Date:
January 24, 2019

Case:
TxDOT PTAC Meeting
TRANSCRIPTION OF
TEXAS DEPARTMENT OF TRANSPORTATION
PUBLIC TRANSPORTATION ADVISORY COMMITTEE
PUBLIC MEETING
THURSDAY, JANUARY 24, 2019
9:30 A.M
200 EAST RIVERSIDE DRIVE, ROOM 1A.1
AUSTIN, TEXAS 78704

REPORTED BY: BARBARA GRIFFIN, TEXAS CSR NO. 2494
APPEARANCES

COMMITTEE MEMBERS PRESENT AND PARTICIPATING:
John McBeth, Chair
Jim Cline, Vice-Chair
Ken Fickes
J. R. Salazar
Marc Whyte
Dietrich Von Biedenfeld

TxDOT PRESENT AND PARTICIPATING:
Eric Gleason, PTN Director
Kelly Kirkland, PTN Business Operations Manager
Josh Ribakove, PTN Communications Manager
Mark Sprick, Section Director

OTHER SPEAKERS:
James Cardenas, TTI
MEETING AGENDA

ITEM

1. Call to Order.

2. Safety Briefing.

3. Approval of minutes from September 18, 2018 meeting. (Action)

4. TxDOT's Public Transportation Division Director's report to the Public Transportation Advisory Committee (PTAC) regarding public transportation matters.

5. Presentation on Intercity Bus Program. (Action)

6. Discussion of Texas Administrative Code rule changes for public transportation agency safety plans. (Action)

7. Discussion of options and priorities for potential additional public transportation funding requested in TxDOT's current Legislative Appropriation Request letter. (Action)

8. Public Comment - Public comment will only be accepted in person. The public is invited to attend the meeting in person or listen by phone at a listen-in toll-free number: 1-855-437-3563 [US] with attendee access code: 598 304 40. The meeting transcript will be placed on the Internet following the meeting.

9. Propose and discuss agenda items for next meeting; confirm date of next meeting. (Action)

10. Adjourn. (Action)
MR. McBeth: Good morning, everybody. A little housekeeping thing. Please put your phones on silent or you can turn them off, either way.

My name is John McBeth. I'm the chairman of the Public Transportation Advisory Committee, and in that capacity I will convene the PTAC committee meeting of January the 24th, 2019. It's 9:30.

And the first order of business is a safety briefing by Josh, who, in addition to doing our safety briefing, is also the official mandoline player of the Public Transportation Advisory Committee.

MR. Ribakove: Well, that's true. Now, I've heard somebody else was going to do the safety briefing this morning, but I'll be happy to go ahead and do it. No problem.

Welcome to 200 East Riverside Drive. We're in Austin, Texas. If we should be -- boy, I haven't done one of these in a little while.

MR. Gleason: We suck. If there is a fire --

MR. Ribakove: If there is a fire, we proceed out of these main doors and out the building doors just beyond. We'll turn to the left, and we will meet up over at Riverside Drive on the side door.

MR. Gleason: If we have inclement weather --

MR. Ribakove: Should we need shelter in place
because of inclement weather, which we're not expecting, this room is the best place to do that. There are no outside windows here and we will stay here. Should there be a shooter event, we will listen to instructions coming over the PA.

In addition, there is a sign-in sheet by the front door. Please -- if you're coming to attend the meeting, sign in. If you'd like to speak during the meeting and make a comment, there are some comment cards over there too. Just fill one out and hand it to me and will make sure that you get to have your say.

MR. McBETH: Thank you very much.

MR. RIBAKOVE: Restrooms are out in the lobby.

MR. McBETH: Move on to item number three, the approval of minutes from September the 18th, 2018. Do I have a motion?

MR. WHYTE: Motion.

MR. FICKES: Second.

MR. McBETH: I have a motion, have a second. Any discussion? Any corrections? Hearing none I'll call a vote. All in favor signify by saying "aye."

(Aye.)

MR. McBETH: All opposed by nay. Being all ayes and no nays, the minutes are approved, and we move on to agenda item number four, the TxDOT Public Transportation
Division Director's report to the PTAC. Eric.

MR. GLEASON: All right. Good morning. For the record, I'm Eric Gleason, division director for Public Transportation at TxDOT. I want to mention a few things in my report to the committee. In your packet -- not for discussion today but in your packet for your information is a fairly lengthy presentation that was made to transit providers yesterday at your January semiannual meeting on an effort to update the department's long range plan. And we can certainly schedule this as an agenda item later on in the year for the committee. I would encourage you to look through this presentation. It is developed to the extent that it can be sort of with a transit focus to it as opposed to just being the generic overview of the plan. Our intent is to reflect in it the needs assessment work that's been done and shared with the committee and resulted in your recommendation of an additional $41 million worth of resources for the program. So our intent is to get that into the plan.

