, this year we did it through
10 our IWAY which is computer-based training. We have
11 upgraded the new employee orientation program to include
12 the Internal Compliance Program. We have issued our
13 second ICP newsletter which was basically titled
14 Compliance Focus. This was sent electronically to all
15 employees in October 2010, and focused on professionalism,
16 seasonal issues such as gifts, simultaneous employment,
17 and the upcoming legislative session. From July through
18 November 15, if you noticed the poster in the Greer
19 Building lobby was promoting our Internal Compliance
20 Program.

21 We've developed numerous rules and I'll be
22 coming back to you, I believe, next month to bring forth
23 some additional rules that will bring more of our partners
24 into realizing the importance of an internal compliance
25 program and ethics program.

1 And then we also, I talked, I believe, last
2 time about the development of our Risk Assessment Program.

3 And we are continuing with this. While we're waiting for
4 Grant Thornton on some of the major issues, we have
5 instructed staff to move forward with some of those items
6 that they can do whether we need to or not, and that's
7 updating manuals, additional resources, things of that
8 nature, in order to ensure some of our risks are covered.

9 Some of our upcoming projects, again, we'll
10 continue to be training. Oh, I forgot about the training.

11 You have almost all completed your annual training which
12 is required by the Internal Compliance Program. Thank
13 you, Commissioner Meadows. But we'll continue that
14 training, we'll continue to be working on those risk
15 assessments.

16 One of the things I'd like to get a little
17 guidance on is I come to you twice a year, per the minute
18 order establishing the ICP program, to make a
19 presentation. We also every six months meet with the
20 Audit Subcommittee, which is open to the public, to make
21 the presentation, and then we also provide you an Internal
22 Compliance Program update during your annual training.
23 And the question is whether you would like for me to
24 continue the every six months or go to a one-year since
25 there will be three other opportunities to hear the ICP

1 update.

2 And other than that, that's all my report.

3 MR. SAENZ: All right. Thank you, Steve.

4 We'll go back to agenda item number 2.b, and we
5 have David Gornet who is the executive director of the
6 Grand Parkway Association to present his annual report on
7 the status of projects dealing with the Grand Parkway.

8 David, good morning. Welcome.

9 MR. GORNET: Good morning. For the record, my
10 name is David Gornet and I'm the executive director of the
11 Grand Parkway Association.

12 I have with me here this morning Mr. Billy
13 Burge who is chairman of the Board of the Grand Parkway
14 Association. You have appointed him twice. He's serving
15 his third term currently, and I think has been chairman of
16 the board since he was appointed.

17 So Mr. Burge, if you'd like to make closing
18 remarks, sir. He'll close; you can ask him all the
19 questions. I'll do the presentation.

20 The Grand Parkway has had a very interesting
21 year. We continue to move forward, press forward with
22 doing the environmental work that's been assigned to us.
23 Again, the project, if you've looked over the slides that
24 were in your handbook -- I was told they were very busy,
25 that they had too much information on each slide, but most

1 of this probably a verbal presentation than one that we're
2 going to sit there and look at and read the screen.

3 The 184 miles of the project, we've got 72
4 miles of studies complete. During the past couple of
5 years we've had approvals on E, F-1 and F-2. I was hoping
6 today I could report that Segment G had been issued a
7 record of decisions, but Federal Highways is still
8 reviewing the information that we provided them and we
9 anticipate very soon that we'll get the record of decision
10 for Segment G signed.

11 Harris County has been busy in acquiring right
12 of way. They have engineering plans that have been
13 completed for Segment E. They could be ready to go to
14 construction sometime in the spring of 2011. All it takes
15 is \$400 million or so so they could build the road, and
16 that's their task now is to find that amount of money.
17 They've also indicated that they're going to move forward
18 with Segments F-1 and F-2 to engage engineers to do such
19 work.

20 And we've got another 106 miles that are still
21 under study. As I said, Segment G, I was hoping I could
22 say that was completed. Segments B, C, H and I-1 continue
23 to move forward, and A the feasibility study has been
24 completed.

25 All of this is an effort to help TxDOT meet

1 their goals to improve mobility in the Houston region, to
2 reduce congestion that we have today, and that we will
3 experience in the future as our region continues to grow,
4 and to provide economic opportunity for our region so that
5 we can stay competitive within the state, within the
6 country to move goods around from our important ports, our
7 distribution centers, get them to the people that need to
8 use them.

9 Activity summary is very long, as I mentioned
10 there. Some of the important aspects, I didn't touch on
11 Segment D there in Fort Bend County. The Fort Bend County
12 Commissioners Court, of which we have a member today,
13 Commissioner Richard Morrison is here to speak on behalf
14 of I-69, but he's also been a supporter of the Grand
15 Parkway. Fort Bend County created the Fort Bend Grand
16 Parkway Toll Road Authority as a way for Fort Bend County
17 to advance their portion of the Grand Parkway.

18 As I mentioned, Segment E, Harris County is
19 moving forward on that. We also, on Segment E you are
20 aware of the litigation that was taking place with the
21 Sierra Club. In May the US District Court found on behalf
22 of TxDOT and Federal Highways on all counts, and Sierra
23 Club then in August did challenge that. It's now under
24 review at the appeals court level in the Fifth Circuit
25 Court of Appeals. We do not expect any ruling from the

1 appeals court for probably a year, but there is no
2 injunction on anything regarding Segment E that would keep
3 Harris County from moving forward with their construction
4 of Segment E from a legal standpoint.

5 MR. HOUGHTON: That Segment E, what's the price
6 to build that?

7 MR. GORNET: Harris County is looking at
8 construction costs of \$350 million. They've already spent
9 about \$30 million on engineering and I don't know how much
10 they've spent on right of way acquisition.

11 MR. HOLMES: David, on G, what are the cost
12 estimates on that? And Montgomery County declared primacy
13 on that. Right?

14 MR. GORNET: That is correct.

15 MR. HOLMES: Give us a little color around the
16 cost, timing, opportunities that Montgomery County might
17 have.

18 MR. GORNET: Segment G is 13-1/2 miles, twelve
19 miles in Montgomery County, a mile and a half in Harris
20 County, 13-1/2 miles total. Total construction cost there
21 is about \$450 million. It's got a significant structure
22 over the San Jacinto River as well as at Spring Creek, the
23 interchange with the Hardy Toll Road.

24 Montgomery County did declare primacy last
25 year. They have engaged engineering firms to look at how

1 they might pursue the project. This past Friday there was
2 an ad in the Houston Chronicle where Montgomery County is
3 soliciting statements of interest for partners to come
4 forward and assist Montgomery County in development of
5 that in a 3-P type scenario. They've not made any
6 commitments that they're going to do that but that's the
7 path they appear to be taking.

8 Montgomery County does not have the resources
9 of a Harris County to move forward, they don't have a
10 mature toll road authority that's already got experience,
11 they don't believe that they can sell bonds on behalf of
12 the county as readily as Harris County might be able to,
13 so they're looking for a partner to come in and take that
14 role for them.

15 MR. HOLMES: Total cost estimate was \$450
16 million, you said?

17 MR. GORNET: Four-fifty for construction. By
18 the time you're buying right of way and doing engineering,
19 you're probably in the \$550- area.

20 MR. HOLMES: A bit of that right of way was
21 going to be donated by some large land holding.

22 MR. GORNET: That is correct, and the county
23 has been working with them to lower their initial
24 implementation cost that those property owners may not get
25 reimbursed for their right of way until further on down

1 the project line after cash flow is coming in on a
2 positive side that might not be a true donation. But some
3 of it will be a true donation, others of it they may get
4 paid for in the future.

5 MR. HOLMES: In your judgment is G a stand-
6 alone project that's self-supporting?

7 MR. GORNET: The long term growth in the G
8 corridor would indicate that it is self-supporting.

9 MR. HOLMES: As a stand-alone?

10 MR. GORNET: As a stand-alone in the long term,
11 but that growth is predicated on when they run those
12 growth models they're looking at what's happening in the
13 region. If you only build that and don't build other
14 segments, you might have different growth scenarios, but I
15 would say it's more risky to take the assumptions that
16 just because we may make G a stand-alone project, there's
17 going to be greater risk involved if it is a stand-alone
18 project.

19 MR. HOLMES: Obviously it works better if D, E,
20 F-1, F-2 are completed.

21 MR. GORNET: Yes, sir.

22 MR. HOUGHTON: So G ties I-45 to US 54.

23 MR. GORNET: 59 North, yes, sir.

24 MR. HOUGHTON: 59, I mean.

25 MR. GORNET: Yes, sir.

1 MR. HOUGHTON: And then you have a ROD on F-2?

2 MR. GORNET: F-1 and F-2 both have RODs.

3 MR. HOUGHTON: And they're doing financial
4 analysis in Harris County on those?

5 MR. GORNET: Last week Harris County
6 Commissioners Court took action to resume the right of way
7 acquisition on E. They also engaged Wilbur Smith &
8 Associates to do an investment grade traffic and revenue
9 study for all of E, F-1, F-2 and their portion of G.
10 Wilbur Smith, for Harris County, is looking at G all the
11 way to 59 to make the assumption that it needs to be done
12 there so that you have the synergy of all those projects
13 working together.

14 Fort Bend County had previously engaged Wilbur
15 Smith to do a study from 59 south up toward I-10, so
16 Wilbur Smith is active right now in the entire west and
17 north side, 59 to 59, doing investment grade traffic and
18 revenue studies for that.

19 MR. HOUGHTON: But Segment D is Fort Bend
20 County.

21 MR. GORNET: That's correct, sir.

22 MR. HOUGHTON: Segment ties 59?

23 MR. GORNET: 59 South in the Sugar Land area
24 northward up to I-10.

25 MR. HOUGHTON: To Interstate Highway 10?

1 MR. GORNET: Yes, sir.

2 MR. HOUGHTON: So it looks like big segments of
3 Grand Parkway could be built in a relatively short period
4 of time.

5 MR. GORNET: It is reasonable to expect that by
6 2016 you could have the 59 to 59 corridor open to traffic.

7 MR. HOUGHTON: Would you call that I-69?

8 MR. GORNET: You can call it whatever you like,
9 sir.

10 MR. HOLMES: I think they prefer Grand Parkway.

11 MR. HOUGHTON: Sorry, Judge. I just thought
12 I'd throw that one out there.

13 (General laughter.)

14 MR. HOLMES: There is the matter of a little
15 piece of D in Harris County.

16 MR. GORNET: There is a little piece of D in
17 Harris County, yes, sir.

18 MR. HOLMES: And there is a bridge over
19 Interstate 10.

20 MR. GORNET: That is correct.

21 MR. HOLMES: Who is planning on paying for
22 that, David?

23 MR. GORNET: We had discussions on that when
24 the Houston-Galveston Area Council was updating the
25 regional transportation plan and the TIP for 2011-2014,

1 and Harris County indicated that they will build that and
2 they will put it in; when they start building Segment E,
3 they will go on and build that bridge over I-10. I think
4 they received some encouragement to do that from one of
5 the members of the commission.

6 MR. HOUGHTON: Was that a setup question?

7 MR. HOLMES: No. I was really interested in
8 the answer in a public session on record.

9 MR. GORNET: Yes. It was put into the 2011-
10 2014 TIP for HGAC and sponsored by the Harris County Toll
11 Road Authority.

12 MR. HOLMES: Just so the commission knows, when
13 the Grand Parkway segments were originally devised, they
14 were based on logical transportation connections as
15 opposed to county lines, and so you have some very awkward
16 jurisdictions when the counties begin to declare primacy.

17 MR. GORNET: And the Segment D that's going to
18 be constructed by Fort Bend County is that piece within
19 Fort Bend County. There is a piece that straddles the
20 county line that's already a freeway type facility that
21 will remain a TxDOT facility, at least my understanding is
22 that it was going to remain with TxDOT. Fort Bend County
23 would take over everything from Fry Road southward and
24 Harris County would take the bridge over I-10 and
25 northward.

1 MR. HOUGHTON: Are there frontage roads, Ned,
2 on these roads?

3 MR. HOLMES: That's what it is.

4 MR. GORNET: There's frontage roads south of I-
5 10 for about a mile and a half or two miles, and then
6 there are no more frontage roads along D until you get
7 down right down to 59.

8 MR. HOUGHTON: Will there be frontage roads on
9 E, F-1, F-2, G, or are there just going to be mainlanes?

10 MR. GORNET: There are frontage roads only
11 where we follow an existing road section and we have to
12 restore access to the abutting properties. Thinking of
13 that, F-2 has got about a two-mile segment along Boudreaux
14 Road.

15 MR. GORNET: Harris County would build those as
16 part of implementing the Grand Parkway.

17 MR. HOUGHTON: It's exciting stuff.

18 MR. GORNET: And I don't believe anything has
19 come up recently, Harris County is very excited about the
20 proposed Exxon facility that's going to be at the
21 intersection of Grand Parkway and I-45 North. Exxon has
22 acquired 400 acres there. There's been discussions they
23 could move 10- to 12,000 employees, consolidate operations
24 there -- 6,000 or so out of the Houston area and then
25 another 5- or 6,000 that are current Mobil employees in

1 Virginia would be transferred down to the Houston region.

2 MR. HOUGHTON: So that's F-2 and G at 45?

3 MR. GORNET: The northwest intersection of F-2
4 and 45 North, yes, sir, just south of the Woodlands.

5 MR. HOUGHTON: That's going to be their campus?

6 MR. GORNET: That would be their campus, yes,
7 sir.

8 MR. HOUGHTON: Fabulous.

9 MR. GORNET: Let me see if I missed anything
10 here. Fort Bend County is moving forward, we talked about
11 them doing the investment grade study, they've already
12 hired surveyors to do the surveying for the bridges. We
13 anticipate them completing those bridge structures. We
14 mentioned that Harris County has already got plans sitting
15 on the shelf. After they acquire right of way and find
16 the funds, they should be ready to move forward to
17 construction in the spring.

18 Segment I-2, Chambers County did assume primacy
19 but they rescinded their primacy over in Chambers County
20 on Segment I-2. So I know staff, Mr. Saenz and all of his
21 staff have been working diligently on how to get I-2 up
22 and running as a toll facility, as a TxDOT toll facility
23 since Chambers County has declined to move forward with
24 that on their side.

25 MR. HOUGHTON: What's the cost of that

1 anticipated?

2 MR. GORNET: It's already on the ground.

3 MR. SAENZ: The project was built.

4 MR. GORNET: Let in 2003, opened in 2008.

5 MR. SAENZ: We have been working with HCTRA to
6 take care of the toll operations. When Chambers County
7 declared primacy, Chambers County then starting
8 negotiating with HCTRA, then Chambers County has come back
9 to us and said that they wanted to give back the primacy,
10 and so we have been in contact with HCTRA about continuing
11 our negotiations on the toll operations and also working
12 with TTA to put in place our own toll readers so that we
13 can start tolling that piece of highway.

14 MR. HOLMES: I think we need to move that along
15 expeditiously, don't we, Amadeo?

16 MR. SAENZ: It is.

17 MR. GORNET: There was a meeting Friday, I
18 believe, to discuss those issues.

19 Mr. Burge, any closing remarks you'd like to
20 make, sir, on behalf of the board?

21 MR. BURGE: For the record, my name is Billy
22 Burge. When Ned Holmes left his unfinished term, he said
23 his priority number one was the Grand Parkway, and Ned has
24 made that, and I want to thank him for his time, his
25 effort.

1 And I think the most important thing from what
2 David has said to you all today is that there really is a
3 regional focus for the Grand Parkway. Not only Harris
4 County but all these outlying counties, they realize in
5 the next 20 years if they're going to grow and they're
6 going to grow in a scheduled right way with transportation
7 not being jammed up with other relocations of major
8 arteries, the Grand Parkway is the one single thing, donut
9 we can put around all these counties to tie them together.
10 And I think as they see that then you'll see regional
11 growth, and you get regional growth then you get a lot of
12 things and you get your bang for your buck.

13 So Ned, I appreciate all you've done. We're
14 thinking about naming rights, we think we can call it the
15 Holmes Toll Road from I-10 to 59, so at least you'll have
16 something for early retirement.

17 MR. HOLMES: You can sit down, Billy.

18 (General talking and laughter.)

19 MR. GORNET: Any additional questions or
20 comments to follow that?

21 MR. HOLMES: No.

22 MR. GORNET: Thank you all for the opportunity
23 to work with TxDOT on this important project.

24 MR. SAENZ: Thank you, David. Thank you for
25 your fine work and your total dedication to moving this

1 project forward.

2 Next we have agenda item 2.c. John Barton will
3 lead a group status report on the I-69 project, and we've
4 got several presentations by both the segment committees
5 as well as the I-69 Alliance.

6 MR. BARTON: Good morning, Madam Chair,
7 commissioners, Director Saenz. For the record, my name is
8 John Barton and I do have the distinct pleasure of serving
9 you and the citizens of Texas as the assistant executive
10 director for Engineering Operations at TxDOT.

11 I want to start by sharing with you that no
12 need to worry, I'm sure that I feel much worse than I
13 sound and look this morning, so I don't want you to be
14 worried about me as I'm here discussing this with you this
15 morning. And I'll be brief in my remarks to allow for the
16 other people that are here today to speak on this issue to
17 talk to you. Doise Meyers is going to be assisting me
18 with the power point presentation that I do have for you.

19 I'm here this morning to share with you the
20 work that has been progressing on I-69 through the
21 citizens-driven committees that have been hard at work
22 over the last year, similar to the work that's been done
23 on I-35 that I shared with you last month. And using this
24 same model as the MY35 committee structure, the I-69
25 segment committees have been meeting, as I said, for over

1 a year, progressing towards the evaluation, research and
2 planning for the best routes for the implementation and
3 upgrading of existing roadways here in Texas to become
4 part of I-69, and those roadways include US 59, US 84, US
5 77 and US 281.