There are a number of public meetings scheduled for around the state and a number of different ways that the public can become involved in the plan and express their views. So I would encourage everyone to take a look through that, and we'll get this on in an upcoming agenda. Perhaps after the completion of the first outreach
effort, then we'll be able to share with the committee.

What we've learned with that -- I will also
point out to the committee the cover page on this particular
presentation is unique. And if you look at the -- look
across the top and you look at the traffic safety sign,
you'll see it has a message -- a public transportation
message associated with it.

MR. McBETH: Yeah, "Be safe. Drive smart.
Ride the bus."

MR. GLEASON: Ride the bus. All right. So I
did that for you all folks. Anyways -- enough on that. A
couple other items that I went over with everyone yesterday
as well. Obviously federal program status funding is on
most people's minds. Just a couple of notes on that, the
department is in a position to continue to reimburse transit
agencies and transit sub-recipients for their expenses in
this time frame as long as they have a current and active
grant agreement with us with a remaining balance. So, you
know, while we can't get reimbursed for that from the
federal system at this point in time, we are able to
continue our own reimbursement for sub-recipients.

We are watching bringing balances that
sub-recipients have particularly on the rural program side.
Most folks are in pretty good shape it seems from an overall
balance standpoint. Most folks have a fair amount of their
state money remaining to expand during this time frame, and virtually everyone with the exception of two or three systems have a pretty healthy share of their FY18 federal money as well available. So we are in a position to make some sort of gap type awards, if necessary. So we do have a small pod of prior year 5311 program funding available to us that we can, if necessary, go to the commission with and make -- at this point, the plan would be agency specific awards of those funds. What we will do and what we have done in the past in those situations, though, is when the FY19 federal money becomes available, we will calculate that agency's amount, and we will subtract out of that award amount money we've already given them. So this is not a windfall for any individual agency. It's just kind of a gap funding. So that's how we'll be able to approach it on the rural side. The urban district side is a little more difficult for us to address. We don't manage the federal funding. That's managed directly with FTA. There are no -- there is not reimbursement capacity for that program right now through FTA. So our assumption is that rural district -- or that urban districts are going to be moving through their state money more quickly than they might otherwise have thought in their budgets. Again, most systems seems to have a pretty healthy balance of FY19 state funds. We don't really have the same kind of flexibility with the urban side
that we do on the rural side. We don't have a contingency
fund of state funds that we could award in the event that an
urban district begins to approach that point in time. So I
don't really have a good answer for the committee or a good
story for the committee on that one at this point in time.

I have briefed my boss, the deputy executive
director of the department on it, and I have been asked to
prepare a short briefing for commission members probably in
the mid to late February time frame on the situation. So
we'll keep you apprised of that.

You know, just a quick update on some recent
commission activity. In December, the commission awarded
$20 million of combination of funds, federal discretionary
funds, flex funding that the department each year flexes
over from the highway side to the transit side for fleet
replacement purposes and some remaining balances again in
the rural program. We assemble those into a $20 million
award for rural program fleet replacement that the
commission did to improve in December. We're all set to go
with program -- projects for it, but, of course, we can't go
anywhere with it until we execute a grant in the federal
system, and there is nobody home to execute that grant for
us. So, again, that's on hold.

And what I will close with is just a certain
amount of uncertainty associated with when the government
does reopen. We've never -- this is not an -- this is not 
unfamiliar ground for us in terms of when during a federal 
fiscal year we actually end up getting funding. I mean if 
you look back over the last several years, this has been the 
story. The difference this time, of course, is, you know, 
we don't know what kind of backlog is going to be there at 
FTA as they come back in and try and catch up having been 
out for however long it is that they've been out.

And so looking down the road, I don't -- we 
don't necessarily see the possibility of FY19 grant 
agreements -- I just don't see them springing loose much 
before June or July of the year, and even though it's 
only late January. So, you know, we'll keep everyone up to 
speed on it, but it's going to be -- it's going to be 
difficult this year because of it.

The other thing that's out there for the 
community is that there's been a lapse at the state 
comptroller's office and the SmartBuy program contract for 
transit. The previous contract for that ended. They don't 
have a new one in place. We've had conversations with them, 
and it doesn't appear to us that they're going to have a new 
one in place before the end of August, first part of 
September. And so the capacity of agencies in the state to 
go to a comptroller and buy off the cooperative site is not 
there right now.
So we are exploring the extent to which folks can reach out to other stake cooperatives and use those cooperatives during this time frame. There is no -- you know, FTA guidance is fine with that. Our administrative code is fine with that. The comptroller has raised an issue we have to work through with them. We're doing that. We hope to have resolution of that in two weeks. And once we get that, we'll -- we'll work with folks to move ahead on that option. So anyways that concludes my report.

MR. McBETH: Great. Thank you. We'll move on to item number five, the presentation on Intercity Bus Program. This is something that has caused me indigestion for a long time.

MR. GLEASON: I'm sorry. I didn't know that.

MR. McBETH: And so I ask Eric if there's a possibility we could address this, and I'll turn it over to Eric because it looks like we're going to address it.

MR. GLEASON: All right. Thank you. So to build on John's introduction a bit, this is a program we do administer. We've not really comprehensively looked at it. Our objective with bringing it to the committee is to engage the committee in a deliberate -- a deliberate sort of discussion of policy and practices to see if at the end of that we don't conclude that we should make some changes to the program and how we approach it.
What we have for you today is a review of the current program, how we approach it, some background for you on the federal guidance associated with it. We have -- if you've had a chance to look at the packet, we have some performance information in it, some current investment. And then where we want to conclude the conversation today is with an overview of how other states approached the program, not to reach a conclusion with the committee today as much as to leave with a whole bunch of questions you may all have that we will proceed then to answer and then reformat into a presentation at a future meeting and oriented toward getting some -- getting some recommendations coming from the committee on how to move forward. So I will work through this relatively quickly. I don't intend to read everything that's on the slides.

So, you know, the basic -- basic pitch behind the Intercity Bus Program at the federal level -- it is nested within the Federal Rural Program. And so the general philosophy behind it is that intercity services are an important part of rural area connectivity, and it is generally designed to, you know, preserve or enhance rural area access into the national intercity bus system, and that's the fundamental driver behind it, and it's available to be used in an operating investment, a capital investment, planning and marketing a system. So it's fairly broad in
its scope on how it can be used.

So the way it has worked and continues to work under current authorization is that 15 percent of the total 5311 program apportionment coming to each state in the country -- 15 percent is a -- it comes as an automatic set aside for Intercity Bus Program investments. And so what that means for Texas is that at this point in time that's about $6.2 to $6.3 million a year.

MR. CLINE: Say it again. How much is that?

MR. GLEASON: 6.2 to 6.3, somewhere in there.

So as the program grows nationally at the federal level, so does this amount of money.

So the way we work with that here in Texas is the intercity bus funds are part of the every other year call for projects that we have -- the coordinated call. It is one of the potential funding streams available or project proposals in that call, and it is available for a combination of operating and capital and eligible program activities. And we've funded, you know, a complete scope of eligible type funding associated with the program.

We ask folks if you're asking for operating money, we do ask them to provide us some additional information, some history, if it's something we've invested in historically and some additional information. The operating assistance is converted then into 12-month grant
agreements that we have with the private carriers. And so we do -- we do tend to move on a pretty tight schedule with the operating awards to make sure that we can have new contracts in place with new funding on September 1st of every fiscal year -- every state fiscal year.

So here are a combination of federal and TxDOT program objectives. We basically assume the federal program objectives here in Texas. And you can read for yourself the kinds of things that it is intended to do. I think that a large focus of our investment has been on the first bullet. It's the connectivity issue.

History -- historically -- so we look back over the last three years of grant awards, and we combined amounts into the five categories of expenditure you see on the right, just to give you a sense of how the current funding breaks down between operating capital and other kinds of projects.

Now, historically I think if you were to go back ten years, you would see a larger share of this program being invested in capital. And over the -- over the last five years or so, there's been a shift away from capital investment and more into operating. I think it -- one of the characteristics of the historical capital investment was sort of an ongoing investment in metropolitan area locations for the intercity industry, the Houston terminal, the Dallas
terminal, the San Antonio terminal, and with the notion being that the rural area service has come into those terminals and it made sense to us to assist those operators with renovating or upgrading those terminals. But I think we kind of -- at some point it felt like there was no end to that investment on our part, and so we have sort of made a conscious decision to back away from that to refocus our capital investments on the development of passenger terminals, particularly in the context of rural program facilities. So if you are building a new operating center that has a place in it for transit service connections to be made and that includes an intercity bus service connection, then a proportional share of that investment can be funded from this program. And so we do make those kinds of investments still on an ongoing basis from the capital standpoint. But this -- the operating investment at about 75 percent is -- you know, it is a relatively new emphasis for us.

So with that -- this is a -- well, I skipped over one. Let's go back. So we currently work with six different entities that receive funding from the program. You see them here. You know, there are two private carriers, All Aboard America! and Greyhound, and then four rural area program providers. And it's -- you know, the All Aboard America! and Greyhound tend to address the large --
just the long distance connections between cities in the state. Ark-Tex and CARTS are more focused on sort of the development of a more regional intercity bus connection.

El Paso County is actually -- that's who we give the funding to, that is actually -- we actually have a partnership with the State of New Mexico on two routes, one of them from El Paso to Las Cruces has been in place for some time now. We started that with JARC funding -- Job Access Reverse Commute funding back in probably 2007 or 2008. And we actually -- the way we work with those -- those routes with the State of New Mexico is there's a proportional split on operating expenses based on mileage within each state. So we don't fund operating these services in the State of New Mexico. We share that. And El Paso County in that instance manages our share of the funding for that.