6 These committees are not as far along in the
7 process as the 35 committees were, nor were they supposed
8 to be because this is more of, I guess, an infant process
9 and starting-up process, it's more complex, and the issues
10 that they're undertaking deal with the expansion of a
11 corridor that reaches from North Texas all the way to the
12 Valley to design a new interstate facility rather than
13 upgrade an existing one.

14 These committees will be finalizing their
15 efforts and taking that information out to the public in
16 the spring, and so we wanted to come to you this morning
17 and share some information about that.

18 The routes that the segment committees are
19 studying are federally designated high priority corridors.

20 Those include US 59 from Laredo, Texas up to Texarkana
21 which is high priority corridor number 20, and US 281 and
22 US 77 which are parts of high priority corridor number 18
23 which also includes sections of Interstate 69 in other
24 states. In total there's over 1,000 miles of roadway in
25 Texas that this effort is considering.

1 Befitting the high priority corridor
2 designation that these roadways have been labeled with,
3 these are roadways that are vital to the movement of goods
4 and people across the State of Texas, as well as
5 connecting to international border crossings and inland
6 ports which allow them to move international shipments of
7 goods, obviously important to our nation.

8 These roads also connect with a number of
9 seaports along the Gulf Coast, serving as an important
10 lifeline to the movement of goods from overseas trade
11 opportunities with Texas businesses and consumers as well
12 as those beyond Texas's borders. And this is obviously
13 going to be more important, as Commissioner Holmes
14 continues to point out to all of us, as the Panama Canal
15 widening is expected to be completed in 2014 and open to
16 shipping traffic in 2015.

17 So the roads along I-69 are, of course, for
18 those important, but they also serve vital interests for
19 the timber industry in East Texas to move their products,
20 as well as by citizens all across Texas that they use on a
21 daily basis to get to work, to their business, to their
22 schools and places of recreation, and many of these routes
23 serve as important hurricane evacuation routes for people
24 along the Gulf Coast in time of need.

25 In 2008 the commission created five segment

1 committees to provide input at the citizen level for the
2 best way to upgrade these corridors, again US 59, 281 and
3 77, to interstate standards and to consider serving
4 connections such as State Highway 44. The membership of
5 these committees was laid out in rule by the department
6 and includes county judges and commissioners from across
7 the corridor, mayors, city council members, as well as
8 representatives from the Farm Bureau, some of the
9 metropolitan planning organizations and port authorities,
10 as well as chambers of commerce and economic development
11 corporations.

12 The boundaries of the segment committees are
13 shown on the slide that is in front of you now, and
14 overarching all of this is the I-69 Advisory Committee
15 which is chaired by the Honorable Ms. Judy Hawley. I
16 think she's with us today. And this group was created
17 also in 2008 and includes members from the entire
18 corridor, and their role is to finalize the
19 recommendations that the segment committees bring forward
20 to them regarding I-69 and to present those to the
21 commission once the segment committees' work has been
22 completed.

23 The first task for the segment committees was
24 to identify the challenges that face them within their
25 respective areas, and each committee formed together,

1 brainstormed the issues that their committee members
2 brought forward from their own perspectives. These
3 included the challenges and problems that they face within
4 their communities in the areas of the state that they
5 represent, and a comprehensive list of these issues and
6 concerns was developed and it included issues such as the
7 safety along some of the existing facilities as traffic
8 grows, the congestion levels that they experience, the
9 need to accommodate future growth and expansion, as well
10 as to be able to be competitive in the growing global
11 economy.

12 Specifically, the committee identified
13 challenges like the need to address adequate crossings as
14 an Interstate 69 facility is developed for farm traffic
15 and ranchers to be able to allow them to cross legally and
16 safely. They also raised the concern of the mix of truck
17 traffic with passenger traffic and how we can accommodate
18 that safely, and then to address the at-grade rail
19 crossings that currently exist along many of these routes
20 that are designated for the I-69 corridor. And they also
21 cited some concerns, particularly along the coast with
22 drainage and making sure the roadway was built to
23 accommodate movement of traffic during events such as
24 hurricane evacuations and tropical storm rainfall events.

25 The committee also identified roads that they

1 believed would serve as I-69, I mentioned those again, and
2 other roads to be upgraded to connect to I-69 to provide
3 the necessary access. They confirmed that for us in
4 Texas, US 59, US 84, US 77 and US 281 should be considered
5 to serve as I-69. And I would like to point out that in
6 Segment Three, that committee itself is still considering
7 and deliberating over whether or not to consider and
8 recommend designating US 77 in Refugio County and the
9 Refugio area as part of the I-69 corridor.

10 These committees also identified the
11 environmental planning features that existed along the
12 route that needed to be considered in their brainstorming
13 process. These features include things like churches,
14 cemeteries, parks, schools, and other planned expansions
15 that would affect the expansion or creation of an
16 Interstate 69 facility.

17 So once the roadways were identified, all the
18 planning features were identified that needed to be
19 considered, then a conceptual layout was put together by
20 staff and the consultants working with us to allow these
21 committees to then start marking up where they felt like
22 improvements needed to be made along the existing
23 roadways. These maps gave the members a visual
24 representation of the corridors and the issues that were
25 out there to help them consider those impacts to potential

1 businesses, those schools and neighborhoods, cemeteries,
2 parks and other things that I just mentioned.

3 And by looking at that they were able to
4 determine where they felt like relief routes might be
5 necessary for communities that currently have corridors
6 running through them, where frontage roads might be
7 appropriate to provide access to local facilities, and
8 where interchanges needed to be included to provide for
9 safe opportunities to get on and off an Interstate 69
10 facility.

11 In all, the segment committees looked at over
12 177 maps encompassing over 900 miles of roadway, and once
13 they identified all the improvements that they thought
14 they would like to see, all that information was cobbled
15 back together and our consultant staff and department
16 staff put together a rough cost estimate of what it would
17 take to upgrade these roadways to an interstate facility
18 to become the ultimate I-69 here in Texas.

19 Now, I want to remind you before I go on, this
20 was all done without any financial constraints, they
21 weren't told that they had to stay below a certain budget
22 level or that there was a certain restraint on them, so
23 they identified what they felt would be the best of the
24 best for I-69 here in Texas. And when you put all the
25 work of all five segment committees together, they

1 identified over 795 centerline miles of roadway, including
2 frontage roads that needed to be adjacent to those, 22
3 relief routes, 14 direct connect interchanges, and 220
4 conventional diamond-type interchanges along the corridor.

5 This included in the cost estimate of
6 reconstruction of all those existing facilities to new
7 interstate standards plus the construction of any
8 additional lanes that needed to be put in place to bring
9 it up to four lanes of interstate with appropriate
10 frontage roads in certain locations.

11 And when you do the math on all of that, the
12 current high level rough estimate for all of this would be
13 \$16.4 billion. As I got that number and met with the
14 segment committees, I shared with them that's about eight
15 years worth of our total construction budget for highways
16 and bridges, maintenance and construction here in Texas.

17 I want to point out also this doesn't include
18 any improvements along the portion of US 59 from the
19 Liberty County line just north of the Greater Houston
20 area, through the Houston area, down to Rosenberg which is
21 already freeway standard and would meet the interstate
22 standard necessary. So this is just starting from the
23 Liberty County line going north and from the Rosenberg
24 area going south. It also does not include a potential
25 relief route to serve the Freeport area as well as the

1 Port of Houston that Segment Committees 2 and 3 have been
2 talking about in the Greater Houston area.

3 So as I've said, the committees were not
4 financially constrained, they were just told to come up
5 with what you think I-69 in its grandest vision should
6 look like, and that's what they've done.

7 In the coming months these committees now will
8 be taking a closer look at these cost estimates, they'll
9 be working with our district engineers along the corridor
10 to look at what work has already been done along the
11 corridors, where we might already be able to meet the
12 interstate standard without doing much improvements. And
13 they'll take their preliminary project priorities that
14 they've already identified without the benefit of this
15 financial reality and the information that they'll soon be
16 receiving from the department along the lines of what's
17 already been constructed or is currently meeting potential
18 interstate standards, and they're going to go back and
19 reevaluate their plans and their priorities and share that
20 with the advisory committee later this year or early next
21 year.

22 So in preparation for this update, the
23 committees have selected their preliminary priority
24 projects and that exercise, again, was done without
25 consideration of the financial realities that we all know

1 are facing us.

2 So now what I'd like to do is ask you to have
3 an opportunity to hear from the people that have
4 volunteered countless hours, have driven all over the
5 state to attend meetings, looked at an unlimited number of
6 maps and helped create the recommendations for this
7 planned improvement of I-69 here in Texas.

8 I'm pleased to have with us today
9 representatives and the chairs of the segment committees
10 from across the state. Segment 1 chairman here with us
11 today representing the Texarkana area is Gary Sparks.
12 Segment 2 is chaired by Jim Wehmeier who is from the
13 Lufkin-Angelina Economic Development Corporation. The
14 City of Wharton mayor is here with us today, that's Mayor
15 Domingo Montalvo, and he is the chair of Segment 3. And
16 then Segment 5 is chaired by the county judge from San
17 Patricio County, Judge Terry Simpson, who is also here
18 with us today.

19 The chair for Segment Committee 4 is Pat
20 Liston. Unfortunately, Pat could not be with us today, so
21 he has asked Mr. Joe Phillips from Hidalgo County to be
22 here to present information for Segment Committee 4 on his
23 behalf.

24 So they're going to come up and share with you
25 some information and explain the next steps that these

1 committees will be taking. I'm going to turn it over to
2 them to share some information with you and then I'll come
3 up with some concluding remarks.

4 MR. HOUGHTON: Can I ask you a question?

5 MR. BARTON: Certainly.

6 MR. HOUGHTON: Those segments that are
7 interstate, you've got Liberty north, Rosenberg south.
8 Right? In between is interstate standards.

9 MR. BARTON: That's correct.

10 MR. HOUGHTON: Maybe I'm just being too
11 simplistic about this, why wouldn't you put a sign on that
12 and call it I-69.

13 MR. BARTON: You and Director Saenz have told
14 me that it's important to prepare a letter to the Federal
15 Highway Administration requesting permission to do just
16 that, so we're in the process of making that request.

17 MR. HOUGHTON: I mean, I was out in California
18 for a wedding and I was on an interstate highway and it
19 says freeway ends and it becomes a state road, State
20 Highway 17. Of course, you could obviously say the same
21 things on either end of the 69 -- I mean, Commissioner
22 Holmes told me 59 was the logical choice as far as I-69 is
23 concerned, so I reiterate or ask my question again: Why
24 wouldn't we do that?

25 MR. BARTON: We are in the process of making

1 that request, and if allowed to do so, will do so.

2 MR. HOUGHTON: Do we need endorsement from
3 communities, Commissioner Holmes?

4 MR. HOLMES: It always helps.

5 MR. HOUGHTON: Is there anybody resisting an I-
6 69 shield on these?

7 MR. HOLMES: Probably.

8 MR. HOUGHTON: There is?

9 MR. HOLMES: There's always somebody resisting
10 something. Don't know who they are.

11 (General laughter.)

12 MR. HOUGHTON: I don't understand why there
13 would be. I guess it's all in a name.

14 MR. HOLMES: Nothing changes.

15 MR. HOUGHTON: Go ahead.

16 MR. HOLMES: You might add 77 in there as well.

17 MR. BARTON: Yes, sir.

18 MR. HOLMES: Because we're getting close.

19 MR. BARTON: We have already prepared a draft
20 letter for Director Saenz to send to the Federal Highway
21 Administration regarding US 77 south of Corpus Christi and
22 the interest that we have in signing what we can and
23 making improvements on the rest, so we're working on that
24 as well.

25 And for the speakers that are following me, if

1 you have no other questions, I do have an alcohol wipe
2 here I'm wiping down this podium to make sure that I don't
3 pass along any germs to those who are following me.

4 MR. SAENZ: Commissioners, the statute that
5 designated the I-69 corridor and the signage for I-69 had
6 two requirements: one, that the roads meet interstate
7 standards, and that they connect to an interstate. That
8 segment of 59 connects to Interstate 10 so we think that
9 it meets the definition, so I've asked staff to send a
10 letter to Federal Highway and initiate the process.

11 We're working with the I-69 Coalition as well
12 as with our friends from South Texas about asking for some
13 changes in the law for the portions that meet standards
14 down along the border. So we're working on two venues
15 there.

16 MR. HOLMES: It also connects to 45.

17 MR. SAENZ: It also connects to 45, correct.
18 So we think that it does meet the letter of the law and
19 there's a process that will allow us to sign it, and part
20 of it is going to be the local support and we'll see where
21 that goes, but we're moving on that.

22 MR. SPARKS: Good morning, commissioners. I'm
23 Jerry Sparks. I'm chairman of the Segment 1 Committee of
24 the corridor study, and it's a real honor for me to be
25 here today. I love a two- or three-day trip to Austin

1 just to get a little perspective on how big the state is.

2 For you folks to understand about our Segment
3 1, we stretch from almost to Lufkin to Texarkana, we have
4 counties bordering Louisiana, Arkansas and Oklahoma, so we
5 get a lot of interest from our neighbors about what we're
6 doing up in the right corner of Texas.

7 Our segment produced a report that uses a
8 combination of all the tools available: upgrades, relief
9 routes, new construction, trying to allow for the growth
10 in our area, and for the tremendous potential that we all
11 see in the freight that's going to move through our
12 corridor from the Panama Canal.

13 We had a goal of obtaining and involving as
14 many members of the public for input as we could. We
15 started out without much success. Toward the end of our
16 process we really were able to get quite a bit of public
17 input, but all of us understand that engaging the public
18 in this process on every level is going to be necessary
19 for our success.

20 Our segment is very grateful for the help of
21 the TxDOT staff and the staff of our respective MPOs.
22 They produced maps, footprints, overlays, documents,
23 explained a lot to those of us who are lay people in the
24 transportation world so we could understand why the
25 shortest distance from Point A to Point B might not

1 necessarily be a good highway.

2 Like any construction in Texas right now, we
3 know we face a major hurdle in developing state funding,
4 and thanks to the presentation that preceded me, you now
5 know that only are we a big one, we're the largest one
6 economically that you face, and I've always liked to be
7 the biggest and first in everything we do, and this time I
8 guess our \$4-1/2 billion number is going to take that
9 prize.

10 We know we have areas around places that some
11 of you may have never heard their names: Garrison,
12 Timpson, Tenaha are areas along the 59 corridor that give
13 us tremendous challenges. Marshall, Texarkana and
14 Nacogdoches are growing and experiencing the growth pains
15 and traffic volumes. Tenaha to Joaquin is going to
16 connect I-69 to that part of the leg that goes east of us.

17 We know what we have to do, we know our work is
18 not done. We also want you to know that we're here to
19 help you move this project forward. Thank you.

20 MR. WEHMEIER: Good morning, commissioners,
21 Director Saenz. Thanks for allowing us to come out and
22 address you today. I think Mr. Barton did a great job.

23 My name is, for the record, Jim Wehmeier. I'm
24 the director of economic development for the City of
25 Lufkin and Angelina County. Lufkin and Angelina County

1 actually are parts of two segments, both Segment 1 and
2 Segment 2, we're kind of the joining point.

3 And first, I wanted to thank the commission,
4 thank TxDOT and thank the advisory committee for the
5 process. I think that for a project of this size,
6 obviously having the grassroots support is extraordinarily
7 important, and having the grassroots education is
8 obviously very important.

9 Our committee goes everywhere from a community
10 of just several thousand people to a community of four
11 million people, and yet the process worked, I think,
12 extremely smoothly for us, and every community had an
13 opportunity, an equal opportunity to view their
14 priorities, their points, their concerns. And it really
15 pointed out what I think we all know in a state like
16 Texas, there's no such thing as one-size-fits-all in Texas
17 for anything, particularly not for transportation.

18 I also want to comment and thank Doise and
19 Mark, the TxDOT staff for a phenomenal job that they did
20 for this program, I think, to be successful. They did
21 exactly what I assume you requested and directed them to
22 do: they did a fantastic job of facilitating the process,
23 while at the same point at no point directing the process.

24 They didn't guide us down the road that they wanted us to
25 go, they allowed everybody to have their input.

1 They were there for technical support anytime
2 we asked them, but they allowed the community to truly
3 direct the process which I think was extremely important
4 and we're grateful for it. When you volunteer for a
5 board, it's pretty important that you feel like your input
6 is being heard and you're not a figurehead and being
7 directed down a path, and that was not the case at all in
8 this.

9 We also identified a number of priorities,
10 obviously, and again, the priorities stretched from the
11 very smallest community to the Houston community, and the
12 grading was actually fairly even.

13 I will point out to a comment that was made on
14 Section 1, to have a little fun, being a very fiscal
15 conservative myself, I obviously got our segment to do a
16 lot of value engineering because I want to point out that
17 we're cheapest segment. And so I would propose to you
18 that you go ahead and do ours first since it's affordable,
19 and then we can move on to the more expensive portions.

20 (General laughter.)

21 MR. WEHMEIER: Quite honestly, again, you're
22 going to get the technical data from the TxDOT staff and
23 they've done a great job of doing that.

24 Everybody within our committee showed up,
25 traveled around the state. Our meetings are held in

1 different communities every time because we want to give
2 every community not only an opportunity have a member of
3 the segment committee but to have every community to have
4 an opportunity to have their public show up, see the
5 process, voice their opinions and that type of thing, and
6 we'll continue to do that.

7 Again, you see the priorities listed in front
8 of you so I'm not going to go over those, although the one
9 point that was brought up, our segment unanimously
10 encourages and supports Director Saenz and staff to work
11 with the Department of Transportation and rededicate
12 particularly the segment from Houston up to, I believe,
13 about Splendora -- I'm using rough -- that is, we believe,
14 already up to interstate standards, to get part of the
15 project on the ground and start momentum and support. And
16 then any other portions that are up to standards, to
17 redesignate those before we have to figure out how to do
18 \$16-1/2 billion worth of projects with substantially less
19 money.