So that's who we work with. The next page is a map. Some of you are already there, showing you the various connections that are made with the current investment, with the regional service connections from CARTS and Ark-Tex being shown with a shaded area. And if you look really closely within that, you'll see some thin lines that represent the routes in the area. Then the more long distance services shown mostly -- as you'll note, mostly sort of in the north and western portions of the state.
So, you know, a lot of our focus for the service investment that we make are going to be -- it's going to be in the lower density areas where -- historically the intercity industry has been going through a fairly lengthy time frame of contraction and consolidation around a smaller set of more profitable service connections for them. And as you might suspect, in Texas those kinds of investments are more likely to be in the more densely developed, more heavily populated areas of the state generally, the eastern half. So our focus has been on trying to preserve connections that they might otherwise choose not to operate. And that's why you see the heavy emphasis on the western half of the state. It also is in part the explanation for the relatively low ridership numbers you see. And this is -- you know, one of the questions for the committee is the extent to which the investment should focus on ridership versus connectivity.

J. R.

MR. SALAZAR: The routes around the Dallas/Forth Worth area and Houston area and San Antonio area -- are those not shown because those are privatized?

MR. GLEASON: Correct. We are only showing the ones that we spend money on.

MR. SALAZAR: Okay.

MR. GLEASON: If you were to look at the
network in the state, the map of the network shows a lot of lines. What's not communicated well in the map is the level of service associated with each of those lines. And even in the instance of our investment, we're typically talking about one, maybe two round trips a day. And so even with all of that coverage, the level of service is really -- really pretty sparse.

So the next several pages are there to give you a sense of the performance of the investment. And, you know, we do not -- you know, I do not have and my staff do not have any ownership in these results. They are not impressive results. They are more oriented toward, you know, preserving a connection that otherwise would not be there. But we have not -- we don't approach this program from a -- at this point anyways from managing it based on performance. And you will see in a little bit that other states take different approaches when it comes to that.

Again, so you can kind of look through here and get a sense for level of investment, daily trips, annual trips. In the case of CARTS and Ark-Tex, we didn't show all of their routes. We just showed one of the handful that they each operate, so just to give you a sense for that.

If I can kind of click through these, I wasn't going to necessarily just go into a lengthy recitation of what's on each of the pages.
MR. McBETH: Well, if you do the math, it sure is a high cost per trip.

MR. GLEASON: It is; isn't it?

MR. McBETH: Golly.

MR. GLEASON: It is. It is. So one of the questions obviously is is there a better way to do it.

MR. McBETH: There's got to be.

MR. GLEASON: So if we skip ahead through this -- and I apologize. If I'm going too quickly, just stop me. I didn't know how deep into this y'all want to go.

So there are -- in our view, we've tried to sort of identify some overarching policy considerations that we think it would be helpful for us to hear from the committee over the next several meetings some feedback on. And there may be more that the committee is interested in adding to this list either today or over time as we get into it. But, you know, one way to think about this is the general split between an operating subsidy focus resulting in service connections versus a capital facility focus resulting in, you know, a better environment for passengers accessing the system.

You know, the program objective of Texas specific versus overall federal and that is just looking at -- if you went back to that slide I showed at the beginning that listed the program objectives, those are the federal
program objectives that we simply bring into Texas and adopt as our own. Now, we are able to have our own objectives. We'll have to be able to make the case that they nest within one of the federal program objectives, but do we want to say something more specific about the program for here in Texas than is covered in the federal -- the federal list.

We just sort of touched on performance and how do we introduce in a consistent standard way some accountability of performance and how does that possibly drive our decisions on where the money goes.

And then the program delivery options, which is really -- it's interesting when you -- you know, when you look at the next page, this is actually some work that we had done way back in 2015 when we had a consultant go out and kind of at some other states to try and give you a sense of the range of different approaches that were out there. And generally speaking from left to right on this slide, Texas is the sort of, you know, least proscriptive, if you will, about what we want done with the funding. We let the market, if you will, come to us with proposals.

All the way over on the right, Washington is probably the most proscriptive where, you know, they have specific routes that they go out and procure -- literally procure a service provider for and everyone else is sort of somewhere in between. And they generally distinguish
themselves by these -- down the left-hand column of the page here, those are sort of the way that we've tried to distinguish the differences between the way different states approach the program for you.

So, you know, we're over in the least proscriptive just tell us what you think you need and we'll evaluate it based on eligibility without any grand plan for how we want the money focused. You know, Florida is not too much different than that. You know, it's really -- you know, if you read across the top on the characteristic, whether it's applicant driven for a grant or led, and that is perhaps the most significant of the rows in terms of our approach to it. You know, some folks -- performance measures really don't seem to be a large part of the program nationally with the exception of Colorado. You know, you can see the mix of different subgrantees. So Washington, you know, may be the most proscriptive with contracts, but it's subgrantees are only the privatized. So there is really a range of things. And minimum service levels -- you know, kind of a mix. But clearly over on the right-hand side you're going to see a lot more that looks like, you know, sort of the traditional transit approach to providing service.

MR. McBETH: Have these routes pretty much remained the same, the routes that you showed and --
MR. GLEASON: There is a core group of them that have. Some -- a couple of them are newer than others. There's a relatively new connection from Amarillo down into New Mexico. But the Greyhound services in particular have remained pretty stable over the years.

MR. McBETH: So basically just providing a route that they would not be able to do if they didn't have this other --

MR. GLEASON: Well, that's what they tell us.

MR. McBETH: That's what they tell me too.

MR. GLEASON: And, you know, one of the challenges of this program with the private provider, of course, is the -- is, you know, some of their information is proprietary information. So we don't have as much of an insight into how their overall operation works as we do with public agencies. So it's a little transparent to us.

The other thing I'll mention and it goes to -- it's a capital area -- it's an area of capital investment when it comes to fleet. We've not traditionally here in Texas funded the traditional over-the-road intercity carrier bus. When you see us making a fleet investment, it's more in a -- one of our rural districts like CARTS is purchasing a unique vehicle for intercity services. Historically there's been some angst over if we fund a -- if we buy a bus for Greyhound, you know, that somehow, some way it's going
to end up in Minnesota.

MR. McBETH: It's going to come with Minnesota plates.

MR. GLEASON: And they have their own -- and I believe at the federal level they have another source of funding for fleet as well. So that -- you don't see us giving someone, you know, three quarters of a million dollars, whatever those things cost --

MR. McBETH: 500 grand a day. Yeah.


MR. CLINE: Just a couple of things that kind of strike me is that if we're starting with the -- we've got 15 percent. How are we going to divvy it up versus what are the needs? You know, these people -- when you look at, you know, whether it's forty something a day or two a day or whatever the number might be, what problem are we trying to solve? And then say, okay, and this is the best way to address that problem rather than here we've got a solution that's almost seeking the problem. I mean that sounds harsh, but --

MR. GLEASON: No.

MR. CLINE: -- I think that if we -- that may be a different approach. Right? I mean it is an Intercity Bus Program, so there would need to be a bus or a rubber
tire component of some note in there as the solution set.

But kind of sat back and thought about it, you know, in an extreme end what if we -- what if the operating funds were used to purchase tickets or something like that and then basically let it be driven that way, because just knowing that -- a little bit about -- I mean just the -- I mean I don't know much about it but the Greyhound model having a lot of interconnection with package service as well as people service.

MR. GLEASON: Right.

MR. CLINE: My suspicion is that at $6 million a year divvied up a bunch of different ways that's a small fraction of what it costs to run those routes. That would be my suspicion. And so either, you know, should we be looking at another delivery model on how to move the funds to actually serve the needs of the people that are needing it the most. And I -- I don't know what our typical rider profile is, you know. I mean is it mainly disabled folks? Is it people going to jobs? Because if it's two trips a day, probably not to work. That would be my guess.

So I just -- I throw that out as an idea. I mean is there a better way to do that? It may be through Greyhound through all these same folks, but is there a better way to answer that question? And actually, you know, from the public perspective, how do you actually solve the
problem that they're faced with?

    MR. McBETH: Well -- this is John. I know at Brazos Transit we have Greyhound coming into two separate terminals that we own, one in deep East Texas in Lufkin and another one in Bryan/College Station. And our approach to this issue -- and I've been at Brazos Transit since 1982 back when you had to have a certificate of deed to even go compete against the private sector. It has always been to serve the bus stations that existed, make sure that our rural people at least had access to the bus stations that existed, not to subsidize a route. It's up to Greyhound or Continental Trailways or Arrow or whatever name they're operating under today -- it's up to them to decide their routes. But we -- we bring people into our Lufkin terminal -- we bring people in from five different East Texas counties every day that then get on -- they catch one of the three buses that come through Lufkin, and they get on that bus, and where they go we don't know unless we write a ticket. They can call us -- they can call our dispatch operation, and we can write them a ticket. We will issue tickets for Greyhound.

    MR. GLEASON: So you have an arrangement --

    MR. McBETH: We have an arrangement with Greyhound, and Greyhound pays us to write their tickets. They pay us to do their package delivery service. But we
rely on them to set up the routes. Now, I know some of these routes like -- you know, I would imagine from Del Rio to San Antonio I bet you that's -- I bet you that's not a real well-used route, but I don't know. It might be. But that's the delivery model we've always looked at. And I've always thought that if there was a way to take some of that intercity bus money and invest it in the rural programs that we have out there so that as a contingency we say for you to get this money you have to serve a national bus carrier somewhere in your area, you've got to -- you've got to make service available so people can get there. But we write tickets in the Bryan/College Station program -- we have people call us all the time. We write tickets all the way to Chicago. Now, I don't know how many bus changes they've got to make. I know one bus comes through early in the morning and goes to Dallas and one comes through late in the evening and goes to San Antonio. But I think that's certainly a delivery model, and let the private sector decide, you know, where they're going to run their bus routes. Of course, sometimes they'll just simply say we're not. But we've seen -- we've seen a resurgence -- in our Bryan terminal, we've seen an increase in ridership of buses -- of over-the-road buses. We've actually -- over the last five years, we've seen an increase by probably 50 percent. More people are riding buses. I mean it's -- to ride a bus
from Bryan to Chicago has got to be a four or five-day
process. But if they're going to do it -- I mean it's
cheap. The tickets are cheap. Cheaper than airline. But I
would think that would be a model that we could look at to
see what we could do to spur having our rural providers
because we cover the whole state. We cover every place.