20 Again, thank you for the opportunity to address
21 you and thanks for your service to Texas.

22 MAYOR MONTALVO: Good morning to all. My name
23 is Domingo Montalvo. I'm the mayor of Wharton; I'm also
24 the chairman of the Segment 3 Committee.

25 And I think that when we started this process I

1 didn't really understand what was involved, but I think
2 the main thing that was involved was the people that came
3 together and we really coalesced and grew together as
4 communities to find out what we really needed and to
5 prioritize.

6 It was a very diverse group. It was a group
7 that really wanted a lot of knowledge and wanted to
8 understand the process that we were going through, and I
9 think they got a grasp of that because they kept
10 insisting, and I didn't realize I was going to have to do
11 so much footwork and calling over the phone, but they
12 wanted to make sure that their input was coming in. And
13 they certainly wanted to start the process as far as
14 involving the business leaders and the public, and we
15 certainly did that.

16 And I think the most important thing we learned
17 was identifying what we would call in the country
18 "cowbells" the real leaders in the communities that people
19 listen to to try to bring about the right information to
20 them. So I think that helped tremendously, we grew from
21 that.

22 And with the rural and urban setting that we
23 had, we certainly some discussions, and certainly you have
24 a letter there from Judge Emmett identifying maybe another
25 route connecting all the ports, and we thought that was a

1 good idea and that was something that needed to be
2 considered

3 One of the things that really helped us out,
4 all the people on the committee, was the footprints,
5 actually putting the interstate footprint along Highway 59
6 to see the cause and effect of what would happen there.
7 And so it brought a lot of things to light to us to make
8 sure that we paid attention because there was a few places
9 there that certainly, Mike Prasek down there, we didn't
10 want to run that road right through the middle of his
11 brand new \$22 million meat processing place there. And so
12 we were very, very sensitive to those needs.

13 One of the things that they asked for was in
14 dealing with urban and rural was subcommittees in the
15 future to deal with specific things like the ports and
16 things like that. They thought that was important. They
17 really wanted to get involved.

18 They also thought it was important to get a
19 bigger picture and looking at all the other segments and
20 maybe meeting with them to get a greater understanding.
21 They felt like since we all met together in our segment,
22 we certainly realized and didn't understand some of the
23 things that were going on in the different communities
24 that we now know are happening. So they really all agreed
25 that 59 should be designated as I-69, they came to that

1 agreement.

2 As was stated earlier, on Highway 77 we had
3 some very good discussion and public involvement in
4 discussing where I-69 would fit the best, and I think
5 we're moving along with that. I think that that might be
6 one of our first subcommittees that we're going to have to
7 go down and meet with those officials. There's some very
8 great advocates there that have some really good ideas
9 that we need to put together. So we definitely want to
10 connect that portion, that 77 portion. We think that's
11 going to be the most important thing in getting I-69
12 through there.

13 Certainly relief routes we talked about and
14 we're still continuing to talk about, and we meet with our
15 other elected officials in the other counties to make sure
16 that everyone is heard. And I think that's the one thing
17 all the committee members wanted to make sure that
18 everyone had a voice and we didn't leave anyone out. And
19 certainly the public involvement was there.

20 And we certainly thank the staff. We certainly
21 put them to task with the people from the committee as
22 well as from the public to get the answers that they
23 wanted. So I thank you.

24 MR. PHILLIPS: Good morning, commissioners. My
25 name is Joe Phillips. I am standing in for Pat Liston who

1 is our chairman for Segment 4. I represent Hidalgo County
2 which is the largest county in Segment 4 with about
3 750,000 people.

4 First off, I'd like to start off by thanking
5 specifically -- well, several of you have been down to the
6 Valley. I've had the opportunity to meet with
7 Commissioner Houghton and Chair Delisi, and I know they're
8 very familiar with our isolation down there, our relative
9 isolation down there and our needs, and we really, really
10 appreciate the visits you guys have made down there.

11 And I say down there, because if you want to
12 visit the Valley, you're not going somewhere else, you've
13 got to specifically come down to our neck of the woods,
14 kind of like going to El Paso.

15 (General laughter.)

16 MR. PHILLIPS: Well, you know, we're all on the
17 border, you've got to want to visit us if you're going to
18 come visit us, both El Paso and us.

19 I also want to very much thank the commission
20 for the work on our historically underserved part of the
21 state's highway system, specifically the work that's now
22 underway in Ben Bolt, in Falfurrias, the Mission
23 connection from US 83 to the new Anzalduas Bridge, the
24 overpasses up from Harlingen and Edinburg. All of this
25 has been moving us along toward incorporating the Valley

1 into the interstate system.

2 We also appreciate the fact that Amadeo knows
3 this area like the back of his hand, and I think that's
4 been very useful and helpful also in bringing us closer to
5 what the rest of the state has. If you live in an area
6 that is not like us, the Valley has 1.3 million people, I
7 think a lot of people don't realize that, 1.3 million
8 people, and we are the two largest counties, Hidalgo and
9 Cameron County, in the United States that are more than
10 100 miles of the interstate system.

11 I know you guys have heard this over and over
12 and over again, but this is my chance to bring it up one
13 more time, and if you don't live in a large metropolitan
14 area that far from the interstate system and if you were
15 involved in economic development issues, like I have been
16 as a businessman and as a community, I guess, leader or
17 whatever for many years, it's hard to fathom what a
18 handicap that is to your area in terms of economic
19 development, job growth and everything else.

20 So we very much appreciate what the commission
21 has done in Ben Bolt, in Falfurrias because where we are
22 now is two major construction projects on 77 and two major
23 projects on 281. And I bring up both because there was a
24 time, probably in my father's era when he was a business
25 leader in the Valley also, when there was a lot of

1 competition, kind of like Dallas and Fort Worth when Amon
2 Carter refused to even pay for a lunch over in Dallas,
3 when he'd take his sack lunch to meetings over in Dallas
4 so he wouldn't contribute any money to the Dallas economy.
5 I was in the newspaper business in a different life and we
6 all have Amon Carter stories and that was one of my
7 favorite.

8 But anyway, those days are long gone and
9 whether you're from Hidalgo County or from Cameron County,
10 and Pat's from Cameron County and I'm from Hidalgo County,
11 and he and I have worked on the executive committee of the
12 Boy Scouts for years, and that's the kind of thing,
13 whether it's the executive committee of the Boy Scouts,
14 the Girl Scouts, the Red Cross, the Valley has become one
15 area.

16 And we understand in Hidalgo County that you
17 have the port in Cameron County and you have a major
18 metropolitan area, Harlingen-Brownsville with about
19 350,000 people, you've got Matamoros and all the factories
20 in Matamoros, that on our side we're the evacuation route.

21 We have 750,000 people; if you add Starr County into us
22 which you really have to, we're really close to a million
23 people about 900,000 people. We're the straightest shot
24 to Monterrey, we have the largest based trade zone, I
25 think, along the border.

1 And so you really have two very major
2 metropolitan areas, both of which is why we've been
3 pushing, you have to have both of them. Just like if you
4 can imagine what would Fort Worth be like if it didn't
5 have I-35 West or Dallas if it had been cut off. Our
6 population now, by the way -- I went back, the beauty of
7 the internet, and researched it -- our population is
8 virtually identical to what DFW which, of course, in the
9 '50s it wasn't called DFW, Dallas, Arlington and Fort
10 Worth population between '50 and '60 was right in that
11 million-two, million-three population we now have, and
12 they did go ahead and split those highways.

13 So if the issue comes up well, why do we need
14 both, you've got needs in Hidalgo County and Monterrey,
15 you've got needs for the port in Brownsville to Matamoros,
16 to Harlingen and Brownsville. That's why we keep pushing
17 both.

18 But what I was getting at is there are now two
19 obstacles on both highways, that's it, to where at least
20 before we become officially part of the interstate system
21 all the way up where trucks are able to come off the
22 bridge and tie straight into the interstate system on 281
23 up in George West to I-37, obviously coming out of
24 Brownsville up to 77. And the obstacles are on for 77
25 Riviera and Driscoll. When those are addressed, trucks

1 can come straight across the bridge and never stop and go
2 straight into the interstate.

3 Same thing for us from Hidalgo County. Because
4 of the work being done in Ben Bolt, because of the work
5 being done in Falfurrias, because of the connection down
6 at the Anzalduas Bridge, the traffic is going to be able
7 to go all the way to the interstate once the overpass in
8 Premont and the connections to George West are completed.

9 And the last thing I'd want to say is I want to
10 specifically give our appreciation to Commissioner
11 Houghton on this idea, he's been pushing the idea of
12 naming as much Interstate 69 as we can. We love that
13 idea, we think that is fabulous. We want to have that
14 interstate designation on at least whatever part we have
15 which is about 100 miles of highway, which is 83 from the
16 west side of Mission all the way to Brownsville, and then
17 281 up north of Edinburg and 77 up north of Harlingen.

18 And because we're not connected, once again,
19 we're not connected to any interstate, in order to do that
20 we're going to have to have legislation. It was
21 Commissioner Houghton's idea on his recent visit that now
22 you have the congressmen from the Valley are trying to get
23 that amendment through and think they're going to be
24 successful in the current lame duck session of Congress
25 that would enable that to be done, and that's specifically

1 because of Commissioner Houghton. And I want to say on
2 our behalf for that idea, thank you, because we can't say
3 we're not part of the interstate system anymore. We would
4 be able to say we're not connected to the rest but we
5 would part of the interstate system.

6 So we appreciate what you have done, we
7 appreciate what TxDOT staff has done in terms of working
8 with us. Anything we've asked for they have provided;
9 they have provided information out the kazoo. And we feel
10 like we're in a little bit of a unique situation. Lufkin
11 is isolated, Tyler is isolated, some of these areas are
12 isolated from the rest of the state and the interstate
13 system, but not with this big a population.

14 So we appreciate what you've done and we look
15 forward to what you're able to do with very limited
16 resources in the future. Thank you.

17 JUDGE SIMPSON: Good morning. I'm Judge Terry
18 Simpson, county judge, San Patricio County. I chair the
19 Segment 5 Committee and also am chairman of the Corpus
20 Christi MPO, so I'm quite involved in the transportation
21 needs in the Segment 5 area.

22 Segment 5 has been working very well together.
23 We've formed some alliances, like is say, with the City
24 of Corpus Christi, Nueces County, San Patricio County, we
25 visit quite regular. Laredo, Corpus Christi and San

1 Patricio County have been working for a long period of
2 time on just a corridor to connect that inland port with a
3 deepwater seaport. So we've been at this quite some time
4 to get transportation needs addressed for our area.

5 We also are unique in the fact that Segment 4
6 and Segment 5 have to work together and we've been able to
7 come together and work as a group on our issues which I
8 think has been very beneficial because we've been able to
9 identify collectively the areas that we need to get taken
10 care of.

11 Commissioner Meadows and I have had a long
12 conversation on a couple of occasions about you take 77
13 from Riviera south and take a few crossovers out and
14 you've pretty much got an interstate already there, and
15 then it connects into the new highways there in the Valley
16 that create, as Mr. Phillips talked about, from all the
17 way over to the Port of Brownsville and across to most of
18 the Valley area down there that connects back to 281.

19 So we feel like that with I-37 being there in
20 the Nueces County-San Patricio County area that we can
21 connect 77 with that particular system at a fairly
22 reasonable cost. When you start talking hundreds of
23 millions of dollars, I don't know if that's reasonable or
24 not, but when you compare that to 16 billion, that's kind
25 of reasonable.

1 (General laughter.)

2 JUDGE SIMPSON: Well, a couple hundred million
3 versus 16 billion, you know, it's mas-menos one way or the
4 other.

5 But we've been real fortunate in our area that
6 TxDOT has done some significant work. There's work going
7 on in the Robstown area right now that should be completed
8 in the near future that will alleviate the issues we had
9 in Robstown which is just right there at 37, and then
10 basically from there down to Driscoll it's interstate, and
11 then between Driscoll and Riviera it's pretty much
12 interstate. So we have two small communities there that
13 we need to do something with to get around.

14 Once we get that done then we can start
15 focusing on the issues of really we need to get the ports
16 of Corpus Christi and Laredo connected. There has long
17 been talk about the amount of trade that could be
18 accomplished and it goes all the way across Mexico to the
19 West Coast if we can get that connection completed where
20 we don't have the choke points that we have in Alice and
21 Freer, so forth, that we can get those choke points out of
22 the way.

23 And the beauty of that part on Segment 5 is we
24 connect with everything, we connect with 59, we connect
25 with 77, we connect with 281, we connect with 44. All of

1 that is within the parameters of Segment 5. And so
2 getting the George West issue taken care of is important.

3 We've identified that we don't need two relief routes at
4 George West, we can combine 59 and 281 into one. We've
5 also done the same thing in Freer where 59 and 44 come
6 together that we can make one interchange there instead of
7 two. And so the only other major area we would have would
8 be in the Robstown-Alice area where 44 comes across there
9 to make that interconnection.

10 And we've also identified in the San Patricio
11 County area which TxDOT has done a good job of four-laning
12 that highway all the way up to Beeville where 59 comes in
13 at Beeville, could be brought down. We've got a relief
14 route now around Sinton, State 89 is designated that it is
15 at interstate standard. And we could put a relief route
16 that would connect 181 around through the Port of Corpus
17 Christi through the Joe Fulton corridor that the port and
18 TxDOT put in a few years ago, and it connects with
19 Interstate 37.

20 And then we've got a good loop put through
21 there that connects some other major industrial areas.
22 Beeville now has Sikorsky at their old Naval base up there
23 that's repairing helicopters. So we've got a lot of
24 opportunity there. And there's a \$1 billion steel mill
25 going into my county that's right adjacent to 181 that

1 would benefit from transportation needs there. So there's
2 a lot of potential in our area.

3 The City of Corpus Christi, Nueces County, San
4 Patricio County have come together and we work as a group.

5 We don't work separate of each other, w work as a group,
6 identifying issues that we all want and then coming down
7 to the reality of what can we afford and focusing mainly
8 on what needs to be done that's affordable.

9 And we do appreciate the fact that we've also
10 included the trucking industry in our committee. We've
11 had two different representatives from the trucking
12 industry that sit on our committee and tells us, you know,
13 that's not going to work for trucks. We've had the
14 railroad, Union Pacific has had an advisor with us that
15 has sat and looked at what we were talking about when we
16 would talk about the railroad and the roads that run with
17 the railroad.

18 So we're combining all those particular
19 initiatives together, and like I say, the Port of Corpus
20 Christi with Judy Hawley, she sits as chair -- well, not
21 chair but she sits on the port for San Patricio County so
22 she's quite aware of what the needs are at the Port of
23 Corpus Christi. And so I think it's vital, as you've
24 talked about already, that we get some designation of I-69
25 on the ground, that we focus on those areas that are able

1 to get that done readily, quickly, and get that
2 designation done so that we can move the rest of the areas
3 that's going to be a little more difficult forward.

4 And we appreciate the opportunity to visit with
5 you today. Thank you.

6 MR. MEADOWS: Judge, leave the lights on. I'll
7 be down there tomorrow.

8 JUDGE SIMPSON: All right. I'll be still here,
9 I'm getting trained over here.

10 MR. BARTON: I certainly would like to thank
11 all of these gentlemen for being here today and sharing
12 with you their perspective on the work that's been done to
13 date, and they talked a lot about the existing facilities
14 that already have been improved. Director Saenz wanted to
15 make sure we pointed those out as part of this discussion
16 today. I'll just real quickly recap some of those and
17 then talk about the next steps moving forward.

18 As they mentioned, there are several areas that
19 are already controlled access, we've talked about the need
20 to try to get designation on those areas that we can. And
21 those opportunities of areas that already have controlled
22 access do exist from Texarkana all the way to the Valley.
23 That is, of course, an important first step toward getting
24 interstate designation. You can't have unlimited access
25 to a facility and call it an interstate, so it must be

1 controlled access.

2 The sections that I said exist, on US 59 there
3 are small sections in Texarkana, Carthage, Nacogdoches and
4 Lufkin, as has been mentioned, Livingston, Shepherd and
5 Cleveland, and then, of course beginning there just south
6 of Cleveland at the county line, at the Liberty County
7 line, US 59 is controlled access through the Greater
8 Houston area down to Rosenberg, which you've already
9 mentioned and certainly we're moving forward with seeking
10 designation on. Further south this controlled access
11 opportunity exists in smaller pieces in areas around
12 Wharton and El Campo, as well as Victoria and even smaller
13 sections around Louise and Ganado and Edna.

14 On US 77, Judge Simpson just mentioned several
15 of those, but where 77 becomes part of the I-69 corridor
16 we do have controlled access facilities in the Victoria
17 area where it connects to US 59 and then continuing south
18 into the Valley in areas such as Refugio, Sinton,
19 Robstown, Bishop, Kingsville, Raymondville and Lyford, and
20 several of those were mentioned. And then the section of
21 US 77 from Harlingen south all the way to Brownsville is
22 already controlled access and would meet a freeway
23 standard.

24 The controlled access sections on 281 were
25 mentioned as well. Those are in Jim Wells County and some

1 in the Alice area, as well as Edinburg and McAllen where
2 we've already done some improvements.

3 Director Saenz also wanted us to point out that
4 in addition to these areas that already have controlled
5 access and we could piece together with other improvements
6 as the greater vision of I-69 is explored, there are some
7 sections that we currently have funded and under
8 construction or soon will be under construction, and I
9 want to just mention a few of those, as had the previous
10 segment committee chair people.

11 US 59 in San Jacinto County, we have some
12 upgrades on about a 3-1/2 mile section of that freeway
13 corridor and an overpass of the Union Pacific Railroad.
14 We also have some projects in Montgomery County to widen
15 out to a six-lane freeway facility with some frontage
16 roads. In Fort Bend County we're doing some bridge
17 replacements and grade separations that will provide even
18 better movements along US 59.

19 On US 77 near State Highway 44 in the Corpus
20 Christi District we're constructing some overpasses and
21 mainlanes there to provide controlled access. And then as
22 has been mentioned, in Falfurrias on 281 in Brooks County
23 we have an expressway facility through Falfurrias that's
24 being constructed right now.

25 We also have some future projects that are

1 funded for grade separations in Cass, Angelina and San
2 Jacinto counties in East Texas, as well as some
3 improvements along US 281 and 77 in Jim Wells, San
4 Patricio and Willacy counties that the speakers already
5 mentioned.

6 I guess one other thing that I think is really
7 important to note and has been touched upon briefly this
8 morning already is that last month, just a few weeks ago,
9 Cameron County Regional Mobility Authority issued a
10 request for qualifications for a comprehensive development
11 agreement. Commissioner Meadows, you spoke about that at
12 the beginning of today's meeting.

13 This comprehensive development agreement seeks
14 proposals on the financing, development and possibly
15 operating and maintaining sections of State Highway 550
16 and providing other improvements through pre-development
17 services projects along US 77 for some of the relief
18 routes that were mentioned at Driscoll and Riviera, as
19 well as on the US 281 corridor to connect into Cameron
20 County, and one other is a second crossing over to South
21 Padre Island as well. So that's important work that ties
22 into this whole scheme of I-69 and the corridors that
23 under consideration.

24 I would close just by sharing that the
25 comprehensive development agreement for the Interstate 69

1 project that the department had been pursuing and was
2 contemplated developing portions of US 77 south of I-37
3 was a potential source of funding we felt like would be
4 moving forward to help improve some of the corridors that
5 were being considered by the segment committees. However,
6 because of the change in the economy that has occurred
7 over the last couple of years, some of the projects that
8 have been mentioned today and the improvements that others
9 are seeking, it's just not viable at this time to continue
10 to move forward.

11 The potential developer for that particular CDA
12 project withdrew their continuation of the validity of
13 their proposal this past week, and with that expiration
14 that comprehensive development procurement has now expired
15 and will no longer be moving forward.

16 Steps moving forward from here. The I-69
17 Advisory Committee will be meeting in the next couple of
18 weeks to take an in-depth review of all this existing
19 information that we've shared with you today, the work
20 that the segment committees have been doing, as well as
21 the improvements that already exist along the corridors
22 that have been determined.

23 And as the segment committees continue to
24 finalize their efforts, reevaluate their priorities and
25 come forward to the advisory committee with final

1 recommendations, the advisory committee needs to
2 understand all this and have an opportunity to do that,
3 but as they evaluate this information over the next
4 several months, I would expect that they should be
5 returning to the commission with their recommendations to
6 you regarding the I-69 corridor later this spring and
7 we're certainly anxious to look forward to that.

8 There are a couple of seats currently vacated
9 on the advisory committee. I wanted to bring that to your
10 attention today. We need some direction from the
11 commission on how you would like to proceed in filling
12 those two vacated spots, and I would propose that we could
13 bring forward to you for action next month, if you'd like,
14 at your meeting an opportunity to appoint new members to
15 the advisory committee to fill those two vacated spots, if
16 you would like to do so.

17 And then lastly, the segment committees, as I
18 said, are going to be working over the months of December
19 and early into next year to reevaluate their draft
20 plans -- I think a copy of those have been provided to
21 you -- to reevaluate the priorities that they've
22 determined now based on the financial realities that we
23 know we all are faced with and the information that the
24 district engineers along the corridor are bringing to
25 them, as well as brainstorming with us on how to get the

1 public engaged and complete the cycle of this citizen-
2 driven, holistic approach to developing Interstate 69 here
3 in Texas, building on the synergy that the MY35 corridor
4 and committees have developed across the state.

5 And so as the public involvement process
6 continues to evolve and is wrapped up, the segment
7 committees bring all that information together to the
8 advisory committee, again, sometime in the spring or early
9 summer of next year I would expect that you'll be able to
10 get a full report from the advisory committee on the
11 citizen-driven process.

12 And I would like to close by thanking the
13 volunteers of the various committees that have worked on
14 this. They have spent tireless hours and efforts in
15 getting to the point we're at today. It's an exciting
16 time in the planning of this corridor for the State of
17 Texas, and I'm certainly happy to be a part of that.

18 I would like to recognize our TTA staff that
19 have been spearheading this effort, Mark Tomlinson, Ed
20 Pensock, Doug Boar and Roger Bell, and Doise Meyers from
21 our Government and Public Affairs Division. They've done
22 a great job in leading this effort but not driving this
23 effort. This is a citizen-driven effort, they've just
24 been facilitating it. And our consultant team I think has
25 done a great job as well.

1 So with that, I think, Madam Chair, you may
2 have a presentation from the I-69 Coalition, but I
3 appreciate the opportunity to be here this morning. I'll
4 be happy to answer any questions you might have, but I
5 need to spray down the podium for Judge Thompson.

6 MR. HOUGHTON: A question, John and Amadeo.

7 Are you serious?

8 MR. BARTON: Go ahead.

9 MR. HOUGHTON: I've got some furniture up in my
10 office you can clean too.

11 (General laughter.)

12 MR. HOUGHTON: The letter going to Federal
13 Highway Administration or US DOT, is it going to be
14 accompanied by endorsements, Judge, from other county
15 judges, state officials, or does it segue into your
16 presentation?

17 JUDGE THOMPSON: I've had a podium after I've
18 been there, never before.

19 (General laughter.)

20 JUDGE THOMPSON: For the record, John Thompson,
21 county judge, Polk County, and I have the privilege of
22 serving as the chair of the Alliance for I-69 Texas.
23 Madam Chair, members.

24 MR. HOUGHTON: Was that your work there,
25 Meadows? Did you do that?

1 JUDGE THOMPSON: Absolutely. I think I was
2 there the day we put that up, I was about 29. You were
3 there too, by the way.

4 MR. HOUGHTON: Yes, I remember.

5 (General laughter.)

6 JUDGE THOMPSON: Great to talk with you a
7 little bit about the Alliance for I-69, how important
8 completing I-69 is to the State of Texas, and today I feel
9 a little bit like this is I-69 Day in Austin, Texas.
10 We've got a group in this audience representing I-69 from
11 all along the corridor. If everybody here that has
12 something to do with I-69 in the State of Texas would
13 stand. Good group. Thank you all. Folks here from
14 Texarkana, the Valley and all parts in between.

15 Back to I'll answer your question now or I'll
16 answer it later. Okay, great.

17 I thought we'd take just a moment, again, we're
18 going to go back over some of the same things you've
19 already heard but I'll try to make it timely. A great big
20 thank you to John and the overview that he just gave all
21 of us about what's going on in the state. A large thank
22 you to the chairs of the segment committees and all of
23 those folks that serve on the segment committees. I know
24 in Segment 2 where I live, a lot of effort and time and
25 thought has been put into those, and to what the advisory

1 committee, under the leadership of Judy Hawley, will be
2 doing with that information that's gained from segment
3 committees.

4 We're going to talk just briefly about where we
5 think we've been, where we think we are, where we think
6 we're going and what we are willing to do as an alliance
7 to help this process along. For some of you this will be
8 a repeat. We've not had an opportunity to present before
9 the commission in quite some time, but we've been around
10 for over 17 years. We're local elected officials, cities,
11 counties, port authorities, economic development
12 organizations, chambers of commerce, businesses along the
13 34 counties in the congressionally designated I-69
14 corridor.

15 Our objective is, and has always been, to
16 upgrade US 59, US 77 and 281 to interstate standards,
17 again, running from Texarkana down through East Texas,
18 Houston, Wharton, Corpus Christi, the Lower Rio Grande
19 Valley, and Laredo.

20 We have, thanks to you, thanks to TxDOT, been
21 making some incremental improvements, and those things are
22 recognized and they are important because they get us
23 there. As we talked about, we've added up 160 miles of
24 road, there may be more than that as I listened to John
25 read the list, and I'll talk a little bit more about what

1 we have planned and what we are actually in the process of
2 doing right now to see that those sections that are
3 already to interstate standards are recognized with the
4 red, white and blue shield.

5 The department's Long-Range Transportation Plan
6 is moving to completion. We noticed as a part of that
7 that we're growing at a rate 30 percent faster than the
8 rest of the U.S. economy, and for us to continue or to
9 have an opportunity to be the leader in trade and keep
10 that economic engine running, the complete I-69 is going
11 to be so very important to us.

12 We had a couple of strategies, one of which
13 we've talked about that's already been listed, and that is
14 the designation of the existing lanes. Draft legislation
15 is already there. We have been working with our
16 consultants in Washington and at the state level to see
17 about getting changes that would allow us to go ahead and
18 put that red, white and blue shield up. So that's one
19 thing we as an alliance can do. Again, if you will, we
20 lobby for those things which are going to give us the
21 opportunity to see I-69 be a reality, and that's the one
22 thing we can do.

23 The second strategy is to continue to figure
24 out how to build the rest of I-69 efficiently and as
25 expeditiously as possible, and we've got literally

1 hundreds of folks up and down the corridor that have sent
2 in information asking TxDOT to consider that in their
3 long-range plan. We feel that in the years ahead we've
4 got to continue to do that to, again, keep us economically
5 viable.

6 We thank you for the \$270 million of American
7 Recovery and Reinvestment funding to projects along US 59,
8 77, 281 and US 83. As we noted earlier, progress is being
9 made and we appreciate that very much.

10 The missing pieces are important to extend the
11 geographic reaches of our ports, so important to us, as
12 Commissioner Holmes knows, at the ports of Houston,
13 Victoria, Corpus Christi, Brownsville and others, and it's
14 not just for our economics or our systems in Texas, we
15 have the opportunity to be the gateway to a third of the
16 country, if not more than that, and we just cannot afford
17 to put the infrastructure in place to allow us to be that
18 gateway.

19 The master plan, as I just heard from John, we
20 feel like that enough progress has been made to where the
21 master plan by the segment committees, and once the
22 advisory committee gets it and brings it back to you for
23 your approval, that we feel that we need to move beyond
24 that CDA. Which I understand, John, is that correct, we
25 have officially moved beyond that CDA. We are resolutely

1 supportive of the efforts that they're making on 77, we
2 feel like that is very important. It would be a
3 realization of what the governor talked to us about at our
4 annual meeting in Houston in 2005, I believe, so if we can
5 bring that about, it would be a great victory for all of
6 us.

7 We ask you to continue to support the segment
8 committees. They're so important to us in doing what I
9 think we all have been asked by our citizens to do, and
10 that is to bring this plan up from the bottom up.

11 The last thing, I think our goal certainly is
12 the complete I-69, and I think it's your goal too. I
13 think we all understand the importance of I-69 to the
14 future of Texas, and help us to continue. We have been
15 your partner for some 17 years and I'd say we've been good
16 partners. We've worked with each other through some good
17 times and some tough times, and we remain committed to
18 working with you to get the complete I-69.

19 We applaud the department's recent commitment
20 pertaining to the potential of \$4- to \$5 billion to be
21 spent in the next 15 years which would move it past the
22 engineering and the environmental into construction, and
23 it could happen all up and down the corridor.

24 I guess last but not least is to reaffirm to
25 you our commitment to be your partner. We have done

1 something that is pretty amazing to have held this group,
2 or a moving target of elected officials, economic folks
3 together for over 17 years for one project, and a lot of
4 folks have come and gone along the process.

5 In fact, Mr. Houghton thought that I had
6 already come and gone, but I'm still hanging around,
7 because one of these days I would like to ride on I-69
8 from border to border. I've been to Port Huron, Michigan
9 at the other end, and I would like to see it across the
10 border in the Rio Grande Valley.

11 Again, thank you so much for what you do. I
12 have a lot of wonderful friends at TxDOT, we feel an
13 affinity for you, and I'm here to answer any questions.

14 MR. HOLMES: Not a question, Judge, but I
15 wanted to acknowledge the hard work that you have put in,
16 along with all of your colleagues on these various
17 committees and segment committees.

18 Do you have a sense how many actual committee
19 members there are? I mean, it must be close to 100 or so,
20 or 150?

21 JUDGE THOMPSON: I would think so. With
22 everyone that's involved from top to bottom, yes. I don't
23 know, at our annual meeting last year in Houston we had
24 300-plus people. Since you're speaking this year, I'm
25 sure we'll have 4- or 500 people.

1 MR. HOLMES: Maybe not. I wasn't really
2 looking for that plug, actually.

3 (General laughter.)

4 JUDGE THOMPSON: I understand.

5 MR. HOLMES: But in all seriousness, as
6 Commissioner Meadows noted, I think it was last month,
7 that the I-35 committees have worked really hard, and it's
8 extremely important to TxDOT and to the state to see
9 citizen involvement. And we here at this commission
10 greatly appreciate the work that you and the committee
11 members are doing to advance the project. It's one that
12 has been ongoing since the early '90s, and we're kind of
13 nibbling away at it, we're picking off a few choke points
14 every year or two, and so we're making progress. And I've
15 got great hopes that we can achieve a badge in certain
16 portions of it in the not too distant future.

17 But thank you very much for what you do and
18 what all your folks do.

19 JUDGE THOMPSON: We appreciate you and the
20 whole commission for understanding and realizing the
21 importance of this. Any thing else? Thank you very much.

22 MS. DELISI: Richard Morrison.

23 MR. MORRISON: I'm Richard Morrison from Fort
24 Bend County. I'm the commissioner in Precinct 1. I'm
25 here to keep my promise to the commission and to

1 Commissioner Holmes that when you did something that was
2 positive I would be here and compliment you for it.

3 (General laughter.)

4 MR. MORRISON: So I'm back here again and I'm
5 here to support I-69. I think it's a good project staying
6 on the right of way of 59.

7 I'm here certainly from a selfish manner. The
8 portion from Highway 99 and 59 south to the border of Fort
9 Bend County is all in my precinct, Precinct 1, so I'm here
10 to urge both the committee and TxDOT to upgrade that
11 portion of the road and to add additional capacity. The
12 additional capacity stops there at 99 and it backs up now
13 during peak traffic periods, and to get that all the way
14 out to the southwestern border of Fort Bend County would
15 be very helpful.

16 And then last, I certainly support the southern
17 relief route or the alternate route that would serve our
18 ports, including the Port of Freeport, Port of Galveston,
19 Port of Houston. I've been having meetings in Fort Bend
20 County to see if there's any kind of support at all to
21 bring that relief route through the southern portion of
22 Fort Bend County, and I've had one public meeting and I'm
23 going to have more. So I'll be back to you with more
24 information before the spring, and thank you for allowing
25 me to speak today.

1 MS. DELISI: Thanks. David Garza.

2 MR. GARZA: Madam Chair and commissioners,
3 pleasure to be here with you this afternoon -- or this
4 morning. I've just been sitting too long, I think it's
5 afternoon.

6 I just want to come today to thank you for the
7 partnership you've allowed us to form in Cameron County
8 with TxDOT. Some years back we were challenged about how
9 we needed to get things done and how we couldn't expect
10 others to do everything for us. We came to the forefront
11 and have developed a partnership with TxDOT that has been
12 working greatly for our county. We're not here saying
13 where is our handout, we're here saying how can we partner
14 with you and how can we facilitate and what tool will best
15 fit what we need to get done to connect our Valley to the
16 interstate.

17 And I think the commitment that the CCRMA made
18 a couple of weeks ago in regards to the RFQ for the CDA
19 agreement is a commitment that we're looking for because
20 we know that the other one was dead, we know that we
21 needed to figure out a way to not allow that environmental
22 assessment that you will have done for that particular
23 project, hopefully by early next year, and we need to
24 utilize that with our ability to move projects forward.

25 The signage on the projects are great, the

1 progress is ongoing. Hopefully within the year the
2 Willacy part will be under construction thanks to TxDOT
3 and thanks of the RMA for funding the PS&E for that. We
4 were challenged to do that and we got there.

5 What we're ready to do for you is the
6 transportation authorization bill at the federal level is
7 coming up and we stand forth and ready to say to you let
8 us know how we can help from our area. We've got rail
9 projects, we've got road projects, we've got bridge
10 projects, we've got international projects that are
11 ongoing. Two years ago when I first stood here for a
12 while, we talked about a conceptual plan that was \$1.7
13 billion for our county. Today \$180 million of that is
14 under construction. So we're moving forward. And the CDA
15 that we're looking at includes about \$1.1 billion worth of
16 projects.

17 With the leadership of TxDOT that have been
18 with us, guiding us throughout the whole process, we've
19 been able to at least get to this level and we look
20 forward to that partnership continuing. Thank you.

21 MS. DELISI: Thank you, Commissioner.

22 MR. MEADOWS: Madam Chair?

23 MS. DELISI: Yes, sir.

24 MR. MEADOWS: Are there any more cards?

25 MS. DELISI: No, sir.

1 MR. MEADOWS: I know Commissioner Holmes has
2 very correctly and eloquently expressed appreciation to
3 the participants in this planning process, but I just have
4 to say we ought to pause and think about the number of
5 individuals that have volunteered, have spent their money
6 to travel, have spent their time, I mean, countless
7 thousands of hours, to advance what is, in fact, a very
8 comprehensive and thoughtful plan that lays out the way in
9 which or manner in which we would address this really
10 important challenge in transportation in Texas. We just
11 really need to emphasize how much we do appreciate it.

12 And I think the other thing that strikes me
13 coming out of this are the creative notions, for example,
14 this branding by segment, those notions really emanated
15 from the citizenry. That's really where they came from,
16 and we've embraced them and we've supported them, but
17 that's the sort of creative thinking that results from
18 this planning effort.

19 And I think the last point I'd make with regard
20 to this sort of planning effort, as this agency has been
21 over the last several years criticized for the way in
22 which we plan, I'm not sure there's a full appreciation
23 for the fact that we have completely redefined the way in
24 which we plan these corridors in advance. I mean, you
25 look at MY35, you look at I-69, you look at the way we're

1 doing this, and I think it is important to point it out.
2 And I think it's important to point out that we're doing
3 it, working in collaboration, or maybe beyond
4 collaboration. The citizenry truly are leading the effort
5 and they need to be thanked. I very much appreciate what
6 people are doing.