MR. GLEASON: This is Eric. So that would be
a -- to actually -- the concept behind the investment in the
Texarkana area, that area -- our Council of Governments
area, is more in line with that in terms of subsidizing
feeder routes into an intercity terminal. And so that is --
it's a different focus for the investment.

MR. McBETH: Right.

MR. GLEASON: And it could likely -- you know, it would likely need to be also packaged up with the package
delivery because I think, you know, the trend from the
intercity carrier is to try and consolidate, reduce stops in
the rural area, and the model would basically in this
instance say that as they do that, these funds would be used
to backfill behind that decision with a rural investment
service and package that would perhaps be of benefit to
both.

MR. McBETH: Right. Yeah. We do -- we do and
have done for quite some time the last mile delivery. They
bring the packages into our terminals, and then we will put
them on a rural bus and deliver them that last mile, but we
don't do it just for that package. We've got to be going
there in order to take that package in. We will tell them
that.

     MR. GLEASON: I see.

     MR. McBETH: If we're going there, we will
take that package for you, and we'll deliver it the last
mile. We'll save you the time and effort. And we don't
make a lot of money off of that, but we make money off of
it. The bus is going there anyway.

     MR. GLEASON: It can't be the reason for the
service.

     MR. McBETH: No, it's not the reason for the
service. It's never -- you know, we've actually had that
discussion with the Federal Transit Administration. Now,
that's never the reason for the service. There has always
got to be a human being. We're either going out there to
pick them up, and while we're there we're going to drop it
off. The number of bumpers that we deliver to body shops is
incredible to me. You would think that they would figure
out a better way to ship bumpers, but over-the-road coaches
we probably do ten bumpers a week, slide them in the back of
the bus under the seats and --

     MR. GLEASON: I was going to ask you where you
put them all.
MR. McBETH: Yeah, underneath -- underneath the seats in the back.

MR. CLINE: One other thing. I'm sorry. This is Jim. I had -- you know, having spent a lot of time driving the highways, there's a lot more buses -- there's a lot more intercity buses than are shown on this list.

MR. GLEASON: Absolutely.

MR. McBETH: Oh, yeah.

MR. GLEASON: There's a boatload of carriers out there.

MR. CLINE: And so my question would be what -- and I don't know how hard it would, and it would probably be really hard. But if it was to overlay that and say this is the service that's provided, so either there's two things that are missing. One is there's a piece of a route that is -- it's much like our discussion of the rural transit. Right? We're talking about how much scope and coverage we have, do we have the right coverage of the area. So if it's being served by the private sector, number one, I would say, okay, do we really need to be subsidizing what is that which is already being provided. And it may be more than just ones that are out there. And the second part is if you're in a rural area, how do you get access to that service, and that's -- I think, John, that goes to your piece, which is maybe that's -- you know, should we be subsidizing the long
term -- the long distance trip or should we be helping focus
effort on getting somebody from their home to tie into the
bus system. Now, it may take days, like you said, but at
least that gives them that connection that goes back and
forth. But I just think of the -- I guess it's tornado
lines. It's -- there's tons.

MR. GLEASON: Oh, there's -- yeah.

MR. CLINE: Particularly I think like Del Rio
to San Antonio I'd suspect there's several. They're
running --

MR. GLEASON: So here's the thing -- this is
Eric. Let me jump in a little on that, Jim. We do as a
part of our -- when we get a proposal, we do check with the
connection and check to make sure there is not some already
underlying service available. So we actually do that kind
of a check. And, you know, we actually -- we have some
experience with the importance of the Del Rio to San Antonio
line because a number of years ago we had a carrier out
there who just bailed on us with like -- I mean it was
almost like a day's notice. We're not going to run that
anymore. And without getting into why that happened and all
of that, there did -- there was a time then there where the
rural carrier in the area did, you know, incur a significant
additional operating expense to cover the demand associated
with not having that route there. One of the -- so when we
talk --

Jim, you mentioned a little bit markets and maybe a better understanding of who needs it and how it might get used, one of the -- one of the markets is actually veterans who live in rural areas who are trying to get to their VA, and the intercity carrier is often the way that that trip is made. And so I have often thought that a stronger tie-in or perhaps a more prescriptive tie-in on our part with our intercity services would be to enhance those kinds of connections as well. You know, if we can get enough research and enough data that tells us that there are certain markets, that there is a way for us to emphasize or prescribe, because that's kind of where we choose to go on this, then we should move in that direction as well.