7 MR. SAENZ: Thank you, Commissioner Meadows.

8 I want to thank the segment committee members
9 for your countless hours and the great work that you've
10 done. Of course, the advisory committee for the whole
11 corridor is now going to kind of start working. Of
12 course, our partners forever have been the I-69 Coalition.

13 I remember the 17 years, Judge, both of our hair was a
14 lot darker. And we look forward to continuing to work on
15 the development of this very important project and very
16 important corridor.

17 Commission, moving on to agenda item number 3,
18 Dave Fulton will present a minute order before you to
19 award some federal funding for some airport improvement
20 projects.

21 MR. FULTON: Thank you, Amadeo.

22 For the record, my name is Dave Fulton,
23 director of the TxDOT Aviation Division.

24 This minute order contains a request for grant
25 funding approval for eleven airport improvement projects.

1 The total estimated cost of all requests, as shown in
2 Exhibit A, is approximately \$11.6 million: approximately
3 \$9.2 million in federal funding, approximately \$700,000 in
4 state funding, and \$1.7 million in local funding.

5 A public hearing was held on October 21. No
6 comments were received. We would recommend approval of
7 this minute order.

8 MS. DELISI: Is there a motion?

9 MR. UNDERWOOD: So moved.

10 MR. HOUGHTON: Second.

11 MS. DELISI: All in favor?

12 (A chorus of ayes.)

13 MS. DELISI: The motion passes.

14 MR. FULTON: Thank you.

15 MR. SAENZ: Thank you, Dave.

16 Agenda item number 4, commissioners, Bill
17 Glavin, director of the Rail Division, will present for
18 your approval a minute order concerning the approval of
19 the Texas Rail Plan. Bill.

20 MR. GLAVIN: Thank you, Amadeo

21 For the record, my name is Bill Glavin. I'm
22 the director of the Rail Division for the Texas Department
23 of Transportation.

24 It's a pleasure to be here to present the Rail
25 Plan. It's a culmination of many long hours of work with

1 many different groups involved, led by the TxDOT Rail
2 Division, Center for Transportation Research, University
3 of Texas, Cambridge Systematics, and of course, the
4 citizens of Texas.

5 PRIIA, the federal Passenger Rail Investment
6 and Improvement Act of 2008, requires that states develop
7 a state rail plan covering both freight and passenger rail
8 systems in order to qualify for federal funding. Also,
9 Texas Transportation Code 201.6013 requires the department
10 to prepare a long-term plan for a statewide passenger rail
11 system.

12 The Texas Rail Plan has been developed to
13 establish a common rail vision for the state to enhance
14 our opportunities to receive federal funds. Work on the
15 plan started in late 2009 with the identification of the
16 issues and the formulation of a process to move forward
17 with the development of the plan. These plans were
18 described in detail at the March and June commission
19 workshops.

20 During May of this year, seven stakeholder
21 meetings were held across the state with various
22 interested parties; 371 individuals were invited and 264
23 attended. These meetings served as the basis of the
24 preliminary draft of the Rail Plan which was reviewed by a
25 steering committee developed from the attendees of the

1 stakeholder meetings. The preliminary draft was made
2 available online on July 29. A series of 10 public
3 meetings were then held across the state in August to
4 discuss the plan; 523 citizens attended these meetings.

5 Comments were taken beginning with the posting
6 of the plan. Based on 195 comments received and the
7 results of 86 questionnaires submitted during and after
8 the public meetings, the plan was revised and the revised
9 draft was made available online on September 17 in advance
10 of a public hearing on October 6. At the public hearing
11 59 individuals signed the attendance sheet and there were
12 nine oral and two written comments. After the hearing, an
13 additional 282 comments were received.

14 Of these comments, 155 were generally
15 supportive of the Rail Plan, advocated a particular
16 project or initiative discussed in the plan, raised issues
17 that could not be independently verified, or covered
18 issues that were beyond the scope of the plan. Sixty-
19 seven comments anticipated the results of future studies
20 by recommending passenger routes or city pairs, will
21 require additional study and analysis, and therefore, will
22 have to be addressed in future versions of the plan. The
23 remaining 60 comments were included in or amended the
24 Texas Rail Plan.

25 The plan exceeds 450 pages that are divided

1 into an executive summary and seven chapters. Salient
2 features of the freight rail chapter of the plan are its
3 documentation of the existing freight network, the fact
4 that Texas leads the nation in the miles of rail lines
5 within the state, 42 percent more than the second place
6 state, Illinois.

7 In 2008 Texas was fourth in the nation in
8 originating tonnage, 35 percent of which is petroleum and
9 plastic products coming out of the Gulf Coast. We were
10 first in the nation in terminating tonnage, a third of
11 which is Powder River Basin coal providing electricity to
12 the citizens of Texas. This highlights the importance of
13 freight movement as an economic engine for the state, its
14 ports and its industries. It emphasizes the vision that
15 any passenger considerations must not adversely impact
16 these freight movements.

17 The plan also identifies a number of
18 opportunities to improve freight flows by addressing
19 bottlenecks, such as Tower 55, and recommends solutions to
20 additional capacity issues that will arise as the state
21 continues to grow.

22 The passenger rail system chapter defines the
23 current passenger rail, commuter rail and transit systems
24 within the state, as well as ongoing initiatives such as
25 the Lone Star Plan to relocate the Union Pacific thru

1 freight traffic from the existing route between Taylor and
2 San Antonio and re-task that corridor for commuter rail
3 and local freight operations.

4 In regard to high-speed and intercity passenger
5 rail, the plan outlines past initiatives and discusses the
6 studies necessary to position Texas for future federal
7 funding. It includes the fact that Texas has three of the
8 top ten most populous metropolitan areas in the nation,
9 all within less than 300 miles of each other which puts
10 them square in the wheelhouse for high or higher speed
11 rail. The plan reveals that 85 percent of the \$8.5
12 billion awarded in January and the \$2.4 billion awarded in
13 October by the FRA was congressionally mandated to be
14 spent on defined corridors, and as such, Texas was not
15 qualified to apply for those funds.

16 The plan discusses the next steps, the fact
17 that we were awarded \$5.6 million to study and progress a
18 study on the Oklahoma City to South Texas corridor which
19 will enable us to apply for those defined corridor funds.

20 However, it points out that we still need funding for
21 other routes across the state. These required studies
22 will examine ridership and routes, create service
23 development plans and service level NEPAs. They will be
24 concurrent and iterative looking at various velocities,
25 city pairs and configurations.

1 As velocities increase, the cost of initial
2 construction and the ongoing operation and maintenance
3 costs will increase disproportionately, however, ridership
4 will increase as well. We expect, based on passenger rail
5 operations across the world, that there will be gaps in
6 the costs and in those revenue streams. These studies
7 will help quantify these costs.

8 Indications from the public meetings and from
9 other states indicate that frequency and reliability of
10 service are more important to the public than maximum
11 velocity. For example, the Amtrak Acela train that
12 operates in the northeast corridor has a top speed of 150
13 miles per hour, however, the average speed between Boston
14 and New York City is 66 miles per hour, the average speed
15 between New York and Washington is 82 miles per hour.
16 This average speed thus becomes a more relevant measure.

17 Finally, this chapter emphasizes the importance
18 of connectivity at the nodes. This is the infrastructure
19 such as commuter rail, light rail, bus rapid transit,
20 buses, rental cars, taxis and such that gather and
21 distribute the passengers from and to the depots
22 connecting them to venues, businesses and their homes.

23 The chapter on rail safety discusses accident
24 and injury trends on the railroads and at grade crossings.

25 It indicates that though there has been significant

1 progress, we still have a long way to go. It examines
2 Texas safety inspection programs, discusses new
3 technologies for the protection of grade crossings, and
4 the next steps necessary to further improve safety.

5 The chapter on financial options looks at
6 various funding programs that are available for rail
7 initiatives at the federal and at the state levels for
8 both freight and passenger rail. It also celebrates the
9 funding successes that Texans have enjoyed. The plan
10 discusses models for private-public partnerships and a
11 financial strategy going further.

12 The final chapter summarize short-term and
13 long-term programs. The short-term program, or five
14 years, includes projects and studies that have been funded
15 for Fiscal Year '11 and those that have been included in
16 the Legislative Appropriation Request of the department,
17 both as baseline and exceptional items for Fiscal Years
18 '11 and '13. This includes projects such as Tower 55,
19 improvements to the state-owned South Orient Railroad, and
20 the aforementioned planning studies for passenger routes
21 between Oklahoma City and South Texas traversing through
22 DFW, Austin and San Antonio.

23 The long-term program includes studies and
24 improvements that are not yet funded. Short-term
25 passenger rail studies will further define the needs over

1 the long term. Additional freight studies need to be
2 completed to have all the identified improvements.

3 A key part of this chapter is a prioritization
4 method prepared by TTI that was used to prioritize the
5 nearly \$8 billion worth of freight improvements that have
6 been identified. These criteria relate to the
7 department's long-range strategic plan and include
8 economic impact, environmental and social impact, asset
9 preservation, safety and security, connectivity,
10 congestion relief, system capacity and cost-effectiveness,
11 project development, partnership and innovations.

12 This prioritization method is largely
13 qualitative at this time but we're examining ways to make
14 it more quantitative. As currently weighted, and this
15 weighting was refined by the steering committee, the
16 prioritization process will only be used for state funds
17 such as those authorized by the legislature or the Texas
18 Rail Relocation and Improvement Fund.

19 For various federal funding programs such as
20 future high-speed and intercity passenger rail or TIGER-
21 type grant programs, the weighting criteria will be
22 redefined based on both state objectives and the
23 requirements of the individual programs as approved by the
24 commission to guide project selection. For the
25 prioritized list, the state will be able to focus its

1 limited resources on developing and implementing the most
2 important projects. It will have a list of improvements
3 waiting as additional funding may be come available.

4 These are the highlights of the Texas Rail
5 Plan. The proposed minute order approves the Texas Rail
6 Plan, and staff recommends the approval of this minute
7 order.

8 MS. DELISI: Thanks, Bill.

9 Are there any questions for Bill? Is there a
10 motion?

11 MR. HOUGHTON: So moved.

12 MS. DELISI: Oh, I'm sorry. We have a speaker.
13 Maureen Crocker. Sorry. I got ahead of myself.

14 MS. CROCKER: Good morning, Madam Chair and
15 commissioners. My name is Maureen Crocker. I'm the
16 executive director of the Gulf Coast Rail District in the
17 Houston Metropolitan area.

18 As Commissioner Holmes knows well, the rail
19 district was created by Harris County, Fort Bend County,
20 the City of Houston, and the Port of Houston Authority and
21 has been joined also by Galveston County, Waller County,
22 and by the end of the year Montgomery County will be a
23 member. And the local officials throughout the region
24 have created the rail district to maximize the freight
25 rail infrastructure that has enabled the growth of that

1 region historically and will be integral to the ongoing
2 growth of that region.

3 And this philosophy, improvement of the rail
4 infrastructure can be a win-win for the region and the
5 state. There are 1,000 shippers in the Houston region
6 that are dependent on that network. Moving their
7 shipments will provide benefits to state and local
8 coffers. Freight traffic is expected to double. We need
9 to remove as many trucks from the roadways as possible.

10 And the population will grow. Three to four
11 million people will be added to that region in the next 20
12 years. We need an alternative to the highways to move
13 people and freight, and that is why local elected
14 officials have created the rail district to work on that,
15 and we're doing it in partnership with TxDOT.

16 Commissioner Holmes is a member of the rail
17 district board of directors. The TxDOT Houston District
18 has recently authorized use of their auditorium for rail
19 district board meetings, so we have a good working
20 relationship with TxDOT.

21 The philosophy of these local officials is
22 entirely consistent with that outlined in the State Rail
23 Plan. Improvement of this existing infrastructure can be
24 a win-win for the state on freight and for passenger
25 movement.

1 The corridor identified by TTI as the best city
2 pair in the state for passenger rail is Houston to Dallas-
3 Fort Worth. With that one corridor you can connect
4 approximately half of the state's population. You will
5 hear from local officials at both ends of that corridor
6 about prioritizing that project.

7 We look forward to working with TxDOT on this
8 Rail Plan, we support the process. The Rail Division has
9 done a great job in working with local officials to put
10 this together and taking input, and we appreciate
11 everything that you've done so far.

12 MR. HOLMES: Maureen, you do a great job and I
13 appreciate all your efforts.

14 I think it's important to note the growth in
15 cargo movements in that region, and just for the new
16 container facility at Bayport there are estimated to be an
17 additional 7,000 trucks a day from that one facility, and
18 so the more that we can move by rail which requires
19 improvements to that freight rail system, the better off
20 we'll be in that region.

21 MS. CROCKER: Exactly. And the study that
22 TxDOT completed two years ago, the Houston Region Freight
23 Study, has identified some bottlenecks that exist now that
24 if fixed in the near term could really help with movement
25 of those containers and the ones that will follow with the

1 Panama Canal expansion.

2 MS. DELISI: Thank you.

3 All right. So let's just go back. Can I get a
4 motion?

5 MR. HOUGHTON: So moved.

6 MR. HOLMES: Second.

7 MS. DELISI: All in favor?

8 (A chorus of ayes.)

9 MS. DELISI: The motion passes.

10 MR. SAENZ: Thank you, Bill. And good job to
11 you and your staff and all of the people that helped you
12 put the Rail Plan together.

13 Agenda item number 5, commissioners, deals with
14 the promulgation of administrative rules. 5.a deals with
15 final adoptions, and Mark Tomlinson will present to you a
16 minute order with final adoption of rules for dealing with
17 toll projects.

18 MR. TOMLINSON: Good morning, Mr. Saenz. My
19 name is Mark Tomlinson, director of the Texas Turnpike
20 Authority Division of TxDOT.

21 This minute order adopts amendments to Section
22 27.82 concerning establishing electronic toll collection
23 customer account fees. These amendments remove the
24 specific amounts listed for customer account fees that
25 exist in the rules today and provide that those fees will

1 be set by minute order by the commission, hopefully later
2 in your meeting today. Currently those fees are set out
3 and the actual amounts are set in the rules.

4 The amendments to Subsection C provide that the
5 commission will set the customer account fees by minute
6 order. In setting those fees, the department considers
7 the cost of operations, including estimated cost to the
8 department for labor, material storage, bank fees, as well
9 as requirements by the project bond covenants. These fees
10 are not intended to be revenue-producing, they're meant to
11 cover the cost of the operations that we have, and
12 hopefully we can correctly adjust those over time in a
13 more efficient manner through minute order rather than
14 amending rules.

15 We accepted comments on these proposed
16 amendments up to five o'clock on July 12, 2010. No
17 comments were received, so staff would recommend your
18 approval of the minute order. And I'd be happy to answer
19 any questions I can.

20 MR. MEADOWS: Mark, I'm curious. I've got some
21 comparative data that compares similar fees from the
22 different tolling agencies in the state, and certainly
23 there's some inconsistencies between what we're proposing
24 and what others charge, and in most instances we're
25 higher. So that obviously concerns me.

1 I'm curious. We have a group of the tolling
2 agencies in the state that meet on a regular basis and
3 talk about various challenges, processes, procedures. I'm
4 curious as to whether or not we took the chance, the
5 opportunity to discuss these proposed fees with these
6 other providers of toll services in the state.

7 MR. TOMLINSON: Well, I need to point out that
8 I believe the fees that you're reviewing there are our
9 administrative fees as opposed to the customer service
10 fees that we're talking about today. The fees that are in
11 this --

12 MR. MEADOWS: Then why would I have gotten this
13 this morning?

14 MR. TOMLINSON: Well, I think it was in answer
15 to your question about the comparison between the
16 administrative fees between the various toll entities, and
17 to be more specific, those are charges for the tags, the
18 mailed invoice -- I'm sorry -- actually, it does include
19 some of the customer account fees such as the cost of the
20 tag, the invoice fee, this also has violation fees for
21 when an account goes into violation, and those fees are
22 not accounted for in these customer fees.

23 I guess to be more specific, the fees that
24 we'll ask you to approve through minute order later in the
25 meeting include a fee for the tag, specialty tags, mailed

1 or faxed account statements, returned checks, and account
2 reactivation. So I think what you have includes those
3 fees but other violation fees as well.

4 MR. MEADOWS: Well, I'm a little confused
5 because perhaps I just didn't ask the question properly.
6 I thought I was asking the question properly which was I
7 just wanted to see, as one might naturally want to see,
8 how our fees that are being proposed compared to other
9 toll people in the same business in the State of Texas
10 that are charging the same thing and serving the citizens
11 we all serve. So I'm curious now as to why I didn't get
12 this mysterious information.

13 How was I supposed to have asked the question?
14 Perhaps I should ask you that.

15 MR. TOMLINSON: Well, I think you did ask if we
16 had coordinated these fees with the other entities, and in
17 detail we haven't. We've talked about them in general in
18 the toll operation meetings that we've had previously, two
19 meetings to date, one here and one up in Plano with NTTA.

20 We did this analysis for comparison but we haven't gone
21 in detail working with the other entities to see where
22 commonality can be met.

23 I guess some observations, it appears the
24 charge for the tags, the cost for the tags are relatively
25 similar. We currently don't charge for tags for our

1 TxTags. Through the minute order that will come before
2 you later, we will begin charging unregistered account
3 holders for the tags.

4 In general, there's just a lot of different
5 business rules, a lot of different procedures that various
6 entities follow in how they define violations and how they
7 progress through violation charges. So it's tough to
8 compare in an apple-to-apple approach.

9 I guess our analysis, what we've looked at from
10 a limited basis, we feel that there is some commonality.
11 In particular, say once a violation ages to collections we
12 charge \$25 fee, as does NTTA, CTRMA has a \$60 charge,
13 HCTRA has a \$42 charge.

14 MR. HOUGHTON: Commissioner, I have not seen
15 what you have in your hands.

16 MR. MEADOWS: I felt like that I was just doing
17 some due diligence trying to understand what these fees
18 meant in a relative comparison because that's really what
19 you'd want to look at.