So I think -- and, again, we can try and capture visually for you what the -- what the lines on the map look like for intercity carriers, but -- but it's -- you know, it's a single trip at 2:00 a.m. in the morning that is happening out there, you know, and they connect into San Antonio, but there is nobody there for them to connect to for four hours. That's the hard part of this conversation to describe, and that's for some of the trips that we invest in. If you have a single focus for the program on making the connection to the National Bus Network -- National Intercity Bus -- if you had that kind of single focus to it,
I'm not sure it's that difficult to figure out what to do because you don't really care too much about making sure there is a way into a major city terminal. It's when you begin thinking about other kinds of -- also other kinds connections being made by people, daily trip needs for people, that's where it becomes more complicated in terms of knowing what the right -- what investment is, what the focus for it should be, those kinds of things.

MR. CLINE: I think just -- this is Jim. I just think it's really important to understand what the real -- what is the demand we're trying to solve. That's typically what we would do in this type of business is, you know, try to figure out what that demand is and then how to meet it. So whether that's, again, with the connections with the, you know, service -- and it may be a mix of both. Right? If there is a gaping hole in the service, it might make sense to say we want to extend this service to a town, whatever town that might be. Even if it's got a fairly low density of trips, that gives us that connection. And then, you know, even the $6 million a year isn't an enormous sum of money to, you know, what, 100, 120 bucks an hour to run those overload buses. That goes away pretty quick.

MR. GLEASON: I does. Yeah.

MR. CLINE: So it's -- how can you focus it?

How can you really make a difference with it? That would be
a question that I'd like to -- you know, that would be good
to be able to tell the result of what we're doing.

MR. WHYTE: And this is Marc. Just from a
cost per trip perspective like John mentioned earlier, it's
got to make sense. The numbers we were looking at earlier
are crazy. I mean we're --

MR. McBETH: Just due to vision, it's --

MR. WHYTE: It's got to make sense.

MR. McBETH: -- scary.

MR. WHYTE: We can't be just throwing money
around.

MR. GLEASON: Right. So when -- we're going
to have to get our arms around what is a number that does
make sense and how do we know we're there.

MR. McBETH: Yeah.

MR. GLEASON: And I think part of it is just
basic information on what it costs to operate out there.
And then -- and then, you know, there is -- the tradeoff, of
course, is high ridership, so that number comes down versus
fundamental access, which doesn't quantify all that easily.
And we'll have to come up with some way to balance that.

There is some -- and I don't know how old it
is now, but there have been some -- there is some work that
I know about from the research standpoint in Texas, and it
may be a decade old, that looked at travel demand for
intercity services. So we will try and resurrect that.

   Kelly, I think that was -- I know TTI did some
work way back when, and there may have been an update for
it, but we will try and dig some of that up as opposed to go
do something new with it and just see how current it is and
see how informative it is.

   MR. CLINE: It seems -- this is Jim. It seems
that if we were -- if the focus is on the rural -- finding
access for the rural to the bus, how can we do that -- how
can we make the money make the most difference. Right?
Because if it's just like smearing peanut butter just a
little bit everywhere, you end up achieving very little
versus something that's got enough critical mass to actually
solve the problem.

   MR. GLEASON: I will mention to the committee
there is -- there is an option in the program and some
states do exercise this option -- I'm not suggesting we're
in that position at all here in Texas -- where you can
certify that all intercity bus needs are met in your state.
And at that point, that 15 percent set aside goes away and
you can just put that money into your rural program
services. Now, some states have taken that step, and it's
-- you know, you just don't do it summarily. You have to
involve the industry in that decision. The governor
actually has to --
MR. McBETH: Certify.

MR. GLEASON: -- make the certification. The only time in the history of that program since -- I've been here since 2005. We -- at one point in time we accumulated a pretty significant de-obligation, meaning that a project had been identified in a call for projects. It had been funded, and then it had been de-obligated. And we had just gone through another call where not all the funds had been awarded. And so we made a point in time, single-case argument to FTA and did -- and to the governor at the time and did get certification. It was -- it was a very, very controversial decision at the time. I think everyone understood it. And I think it was a time during some pre -- I think it was during some really, really high fuel price times, and we took the money and distributed it back out to the rural program in a formula basis to help with their budgets with some unanticipated increase in the price of fuel.

MR. McBETH: I think you can make that case as long as you took the money and you distributed it to the rural programs. We cover every county in the state with the contingency that in order to get that money they have to make sure that the people in their service area have access to a common carrier bus station. And there is a lot of common carrier bus stations out there. I mean some of them
-- before we built our terminal in Bryan, they were
operating in a convenience store. And the convenience store
would change hands every three months, and they'd get kicked
out and have to go find another convenience store. So I
think if you -- that's the approach we've taken. You know,
like looking at the route from Amarillo to San Antonio, I'm
surprised that the common carriers are not already doing
that route. That's -- that's a big route.

MR. GLEASON: It's not profitable for them.