20 MS. DELISI: Can I recommend can we defer this
21 and get a copy of this?

22 MR. MEADOWS: Yes. I don't want to do this
23 today, I'm not comfortable.

24 MR. SAENZ: Commissioners, what I would
25 recommend is this agenda item is the final adoption of the

1 rules. We have a minute order that will set the fees for
2 certain items that's going to come before you in a little
3 bit. The adoption of the rules set the process and allows
4 a process that would set the fees by minute order instead
5 of having to amend rules every time. So if we adopt the
6 rules we've set the process, and then the actual passage
7 of the actual fees can be discussed as part of that minute
8 order.

9 MR. HOUGHTON: I thought I was the only one,
10 the long ranger that has been not briefed on this, but I
11 think by others on this commission.

12 MR. MEADOWS: I'd be happy to make a motion to
13 deny, but I guess we could continue.

14 MR. HOUGHTON: I would take a defer.

15 MR. MEADOWS: I would rather defer it and get
16 the information that everybody has the benefit of the same
17 information. But we can do it either way you want to do
18 it.

19 MR. HOUGHTON: I would defer.

20 MS. DELISI: Bob.

21 MR. HOUGHTON: The hall monitor is here.

22 (General talking and laughter.)

23 MR. JACKSON: Bob Jackson, General Counsel,
24 here to make this a little more confusing. Defer till
25 when?

1 MR. HOUGHTON: Next month.

2 MR. JACKSON: These rules are lapsing. You
3 have to adopt rules within six months or we run out of
4 time, so if you don't adopt these rules today we would
5 need to start the process over again.

6 MS. DELISI: Okay. Let me ask a question. So
7 this is the rule, it's not the rates. Correct? We all
8 understand that?

9 MR. MEADOWS: Yes.

10 MS. DELISI: Okay. If we were to adopt the
11 rule without the rates, what would happen?

12 MR. JACKSON: That would be another possible
13 problem in that if you adopt the rules and not the rates
14 and if the rules go into effect within 20 days like they
15 normally do, you have no more rates. You could change the
16 rule to have a later effective date. You can move the
17 effective date of the rules to whatever you want to give
18 you another month or two to work out the rates.

19 MR. HOLMES: So if I understand this correctly,
20 if we adopt this rule we need to amend the motion to
21 change the effective date?

22 MR. JACKSON: If you're not going to adopt the
23 minute order down the line that sets the rates. Yes.

24 MR. HOLMES: I don't hear a lot of enthusiasm
25 for that.

1 MR. JACKSON: Right.

2 MS. DELISI: I'm sorry. Not a lot of
3 enthusiasm for what?

4 MR. HOLMES: Adopting the rates.

5 MS. DELISI: Right. Well, adopting any rates
6 or these rates?

7 I'm sorry. Go ahead.

8 MR. SAENZ: Commission, what I would recommend
9 is the adoption of the rules so that they do not lapse
10 with a delayed effective date that would allow us to then
11 bring back to you a minute order, if it's not adopted this
12 month, next month with the rate structure and the logic
13 and justification for that rate structure.

14 MR. MEADOWS: That would be fine with me. Let
15 me just say I don't have enough information. This may be
16 just fine, this may be perfectly fair and consistent and
17 all that, but there's no way that we as a commission know
18 that because apparently you all didn't even have the
19 benefit of as much information as I did. I'm concerned
20 with that, obviously.

21 MS. DELISI: So is everyone okay with amending
22 the effective date of the rule? Where is it?

23 MR. SAENZ: Commission, I would say we would
24 make the effective date February 1.

25 MR. HOLMES: I'm sorry. Effective date of

1 what?

2 MR. SAENZ: February 1, 2011.

3 MS. DELISI: What's the current effective date?

4 MR. SAENZ: The current effective date if you
5 were to pass them today, they would come into effect in 20
6 days. We would post them and they would become in effect
7 in 20 days. By amending the motion we could delay that to
8 whatever date you all would want to do, and I would
9 recommend that February 1 would be the effective date.

10 MS. DELISI: So that gives us two months.

11 MR. SAENZ: Yes, ma'am.

12 MS. DELISI: Bob, is that okay?

13 MR. JACKSON: What date?

14 MS. DELISI: February 1, 2011.

15 MR. JACKSON: Yes.

16 MR. UNDERWOOD: I've got a quick question,
17 though, before we vote on this.

18 MS. DELISI: Go ahead.

19 MR. UNDERWOOD: Now, the changes that are being
20 made in this that we're about to vote on are what?

21 MR. JACKSON: Allowing the commission to set
22 certain fees and rates by minute order instead of by rule.

23 MR. UNDERWOOD: That's what I want to make sure
24 the commission understands.

25 MS. DELISI: Absolutely.

1 MR. MEADOWS: Yes, we do.

2 MS. DELISI: We could come back in two months
3 and adopt the exact same rates.

4 MR. MEADOWS: Exactly.

5 MR. UNDERWOOD: Instead of rules we're talking
6 about minute orders which means we can make changes as we
7 go along anytime.

8 MS. DELISI: Yes.

9 MR. UNDERWOOD: I want to make sure everybody
10 understands.

11 MR. JACKSON: If you want to give yourself till
12 January, then I would suggest even going later than
13 February 1.

14 MR. HOLMES: We can always do it sooner.
15 Right? And if we said March 1, we could do it earlier.

16 MR. JACKSON: If you're picking February 1 as
17 the effective date, then you're going to really need to
18 set the rates in December. If you want to give yourselves
19 a chance to maybe do this in December, then I would
20 suggest going to March 1.

21 MS. DELISI: So then I'm going to suggest, and
22 if somebody wants to make the motion.

23 MR. HOUGHTON: So moved.

24 (General laughter.)

25 MS. DELISI: Well, let me make the suggestion

1 and then you can make the motion.

2 MR. HOUGHTON: Whatever it is.

3 MS. DELISI: I'm going to suggest March 1 as
4 the effective date. So is there a motion to amend -- what
5 are we amending, the rule?

6 MR. HOUGHTON: The date.

7 MR. JACKSON: We'll put it in the preamble to
8 the rule that the rules will go into effect on March 1.

9 MS. DELISI: Okay. Can I get that motion,
10 please?

11 MR. HOUGHTON: So moved.

12 MR. HOLMES: Second.

13 MS. DELISI: All in favor?

14 (A chorus of ayes.)

15 MS. DELISI: The motion passes.

16 MR. SAENZ: Thank you.

17 Agenda item number 5.b deals with proposed
18 adoption of rules, we have two items there. 5.b(1) Bill
19 Glavin will present a minute order to you proposing new
20 rules that will combine all of the rail functions into one
21 chapter.

22 MR. GLAVIN: Again for the record, my name is
23 Bill Glavin, director of the Rail Division for the Texas
24 Department of Transportation.

25 Due to the department's increasing

1 responsibilities in rail transportation in Texas, the
2 department created the new Rail Division effective
3 December 1, 2009. Therefore, the department is amending
4 its rules relating to rail facilities to correct statutory
5 citations, to make non-substantive changes, and to reflect
6 changes in federal regulations cited in the rules.

7 However, there are several substantive changes relating to
8 contracting of rail operators and leasing rail facilities.

9 The minute order proposes the repeal of Section
10 7.1 and Section 7.13, adopting a new Section 7.13 and
11 making amendments to Sections 7.10 through 7.12, Sections
12 7.20 through 7.22, Sections 7.30 through 7.42, all
13 relating to rail facilities as codified under Chapter 7,
14 Rail Facilities in Title 43 of the Texas Administrative
15 Code, Part 1.

16 In regard to contracting with rail operators
17 and leasings, Section 7.13, Leasing of Rail Facilities, is
18 repealed and replaced with a new Section 7.13. This
19 revised section provides that the department may contract
20 with a public or private entity to operate or lease a rail
21 facility acquired or constructed by the department. The
22 new section retains most of the existing language but
23 clarifies that the department will use a competitive
24 process for both contracts with rail operators and for
25 leases.

1 It also adds provisions that except the
2 department from competitive process requirements for
3 certain types of contracts such as when engaging in a
4 competitive process with a rail operator for a period of
5 less than 90 days would hinder unduly the department's
6 ability to hire operators for short periods of time.
7 Additionally, Transportation Code Section 91.051, 91.052
8 and 91.102 exempt the department from competitive bidding
9 requirements when contracting with public entities.

10 Finally, when the department devotes rail
11 resources in a region for a narrow purpose, for example,
12 the purpose of economic development or safety, it may use
13 its resources to develop the segment and lease it to an
14 adjacent railroad without competition.

15 The minute order presented for your
16 consideration authorizes the publication of the proposed
17 rules for adoption in the Texas Register for the purpose
18 of receiving public comment. Staff recommends approval of
19 this minute order.

20 MR. HOUGHTON: So moved.

21 MS. DELISI: Is there a second?

22 MR. UNDERWOOD: Quick question. Basically what
23 we're doing with this, Bill, is that we're proposing the
24 rules to get comments on at this point in time.

25 MR. GLAVIN: That is correct, sir.

1 MR. UNDERWOOD: Okay. Second.

2 MS. DELISI: All in favor?

3 (A chorus of ayes.)

4 MS. DELISI: The motion passes.

5 MR. SAENZ: Thank you, Bill.

6 Agenda item number 5.b(2) deals with proposed
7 rules dealing with Chapter 21, Right of Way, and John
8 Campbell will present that minute order.

9 MR. CAMPBELL: Good morning. For the record,
10 my name is John Campbell, director of the Right of Way
11 Division.

12 I'd like to present for your consideration this
13 morning agenda item 5.b(2) which provides for proposed
14 amendments to the department's programs for the regulatory
15 control of outdoor advertising. Specifically, these
16 amendments propose the repeal of Subchapter I entitled
17 Regulation of Signs along Interstate Primary Highways, and
18 new Subchapter I by the same title. It also proposes the
19 repeal of Subchapter K entitled Control of Signs along
20 Rural Roads, and proposes a new Subchapter K as well. In
21 addition, we're proposing a new Subchapter J entitled
22 Regulation of Electronic Signs, and a new Subchapter K
23 entitled Control of Signs along Rural Roads, and a new
24 Subchapter Q entitled Regulation of Directional Signs.

25 These proposed amendments address changes in

1 four specific areas to the regulatory control of outdoor
2 advertising. Those areas are: to amend the fee
3 structure, to streamline the current regulations, increase
4 consistency between the federal and the state programs, as
5 well as to improve consistency in enforcement.

6 Public comments will be accepted until 5:00
7 p.m. on Friday, January 28 of 2011, and during the comment
8 period we'll conduct a public hearing that will be held
9 Monday, January 10 of 2011 at 8:30 here in this room at
10 the Greer Building.

11 I'd like to take this opportunity to
12 acknowledge the effort and thank the members of the
13 Outdoor Advertising Rules Advisory Committee that you all
14 appointed us to assist us in coming up with the language
15 and just engaging more of the impacted and interested
16 parties into the discussion developing these rules.

17 Staff recommends your approval of the rules as
18 proposed, and I'm pleased to answer any of your questions.

19 MR. HOUGHTON: John, can we defer this till
20 January 20?

21 (General laughter.)

22 MR. CAMPBELL: You can certainly defer these
23 rules to whenever you would like. I will remind you this
24 is the third time that I've presented these.

25 MR. HOUGHTON: John, is 2015 okay?

1 MR. BARTON: John Barton, assistant executive
2 director, Engineering Operations. This staff member would
3 strongly discourage the postponement or deferment of this
4 action item today.

5 MS. DELISI: I don't know. What does
6 Commissioner Meadows think?

7 (General talking and laughter.)

8 MS. DELISI: Well, we've got some people signed
9 up. I'd like to call up Tim Anderson.

10 MR. ANDERSON: Good morning, Madam Chair,
11 commissioners. Tim Anderson, Outdoor Advertising
12 Association of Texas.

13 I confess that I am in unfamiliar waters today
14 in front of you. I have nothing to do but give
15 compliments, something that most of us in the billboard
16 industry don't do very often, but I do want to start with
17 compliments to this commission itself for the insight in
18 creating the Outdoor Advertising Committee on which I'm
19 fortunate enough to serve, and the opportunity to bring
20 those who have diverse opinions and those who are usually
21 standing where I stand today and having their opinions
22 expressed, bringing us together so that they can be heard
23 in a different forum.

24 I also want to give credit to Mr. John Barton,
25 Ms. Becky Blewett of General Counsel, Mr. Gus Cannon of

1 Right of Way, along with Mr. Campbell, for running the
2 committee and having the foresight to say that we were not
3 there to serve an agenda of the industry nor were we there
4 to serve an agenda of any opposition groups, but we were
5 there to create best practices for the department to
6 administer this regulatory function.

7 The association supports these rules. Do they
8 need tweaking? Absolutely, and we will have suggestions
9 at the appropriate time. But one of the things for any
10 regulated industry is the importance of knowing what
11 conduct is expected of you by those who regulate you.
12 These rules are much more extensive, are much more well
13 thought out than the rules that were prior, and as such,
14 should be easier on the whole to follow by the industry in
15 knowing what to do and what not to do.

16 But of paramount importance to this commission
17 and to this department because of the superior enforcement
18 provisions that were put in and agreed to, I believe, by
19 the committee, TxDOT is going to be able to enforce their
20 rules when they're passed -- as I expect they will be --
21 enforce them in a manner that should significantly reduce
22 the number of those darn billboard guys that you always
23 hear in the back rooms of the department, having been in
24 the back rooms saying that quite often.

25 We have at least a dozen people from the

1 industry here in the audience who support these rules, and
2 we look forward to the comment period and hopefully being
3 able to appear before you again to approve them.

4 Are there any questions?

5 MS. DELISI: Any questions?

6 (No response.)

7 MS. DELISI: Thanks, Tim.

8 MR. ANDERSON: Thank you.

9 MS. DELISI: Carroll Shaddock.

10 MR. SHADDOCK: Good morning, Madam Chair,
11 commissioners. I served on the advisory committee in my
12 capacity as executive director of Scenic Texas,
13 representing Scenic Texas. I also am of counsel in the
14 law firm of Locke Lord Bissell & Liddell, and we represent
15 Harlan Crow with respect to issues of beautification in
16 the State of Texas.

17 I would like to concur in just about everything
18 Tim Anderson said.

19 MR. HOUGHTON: Carroll, I didn't realize you
20 were in that law firm. Is that true?

21 MR. SHADDOCK: Yes.

22 MR. HOUGHTON: You practice with Brian Cassidy?

23 MR. SHADDOCK: Yes.

24 MR. HOUGHTON: Is there a conflict here,
25 counsel, of some sort?

1 (General laughter.)

2 MR. SHADDOCK: Thank you. I concur in what has
3 been said so far. I think that these rules are a great
4 step forward in terms of having certainty of meaning and
5 also effectiveness of enforcement. Of course, they do not
6 attempt, as Mr. Anderson said, to deal with substantive
7 issues concerning whether our sign laws work well, a
8 matter that's been of concern to us with respect to the
9 construction of new billboards in rural areas.

10 I did send a letter in which I mentioned two
11 areas with which Scenic Texas would like to register right
12 at the outset our concern about and our disagreement with,
13 only two of the many, many things that are proposed.

14 The first of these is that TxDOT has in the
15 past not permitted two sign faces to be placed on one
16 pole, and there's a proposal in the amendment that would
17 permit that occur so that a sign face could be put on each
18 side of a sign structure. We note the concern both for
19 safety and aesthetics that's been much expressed and
20 discussed with respect to digital signs, and so we think
21 it's not a good policy now to create some way in which
22 more digital signs can be produced by having two on a pole
23 rather than one. So that is a matter we think of concern
24 and we believe that the commission should consider that
25 seriously and we think, in fact, continue the present

1 interpretation by actually having it clearly stated in the
2 rules.

3 Secondly, the effects of the night sky are, I
4 think, a new topic but we are concerned that the night sky
5 is being affected especially in rural unincorporated areas
6 by upward facing lights. We think this subject deserves
7 more study and that we need to try to do everything we
8 can, within the context, of course, of understanding that
9 outdoor advertising structures must be visible and lit so
10 that they can be read, but that steps be taken to protect
11 the night sky. And in that respect, our immediate
12 recommendation would be that in unincorporated areas
13 upward lighting not be allowed and that in incorporated
14 areas it be limited to two luminaries.

15 Thank you providing me the opportunity to give
16 my comments.

17 MS. DELISI: I have a quick question. Are
18 there currently any limitations on lighting in our rules?

19 MR. SHADDOCK: I want the staff to check me out
20 here, but I think no. Is that correct?

21 MR. CAMPBELL: There are no current specific
22 limitations on the quality of the lighting in terms of its
23 brightness. The quantity, the quality, the direction that
24 it's pointed.

25 MR. HOUGHTON: Or if they're technically

1 advanced, like there's now direct lighting versus flood
2 lighting.

3 MR. CAMPBELL: Correct. There are no
4 provisions to that effect.

5 MS. DELISI: So then the proposed rules do
6 actually limit lighting, just not as much as Scenic Texas
7 would like to. So it's a step in the right direction but
8 not the full step. Is that an accurate portrayal of your
9 position?

10 MR. SHADDOCK: I was mindful driving up in the
11 dark this morning from Houston in particular, and I saw
12 very few signs that had more than four luminaries. So I
13 don't know that it's a practical limitation in terms of
14 what's happening.

15 MS. DELISI: But our rules would allow 20.

16 MR. CAMPBELL: There are no provisions in the
17 current rules under consideration to further limit
18 lighting.

19 MS. DELISI: Okay. Great. Thank you.

20 MR. MEADOWS: I have a quick question about
21 digital signs to our staff.

22 MR. SHADDOCK: Yes, sir. Thank you.

23 MR. MEADOWS: Thank you very much. We
24 appreciate your interest.

25 Of the let's say top ten cities in Texas, how

1 many currently permit under their own ordinance digital
2 signs?

3 MR. CAMPBELL: As you will probably recall in
4 2008 we passed rules that provided for digital signs to be
5 allowed only within the jurisdiction of municipalities, so
6 we don't allow digital signs outside of the authority of
7 those jurisdictions.

8 MR. MEADOWS: But my question was -- I
9 understand that -- of the top ten cities in Texas, how
10 many permit digital signs currently?

11 MR. CAMPBELL: I personally am familiar with
12 three that we have: El Paso, Fort Worth, and San Antonio
13 has some digital signs.

14 MR. MEADOWS: I don't think Fort Worth does, I
15 think you're incorrect. I think it's Arlington, actually.
16 You might want to check that and let me know, if you
17 would.

18 MR. CAMPBELL: Yes, sir.

19 MR. MEADOWS: Thank you.

20 MR. HOUGHTON: Does anybody know? Tim, do you
21 know? That's a good question.

22 MR. ANDERSON: Tim Anderson with the Outdoor
23 Advertising Association. If memory serves, we have San
24 Antonio, Irving and Arlington would be the three right off
25 the top that do allow digital signs that are top ten

1 cities.

2 MR. HOUGHTON: Say that again.

3 MR. ANDERSON: San Antonio, Irving and
4 Arlington are the three in the top ten, I believe, that
5 currently allow digital signs. There are a plethora of
6 smaller cities but those are in the top ten.

7 MR. HOUGHTON: Thanks very much.

8 MS. DELISI: Thank you. Next up is Mike Poole.

9 MR. POOLE: Madam Chair, members of the
10 commission. My name is Mike Poole with Media Outdoor
11 Displays. And I had the privilege of serving on this
12 advisory committee as representing the independent group
13 of seven billboard companies from San Angelo to Dallas to
14 Houston to Austin to San Antonio, and it was very much a
15 privilege and I appreciate that opportunity.

16 Again, I want to echo what Mr. Shaddock said
17 and Tim Anderson said, John Barton did a great job
18 chairing, and Gus Cannon and Becky Blewett, they were just
19 awesome. They provided us with a wealth of information,
20 and it was kind of an education on my part, and so I
21 really appreciate all the work that they did.

22 And just quite simply, we support these
23 changes, and again, we're glad as an independent billboard
24 group and a small company, we're glad to be a part of it.

25 thank you very much.

1 MS. DELISI: Thank you. And last is Star
2 Carey.

3 MR. CAREY: Good morning. Star Carey. I also
4 was on the committee and agree with everything you've
5 heard before about John and Gus and Becky. They did a
6 good job.

7 I'm in the Hill Country outside of New
8 Braunfels, and we have two things because the county is
9 booming and so are there many more boards, and we
10 understand that. And some people are upset about that,
11 but there's real anger when it comes to lighting. What
12 you have is roads at one level and houses at a higher
13 level and we literally now have new boards coming in where
14 the lights are shining into the bedroom and people are
15 concerned about that.

16 When I raised the issue with the committee, I
17 was told that there is better technology now which limits
18 where the light shines so that it just is predominantly on
19 the sign itself. I went to two of them and I was there
20 after dark and you can read a newspaper on these improved
21 lighting places if you're on the ground underneath it.
22 That's how much spillage there is. The technology is not
23 there.

24 The only thing that's going to work is lighting
25 from above, and we're hoping that that's what you'll

1 consider if we have the. If you do, you're going to hear
2 from the industry that the advertisers don't like it
3 because of the shadow. I would submit to you that two
4 lights that were done well with the current kind of
5 technology the way the stem would come out would not be
6 all that big, reflector, I don't know how big it is, but
7 you're not going to lose anywhere near as much as 5
8 percent of the display area of the sign if you have that
9 but it will make it a whole lot better. And of course,
10 nights and cloudy days it doesn't matter because there's
11 no shadow at that time.

12 So what I'm hoping that you'll consider is that
13 between now and the next 20 years that all existing signs
14 must have downward lighting and all new or moved signs
15 must have downward lighting. Thank you.

16 MS. DELISI: Thank you.

17 All right. There's no one else signed up. Are
18 there any questions for staff?

19 MR. HOUGHTON: Yes. I want to ask that same
20 question, John. So the proposed rules do not have any
21 change the lighting issues on these signs.

22 MR. CAMPBELL: That's correct. And the reason
23 for that is that we've been waiting for -- here we go.
24 She knows much more detail of what's included in the
25 proposed rules.

1 MR. HOUGHTON: It's that corner right over
2 there.

3 MS. BLEWETT: Becky Blewett with the General
4 Counsel's Office.

5 The proposed rules do have new limitations on
6 lighting. We require four going either going up or down.

7 So currently in the rules that we're working under today,
8 there's no lighting restrictions, you can have however
9 many you want, but we are limiting in the rules draft
10 that's before you today to four going either up or four
11 going down per direction for the sign face.

12 MR. HOUGHTON: Would that have a profound
13 effect on the board itself, do you know?

14 Carroll, where are you? You're the expert. I
15 think you had mentioned that these rules did not have an
16 effect on lighting or address lighting, but in fact the
17 rules do address lighting issues.

18 MR. SHADDOCK: Excuse me. I meant to say that
19 the existing rules do not have a limitation on lighting.

20 MR. HOUGHTON: But the proposed rules do.

21 MR. SHADDOCK: The proposed rules do.

22 MR. HOUGHTON: Is that a step in the right
23 direction, Carroll?

24 MR. SHADDOCK: It would be a step in the right
25 direction, but I think there's very little actually being

1 constructed that's different from the new rule, so four
2 upwards luminaries in rural areas is probably about all
3 anyone would put on a sign anyway, so I don't see a lot
4 gained by the proposed new rule.

5 MS. DELISI: Are there any other questions?

6 MR. HOUGHTON: Can I defer till 2015?

7 MS. DELISI: Because John is sick, I will do
8 him a favor and not recognize you for that motion.

9 (General laughter.)

10 MS. DELISI: Are there any other questions for
11 John?

12 MR. HOUGHTON: I have to side with the folks in
13 Scenic Texas on the lighting issues. I would hope that
14 somewhere, and of course you can't put it in rule --
15 Becky, where are you? -- there you are -- that some
16 technology advances have to be applied as technology
17 allows and cost-effectiveness, and I don't know how you
18 address it; I really don't. I've seen those billboards
19 that are lit up like a pinball machine. I agree. But I
20 don't know how you address technology advances in
21 lighting. Lighting is a big issue everywhere now, as
22 accent lighting on homes or whatever. But in a positive
23 way, how would we do that, Becky, or can you?

24 MS. BLEWETT: We did look at drafting something
25 requiring new technology but it ended up we were drafting

1 basically for a specific product and that's where we were
2 getting into trouble.

3 MR. HOUGHTON: That's hard, you can't do that,
4 and that's the rub.

5 MS. BLEWETT: As the new technology came out,
6 it was only one vendor had that product. It is actually
7 some improvement, you do see a lot of the older billboards
8 with five or six, so the four is a decrease from what
9 we've seen, but it, again, is a start. And we can
10 continue to look at this throughout the rule process as we
11 get comments so we can continue to study this.

12 MR. HOUGHTON: Can we do that through the rule
13 process, we address the lighting?

14 MS. BLEWETT: Yes.

15 MR. HOUGHTON: Tim, I hope your industry
16 understands, but I don't think Scenic Texas is getting
17 everything it wants and you're getting everything it
18 wants, it seems like we're getting very, very, very close
19 to a beautiful marriage here. I really do. I've been on
20 the commission a long time and this thing has been coming
21 up over and over and over again, but I think we're either
22 there or close to getting some things positively done in
23 the state.

24 MR. UNDERWOOD: And they're working together on
25 it.

1 MR. HOUGHTON: Yes, which is, again, another
2 beautiful thing. But I think in the real process is
3 somehow address the lighting issues.

4 MR. SAENZ: Yes, sir, Commissioner, and we will
5 do that. These are proposed rules, we have an open
6 comment period till January 28. There's also going to be
7 a public hearing in January on the proposed rules, so I
8 imagine that more comments will come during the comment
9 period and all of those will be addressed before we bring
10 them to you for final adoption.

11 MR. HOUGHTON: Thank you. And I want to thank
12 John and Becky and John Barton. John, I'm not going to
13 defer till 2015.

14 MR. BARTON: Thank you.

15 MR. HOUGHTON: Thank you for all your help, for
16 our staff leading and guiding this process. It's been a
17 long, long effort. Congratulations.

18 MS. DELISI: Okay.

19 MR. HOUGHTON: So moved.

20 MR. UNDERWOOD: Second.

21 MS. DELISI: All in favor?

22 (A chorus of ayes.)

23 MS. DELISI: The motion passes.

24 MR. CAMPBELL: Thank you.

25 Commissioners, agenda item number 6 had to do

1 with the toll collection customer service accounts.
2 Because of the earlier motion, I'm going to defer that
3 agenda item so that we can have some presentations to the
4 commission.

5 Moving on to agenda item number 7 dealing with
6 Transportation Planning, Jim Randall will present several
7 minute orders. The first minute order will be the
8 adoption of the 2035 Statewide Long-Range Transportation
9 Plan. Jim.

10 MR. RANDALL: Thank you, Mr. Saenz. My voice
11 is messed up, kind of like Mr. Barton's. Mine is from
12 moving hay, I don't know what Mr. Barton was doing.

13 (General laughter.)

14 MR. RANDALL: Jim Randall with the
15 Transportation Planning and Programming Division.

16 Item 7.a. This minute order adopts the 2035
17 Statewide Long-Range Transportation Plan. Federal law
18 requires each state to develop a long-range transportation
19 plan as a condition to securing federal funds for
20 transportation projects. The plan is a 24-year blueprint
21 for the transportation planning process that will guide
22 the collaborative efforts between TxDOT, local and
23 regional decision-makers, and transportation stakeholders
24 to reach a consensus on needed transportation projects and
25 services.

1 Every transportation mode is an interdependent
2 component of the overall transportation system. This plan
3 provides an inventory and addresses the need for
4 improvements to the state's transportation system,
5 including roadways, pedestrian/bicycle facilities,
6 transit, freight and passenger rail, airports, waterways,
7 ports and pipelines.

8 Transportation planning is an ongoing effort at
9 all levels of government. TxDOT and the metropolitan
10 planning organizations develop various transportation-
11 related plans and programs in conjunction with other
12 transportation agencies. This plan builds on these
13 ongoing planning efforts. Individual plans prepared by
14 TxDOT, such as the Texas Rail Plan, the Texas Airport
15 System Plan, Regional Coordinated Public Transportation
16 Planning and the TxDOT Strategic Plan were incorporated in
17 the Statewide Long-Range Transportation Plan.

18 Stakeholder meetings were held around the state
19 which included participation from various state and MPO
20 officials, local transportation providers, elected
21 officials, and representatives of airports, railroads,
22 seaports and the trucking industry. Two rounds of public
23 meetings were held in each of the TxDOT 25 districts.

24 Collectively, this work effort, technical analysis, review
25 of other plans and stakeholder and public input shaped the

1 Statewide Long-Range Transportation Plan.

2 A public hearing was held in Austin on October
3 1, 2010, and comments were received until November 1,
4 2010. A total of 26 comments were received. A summary of
5 the comments and responses can be found in the appendix of
6 the plan.

7 Staff recommends your approval of this minute
8 order.

9 MS. DELISI: Are there any questions for Jim?

10 MR. HOUGHTON: So moved.

11 MS. DELISI: We have people signed up.

12 MR. HOUGHTON: We do have people signed up. So
13 sorry.

14 MS. DELISI: I'd like to call up Dick
15 Kallerman. Is he not here? Okay. We'll hold off on him,
16 he might have stepped out.

17 Roger Baker.

18 MR. BAKER: Thank you. I think Dick left but
19 here I am. My name is Roger Baker and I live in Austin
20 and I welcome the opportunity to address the Texas
21 Transportation Commission on your new 25-year plan, and I
22 decided to read the executive summary and tell you what I
23 think.

24 I think TxDOT is a vast state agency caught up
25 in chains that it is unprepared to deal with because the

1 economics of transportation is changing so fast. At the
2 same time, this agency is under pressure from many special
3 interests to continue business as usual despite running
4 out of money. Trying to turn everything into a toll road
5 just isn't going to work anymore.

6 You don't need to get very far into the
7 document to know that Texas roads are going to start going
8 to hell pretty fast, but more importantly, it seems to me
9 that your report is in denial of reality. The chart on
10 page 10 of the executive summary shows stagnant vehicle
11 miles in the recent past but then it largely ignores this
12 very important trend and it now predicts that Texas
13 driving will increase linearly for decades.

14 The truth is that this can't happen because
15 global oil production is now peaking and within a few
16 years you face a price spike, fuel price spike like you
17 saw in mid 2008. High fuel prices plus a bad economy are
18 causing people to drive less, even while fed policies,
19 Federal Reserve policies are devaluing the dollar and
20 raising imported oil prices.

21 The strategy outlined on page 26 is blind to
22 such key factors as peak oil, rising fuel prices, the
23 inaccuracy of revenue forecasts, and the reality of
24 driving stagnation. You badly need a plan B. So I
25 recommend reading this book, "The Impending World Energy

1 Mess." And since these are hard times, I'll offer to buy
2 you a copy, so anyone that wants one, raise your hand and
3 I'll get you one. I think it would benefit you to read
4 it.

5 MR. HOUGHTON: I'd like one but I'll pay for it
6 because my legal counsel is sitting over here saying I
7 can't take these gifts.

8 MR. BAKER: Okay. Well, make a note of the
9 fact that it's "The Impending World Energy Mess" by Robert
10 Hirsch and a couple of other energy consultants, forward
11 by James R. Schlesinger, first U.S. Secretary of Energy.

12 Thank you.

13 MR. HOUGHTON: Thank you.

14 MS. DELISI: Robin Stallings.

15 MR. STALLINGS: Thank you, Madam Chair and
16 commissioners for giving me a chance to speak.

17 I want to say thank you for what we believe is
18 a pretty good product on the long-range plan. We think
19 that there could have been, I'm sure, improvements in
20 probably every area from any one particular interest's
21 point of view. But we really appreciate the public
22 hearings that were held, the chance to respond. The
23 comments that we made were thoughtfully received, many of
24 our suggestions were incorporated, and we think that it's
25 a start in the right direction. Or actually, I shouldn't

1 say that. It's a continuation of the right direction that
2 TxDOT has been on, really becoming a full transportation
3 agency and not just the Highway Department.

4 And we really appreciate that and look forward
5 to working with you in the future on updates to this or
6 any other way that we can contribute to this.

7 MS. DELISI: Thank you.

8 MR. STALLINGS: Thank you. Especially kudos to
9 Peggy Turin and the great work that she did and her
10 colleagues at TxDOT.

11 MS. DELISI: Thanks. I'll call Dick Kallerman
12 again. Last chance, going, going, gone. All right.

13 Any other questions for Jim?

14 MR. HOUGHTON: So moved.

15 MS. DELISI: Is there a second?

16 MR. UNDERWOOD: Second.

17 MS. DELISI: All in favor?

18 (A chorus of ayes.)

19 MS. DELISI: The motion passes.

20 MR. SAENZ: Thank you, Jim, you and your staff
21 and the people that put the statewide plan together. Good
22 job.

23 MR. RANDALL: Peggy Turin did a real good job
24 on this, she did good work.

25 MR. SAENZ: Agenda item number 7.b, Jim Randall

1 will continue and present a minute order before you to
2 accept the 2010 Border Trade Advisory Committee report.

3 MR. RANDALL: Thank you, Mr. Saenz.

4 The Border Trade Advisory Committee was
5 established by the 77th Texas Legislature in 2001. The
6 purpose of the committee is to develop a strategy and make
7 recommendations to the commission and governor for
8 addressing the highest priority border trade
9 transportation challenges.

10 The committee's first report was accepted by
11 the commission on November 16, 2006. The report
12 established four goals for the committee: trade
13 transportation corridors, coordination with Mexico, safety
14 and security measures, and economic benefits of
15 international trade goals for the committee.

16 The committee met in 2009 and 2010 to address
17 the strategies and recommendations contained in the
18 report. The 2010 report details progress made in the
19 implementing actions.

20 In addition, Transportation Code Section
21 201.6011 requires the department to develop an
22 International Trade Corridor Plan. The department is
23 required to update the plan biannually and report to the
24 presiding officer of each house of the legislature no
25 later than December 1 of each even-numbered year. The

1 plan must address the implementation of the
2 recommendations of the Border Trade Advisory Committee.
3 With your approval, the Border Trade Advisory Committee
4 report, as shown in Exhibit A, will be incorporated into
5 the International Trade Corridor Plan required by the
6 Transportation Code.

7 Staff recommends your acceptance of the report
8 and the approval of this minute order.

9 MS. DELISI: Any questions?

10 MR. HOUGHTON: So moved.

11 MR. UNDERWOOD: Second.

12 MS. DELISI: All in favor?

13 (A chorus of ayes.)

14 MS. DELISI: The motion passes.

15 MR. SAENZ: Thank you. Jim will now present
16 the agenda item for Starr County that will authorize the
17 department to tender a minute order to Starr County and
18 the City of Rio Grande City for the redesignation of 755
19 and the realignment of 755.

20 MR. RANDALL: This minute order authorizes the
21 department to tender a proposal to Starr County and the
22 City of Rio Grande City to designate FM 755 on a new
23 alignment from US 83, approximately 0.6 mile east of Pete
24 Diaz Boulevard northward to the current location of FM
25 755, a distance of approximately 1.94 miles.

1 Pursuant to Texas Transportation Code Sections
2 201.103 and 221.001, the executive director has
3 recommended FM 755 be designated on a new alignment.
4 Designating FM 755 on a new alignment will facilitate a
5 more direct connection to the Starr-Camargo International
6 Bridge and promote public safety.

7 If approved, this minute order will tender the
8 following proposal to Rio Grande City and Starr County:
9 Upon opening to traffic of any portion of the new
10 alignment of FM 755, the city and county will accept
11 control, jurisdiction and maintenance of the current
12 alignment of FM 755 from US 83 northward to the point of
13 intersection with the new alignment. In turn, the
14 department will designate FM 755 on a new alignment from
15 US 83, approximately 0.6 mile east of Pete Diaz Boulevard
16 northward to FM 755, and remove the original alignment of
17 FM 755 from the state highway system.

18 Once the provisions of this order are accepted
19 by the city and the county, the above-referenced limits
20 will be designated as part of the state highway system as
21 FM 755. The city and county will have 90 days to consider
22 and accept the tendered proposal to make this minute order
23 operative. Staff recommends approval of this minute
24 order.

25 MS. DELISI: Any questions?

1 MR. HOUGHTON: So moved.

2 MR. UNDERWOOD: Second.

3 MS. DELISI: All in favor?

4 (A chorus of ayes.)

5 MS. DELISI: The motion passes.

6 MR. SAENZ: Thank you, Jim.

7 Agenda item number 8 deals with regional
8 mobility authorities, and Brian Ragland, Finance Division
9 director, will present a minute order for Smith County
10 with the NETRMA.

11 MR. RAGLAND: Thank you, Amadeo. For the
12 record, my name is Brian Ragland, director of the Finance
13 Division.

14 This proposed minute order grants final
15 approval of financial assistance in the form of a loan up
16 to \$90 million to the North East Texas RMA. The funds
17 will be used in conjunction with a SIB loan that you
18 approved last month to build Segment 3-B of the Toll 49
19 project from State Highway 31 north to I-20 in Smith
20 County.

21 The terms are similar to those the SIB loan,
22 including a payoff in eight years. The difference here is
23 that whatever cannot be paid off at that time on this
24 particular loan will convert to a perpetual equity
25 arrangement in the project with a revenue share.

1 The amount of the loan will not exceed the
2 difference between the eligible project costs and the
3 amount of the SIB loan which is \$39.2 million, and staff
4 recommends your approval.

5 MR. HOUGHTON: Question, Brian.

6 MR. RAGLAND: Yes, sir.

7 MR. HOUGHTON: If, in fact, they can't pay off
8 the loan and it turns into equity, who receives the equity
9 payments?

10 MR. SAENZ: Commissioners, for the record,
11 Amadeo Saenz. The equity payments, since the money is
12 coming from the state pool would come back to the
13 commission and the department until that amount of equity
14 is received that would cover how much money was invested,
15 and then it would fall back to what the law requires, that
16 it stays in the region. So it just makes the state whole,
17 and once the state is whole then it goes back to the
18 region.

19 MR. UNDERWOOD: Is the payment made as a net or
20 as a gross?

21 MR. SAENZ: At this time it will set it up as a
22 net but it can be converted to gross depending on the
23 final contract.

24 MR. UNDERWOOD: Okay.

25 MR. HOUGHTON: These people shouldn't look a

1 gift horse in the mouth.

2 MS. DELISI: They want to tell us how smart you
3 are. So Jeff, come on and tell us how smart he is.

4 MR. HOUGHTON: That goes without saying, Madam
5 Chair.

6 (General talking and laughter.)

7 MR. AUSTIN: For the record, I'm Jeff Austin,
8 III, chairman of the North East Texas RMA, and I'm here to
9 tell Commissioner Houghton how smart he is, but I'm not
10 going to leave out the rest of you.

11 I want to say thank you on behalf of our region
12 for helping work with us to find innovative solutions.
13 It's been said when RMAs were created back in 2003, our
14 first meeting was in 2005, our whole intent was to find
15 creative solutions at the local level. Our RMA has grown
16 to represent twelve counties, and I want to say what you
17 see up here on the screen is something you probably don't
18 see real often: headlines in a positive sense showing the
19 regional support for our road. And this is just one
20 example showing the tremendous support of our region, of
21 our city, our county, economic development corporation,
22 chamber, and many other citizens in supporting and
23 embracing this concept.

24 This will speed up construction probably by
25 about 20 years, and we really appreciate your help in this

1 in approving this today. I know we have several folks
2 here from the Tyler region, you'll from a couple of
3 others, but we really appreciate this and look forward.
4 We're not going to disappoint you and hope that this is a
5 model for future things to come. Thank you.

6 MS. DELISI: Thanks, Jeff.

7 Judge Baker.

8 JUDGE BAKER: Good afternoon, or I guess it's
9 still morning. Good morning, members of the commission,
10 Madam Chair, Mr. Saenz. Thank you for the opportunity to
11 speak to you today on behalf of Smith County and our
12 region, and I appreciate each one of you for your public
13 service. My name is Joel Baker, for the record. I serve
14 as the constitutional county judge for Smith County.

15 I come before you today to voice support for
16 this request regarding the long-term Toll 49 project that
17 means so much to the citizens and the economy of Smith
18 County and all our East Texas region. The North East
19 Texas Regional Mobility Authority has requested this
20 financial assistance to pay for Segment 3-B of this
21 project from State Highway 31 to Interstate 20, and I ask
22 for your final approval of this toll equity loan request
23 to pay for the development and construction of this
24 segment of Toll 49.

25 Not only will this provide enhanced

1 transportation access and egress for citizens who live in
2 that area, but it will provide an improved alternative for
3 vehicles traveling from I-20 through our region. Smith
4 County and indeed the entire region will be opened up for
5 economic development when this project is completed. It's
6 anticipated that the financial impact of Segment 3-B of
7 Toll 49 will reverberate through the years as commercial
8 operations migrate to this new transportation corridor and
9 bring economic growth.

10 I appreciate the opportunity to give comments
11 today. Thank you for your consideration of this request.

12 MS. DELISI: Thanks, Judge.

13 Gary Halbrooks.

14 MR. HALBROOKS: Madam Chairwoman, commission,
15 Mr. Saenz. My name is Gary Halbrooks. I'm the finance
16 chair of the NETRMA. Thank you for allowing us to be here
17 today.

18 It's been a long road -- no pun intended -- and
19 to make clear, we would not be where we are without your
20 help and without admin staff's great support, Randy
21 Hopmann and the local district.

22 Mayor Bass, mayor of the City of Tyler, was not
23 able to be here today due to prior commitments, but she
24 did send a letter and I would like to read that real
25 quickly for the record.

1 "I'm writing to thank you for your support and
2 the Texas Transportation Commission for granting final
3 approval of the North East Texas Regional Mobility
4 Authority's application for a State Infrastructure Bank
5 loan and for granting preliminary approval for the
6 NETRMA's request for a toll equity loan for the completion
7 of Segment 3-B of Toll 49.

8 "As mayor of the City of Tyler, I understand
9 the significance of this project for our area. The
10 completion of this project will provide an important link
11 between US 69 and I-20, the primary east-west highway in
12 North East Texas. The completion of Segment 3-B of Toll
13 49 will bring many benefits to Smith County, the City of
14 Tyler, and the north east region of Texas. These benefits
15 range from reducing the congestion in and around Tyler to
16 creating both short and long term employment
17 opportunities, and will have a positive impact on the
18 region for many years to come.

19 "Sincerely, Mayor Barbara Bass, City of Tyler."

20 Again, thank you for your support.

21 MS. DELISI: Thank you.

22 Unless there's more questions for staff, is
23 there a motion?

24 MR. HOUGHTON: So moved.

25 MR. MEADOWS: Second.

1 MS. DELISI: All in favor?

2 (A chorus of ayes.)

3 MS. DELISI: The motion passes.

4 MR. SAENZ: Agenda item number 9,
5 commissioners, is the Obligation Limit Report, also
6 presented by Brian Ragland.

7 MR. RAGLAND: Thank you. This is the monthly
8 report on the status of our obligation limit as well as
9 motor fuel tax receipts.

10 Through the first three months we've let \$331
11 million which counts against the cap. We've got another
12 \$1.15 billion scheduled for the year and \$250 million to
13 be scheduled. I do know that staff is working hard to
14 schedule projects in the appropriate months with the goal
15 of keeping total lettings as level as level as possible
16 over the course of the year.

17 MR. HOUGHTON: You said \$250 million to be
18 scheduled?

19 MR. RAGLAND: To be scheduled.

20 MR. HOUGHTON: Not yet identified?

21 MR. RAGLAND: I can't speak to projects
22 themselves, but I do know the big part of the reason is
23 that we adjusted the letting caps in October upwards
24 because of the leftovers in 2010, so those were not
25 included in the 24-month letting schedule.

1 MR. HOUGHTON: I thought that was the case.
2 Thanks.

3 MR. SAENZ: We adjusted letting caps in
4 October, commissioners, and then we also, through a minute
5 order that you approved, moved some money from ARRA to
6 make sure that it was obligated that covered some of the
7 projects. So in December staff is going to bring back a
8 minute order that reconnects the dot, let's put it that
9 way.

10 MR. RAGLAND: Readjusts.

11 MR. SAENZ: Adjusts the new letting caps as
12 well as keeps everything on track.

13 MR. RAGLAND: There's also approximately \$30
14 million of underruns on the projects that were let in the
15 first three months of the year, so it's a process of
16 backfilling that money.

17 Moving on the motor fuel tax report, I have
18 some more positive news this month. Year-to-date receipts
19 are up 3.9 percent for the three months compared to the
20 same as last year

21 MR. HOUGHTON: That's both diesel and gas?

22 MR. RAGLAND: That's the combination. November
23 receipts alone were up 6.2 percent. I did look back at
24 2008 since that was our highest year, and we're running
25 just a tad over flat compared to those first three months

1 of that fiscal year.

2 The next page shows the split between diesel
3 and gasoline. Diesel is up 8.6 percent for the year and
4 gasoline is up 2.6 percent.

5 And so that's all I have unless you have any
6 questions on that.

7 MR. SAENZ: I guess, Brian, you mentioned that
8 we're seeing more revenue than was in 2010, but compared
9 to our projections for 2011 for these months, where are
10 we?

11 MR. RAGLAND: Our projection is right at 1
12 percent in the cash forecast, so we're running 2-1/2
13 percent, 2.9 over that.

14 MR. UNDERWOOD: And is that \$100 million?

15 MR. RAGLAND: Real dollars is every percentage
16 point is about \$20 million, so that's about \$60-, between
17 \$50- and \$60-.

18 MR. UNDERWOOD: \$60 million instead of \$100-.

19 MR. RAGLAND: Yes, sir. On the state side. Of
20 course, you've got federal that would match that.

21 MR. UNDERWOOD: So now we're back up to the
22 \$100 million.

23 MR. RAGLAND: We are. If you've got the
24 obligation limit, yes.

25 MR. UNDERWOOD: Okay. That goes back.

1 MR. SAENZ: Commissioners, what we want to do
2 is over the next couple of months continue to monitor our
3 motor fuel tax to see if the trend continues, as well as
4 also the current federal extension expires on the 31st of
5 December and if Congress extends, from what we've been
6 hearing, six months to a year and sets different funding
7 limits than what were in our projection, we're going to
8 come back and provide a report on that probably in the
9 month of January.

10 MR. UNDERWOOD: Okay. You're going to wait
11 till January for a report on that?

12 MR. SAENZ: Well, we won't know what Congress
13 does until probably right before the end of the year, so
14 the next time we'll be able to present to you will be in
15 January with respect to what impact, if any, the federal
16 funding is going to have for the remainder of the year, as
17 well as the extra month or two months of motor fuel data
18 that we have we'll have on the rest of the year.

19 MR. UNDERWOOD: The reason why I'm asking that,
20 Amadeo, right now I'm looking at, what is it, a quarter of
21 a billion dollars plus you're talking about another over
22 \$100 million. Is that correct?

23 MR. RAGLAND: Possibly. We're cautious as to
24 whether it's a sustained trend yet.

25 MR. UNDERWOOD: Right. As we go along, will we

1 have enough time before the end of our fiscal year to be
2 able to properly use this. Let me say it that way. I
3 started to say absorb it, but properly use this and put it
4 where it needs to be.

5 MR. SAENZ: Yes, sir. The plan would be the
6 new revenue forecasts as well as any recommended path
7 forward on the selection and recommendation of additional
8 projects so that those projects can go to contract.

9 MR. HOUGHTON: And we have some that we can
10 backfill.

11 MR. SAENZ: Yes, sir. We always have
12 additional projects that are under development, so we will
13 backfill and get those projects moving. We'll be able to
14 accelerate some projects.

15 MR. UNDERWOOD: I would like to sit down with
16 you, Brian and James, and talk to you a little bit about
17 this before December anyway.

18 MR. RAGLAND: And at the same time we're
19 currently working on the cash forecast that will be the
20 basis for the next UTP. That would be 2012, but like you
21 said, we can always adjust 2011.

22 MR. UNDERWOOD: My issue is right now because
23 we're fixing to go into a legislative session, we need to
24 make sure that we're taking care of our business right
25 now.

1 MR. RAGLAND: Yes, sir. Thank you.

2 MR. SAENZ: Thank you, Brian.

3 Agenda item number 10 deals with our
4 construction and maintenance contracts that were let this
5 month, and Russel Lenz, director of the Construction
6 Division, will present two minute orders.

7 MR. LENZ: Good morning, Madam Chair,
8 commissioners.

9 This morning item 10.a(1) is for the
10 consideration of the award or rejection of Highway
11 Maintenance and Department Building Construction contracts
12 let earlier this month on the 4th and the 5th. Today
13 we're presenting for your consideration 16 projects. The
14 average number of bidders per project was 5.25, with a low
15 bid value of \$20,293,618.49, and we had an overall
16 underrun of 6.51 percent. After review by staff we
17 recommend award of all maintenance projects.

18 MR. HOUGHTON: So moved.

19 MS. DELISI: Is there a second?

20 MR. UNDERWOOD: Second.

21 MS. DELISI: All in favor?

22 (A chorus of ayes.)

23 MS. DELISI: The motion passes.

24 MR. SAENZ: Go ahead with the next one.

25 MR. LENZ: Item 10.a(2) is for the

1 consideration of the award or rejection of Highway and
2 Transportation Enhancement Building Construction
3 contracts, also let earlier this month on November 4 and
4 5. Today we're presenting 58 projects. The average
5 number of bidders per project was 5.6, the low bid value
6 of all projects was \$138,923,540.97, and we had an overall
7 underrun of 12.75 percent. Staff also recommends the
8 award of all construction projects.

9 MR. HOUGHTON: So moved.

10 MR. UNDERWOOD: Second.

11 MS. DELISI: All in favor?

12 (A chorus of ayes.)

13 MS. DELISI: The motion passes.

14 Before you leave, I just want to thank Russel
15 and his team and Ken. I went through Letting 101 the last
16 two months, went down to Riverside for the bid opening.
17 It's quite an interesting process and I would recommend
18 you all doing it. It's a time-intensive and staff-
19 intensive process because I guess at least 30 to 35
20 percent of our bids still come in in hard form and the
21 process they have to go through to make sure, and then
22 this bid was two weeks after the previous one we did, so
23 they do really good work down there.

24 MR. LENZ: Thank you very much. The staff
25 works very hard. And you are all welcome any time you'd

1 like to come see. When we have visitors normally
2 everything goes very smooth, so please come and come
3 often.

4 (General laughter.)

5 MS. DELISI: Well, you know, they cut off the
6 bids right at one o'clock. Like if you come in at one
7 o'clock and ten seconds, it's too bad, and one guy came in
8 at 1:01 from Phoenix and it was too late, couldn't accept
9 the bid.

10 MR. HOUGHTON: From Phoenix.

11 MS. DELISI: From Phoenix.

12 So it was interesting. Thank you for that. I
13 appreciate it.

14 MR. LENZ: You're very welcome. Thank you.

15 MR. SAENZ: Thank you, Russel, and great job to
16 you and your staff.

17 Commissioners, agenda item number 11 is the
18 routine minute orders. I do want to defer agenda item
19 number 11.a(3) that deals with donations to the department
20 at this time. Staff would recommend that we approve all
21 other routine minute orders at this time. We would be
22 happy to answer questions on any individual agenda item if
23 you'd like.

24 MS. DELISI: Is there a motion?

25 MR. HOUGHTON: So moved.

1 MR. UNDERWOOD: Second.

2 MS. DELISI: All in favor?

3 (A chorus of ayes.)

4 MS. DELISI: The motion passes.

5 MR. SAENZ: Those are all the regular agenda
6 items.

7 MS. DELISI: This completes all the action
8 items on the agenda. We'll be recessing for an executive
9 session in a few minutes, but before we do I'd like to
10 invite anyone up who has signed up for open comment. Has
11 anyone signed up?

12 MR. SAENZ: No, ma'am.

13 MS. DELISI: At this time we will recess to
14 meet in executive session under Section 551.074 of the
15 Government Code to discuss the duties of one or more
16 persons who fill a position of Deputy Executive Director,
17 Chief Financial Officer, Assistant Executive Director,
18 General Counsel, Audit Office Director, Director of
19 Government and Public Affairs, Director of Policy and
20 Performance Management, and other division and office
21 directors.

22 (Whereupon, at 12:03 p.m., the meeting was
23 recessed, to reconvene following conclusion of the
24 executive session.)

25 MS. DELISI: The meeting of the Texas

1 Transportation Commission is reconvened. For the record,
2 the time is 12:44 p.m. The commission has concluded its
3 executive session.

4 Is there any other business to come before the
5 commission?

6 (No response.)

7 MS. DELISI: There being none, I will entertain
8 a motion to adjourn.

9 MR. UNDERWOOD: So moved.

10 MR. MEADOWS: Second.

11 MS. DELISI: All in favor?

12 (A chorus of ayes.)

13 MS. DELISI: The motion passes. Please note
14 for the record it is 12:45 p.m. and this meeting stands
15 adjourned.

16 (Whereupon, at 12:45 p.m., the meeting was
17 concluded.)

C E R T I F I C A T E

MEETING OF: Texas Transportation Commission

LOCATION: Austin, Texas

DATE: November 18, 2010

I do hereby certify that the foregoing pages, numbers 1 through 146, 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.

11/23/2010

(Transcriber) (Date)

On the Record Reporting
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