MR. McBETH: Well, I'm sure it's not
profitable. That's always been my problem with the
intercity bus thing is -- you know, having lived through the
early '80s when they -- they came into our areas and just
started shutting down routes, and we couldn't do anything
because you had to have a certificate of conveyance from the
Railroad Commission in order to reestablish that route. And
so we were prohibited from doing that. So I've always had a
bad taste in my mouth about that. It just -- I know it's
not profitable to them, but that's the business they're in,
and sometimes you have non-profitable routes. You've got to
make your profit somewhere else. That route alone just
seems to me that that would be something that's already
being taken care of. But I don't know where you stop it.

They may be --

MR. GLEASON: Well, and that --
MR. McBETH: -- stopping in Post, Texas.

MR. GLEASON: So there may be a point-to-point service --

MR. McBETH: Yeah.

MR. GLEASON: -- that is there between those two relatively large destinations.

MR. McBETH: Those are large destinations.

MR. GLEASON: But it doesn't stop anywhere in between.

MR. McBETH: Yeah, yeah.

MR. GLEASON: And that's what --

MR. McBETH: That could be.

MR. GLEASON: -- our investment in that route that we invest in does, so --

MR. McBETH: Like I said, they could be stopping in Post, Texas, which has got a population of about 115 people and nine liquor stores.

MR. GLEASON: I don't know if I want to end the conversation on that note or not.

MR. CLINE: Let me not end it on that. An approach to this might be is first answer the question is the need being met today. And that's a binary -- you know, that's -- it's way more than a yes or no, but it -- I mean at the end of the day, that -- that may be the first question that needs to be answered. And we can say pretty
quickly, no, it's not being met and it's not being met here, that would then drive the equation, because the rest of it would be if it's being met, we should use the money elsewhere. But if -- you know, barring that it seems just -- to me that's logical if we came back said, wow, there is an issue. We need to solve it. And, okay, now there is a bunch of different ways to do it. Marc said cost per rider, how do we make it sufficient. Is it efficiency or is it scope; right? I mean first span of coverage. And we did a -- I thought we did a really good job of that when we talked about the rural program in our funding request through TTI -- that TTI prepared and was successfully forwarded to the commission. I thought we did -- that balance was struck. We've been -- we've got that -- we've got a history with that. I think we -- you can grapple with that. It's not easy, but I mean it could be grappled with.

MR. GLEASON: Let me suggest this to the committee. Been a good conversation. We didn't necessarily need you to conclude anything today other than to ask a lot of questions. There are kind of -- what if we were to go -- my suggestion would be that we would go away between now and a future meeting and try to capture this notion of need and how do we better understand the need for intercity bus services, what that looks like, and do also at the same time try and capture some sense of a reasonable set of
performance outcomes to begin to get our arms around with
making any investment. I'm not really sure what that's
going to look like when I say that. But I think those are
sort of the two -- sort of -- they're not two ends of a
spectrum, but they -- I think if we can have good notions of
both -- certainly better notions of both than we have today,
then maybe we can move forward to try and see what direction
might make sense.

MR. McBeth: Sounds like a plan to me.

MR. Salazar: That sounds good to me. And I
know Ken and I were having a side conversation about the
accuracy of the data that's presented. I think that may be
an issue going forward. So I would recommend that maybe we
take another look at it and make sure that information is
correct.

MR. Gleason: You bet.

MR. McBeth: If you add up the numbers of the
daily riders, it's less than a thousand. For a state the
size of Texas, that's not many folks. That's not many folks
at all.

MR. Gleason: Right.

MR. McBeth: A thousand a year, that's small.

MR. Gleason: So maybe we'll go ahead and get
some data from some of these other states and what
their ridership looks like. We'll have to make sure we know
what we're looking at. For all I know the Colorado ski
market is part of their intercity investment.

MR. McBETH: Washington has done the best job.
Being -- and this is John. Being on the board of Community
Transportation Association of America, Washington State has
done the best job. They literally went out and took control
of this program, and they run it like a -- they're
like Nazis. They run it. They run it like a -- it's got to
be efficient, and it's -- they've expanded their intercity
bus network even though their rurals are just really
onerous, but they took -- they took ownership of this
program and it's worked.

MR. GLEASON: We'll take a closer look at
Washington then. All right. Enough on that.

MR. McBETH: Enough on that. Next item is the
discussion of the Texas Administrative Code rule changes for
public transportation agency safety plans. Everybody's
favorite topic.

MR. GLEASON: And Mark Sprick down at the end
there is going to do this one for us. Mark is our section
director for administration and programs report, and he has
the task of implementing the new safety rule.

MR. SPRICK: Good morning, Committee. My name
is Mark Sprick, and this effort falls within my area within
our division. So I'm going to -- I'm going to walk through
a presentation we provided to the transit operators yesterday. And I'll tell you that at the end of this we're going to show you our concept for a timeline to getting to some rule changes.

We currently have a set of rules drafted about five years ago that we're going to need to amend. And here's reason why. Last summer in July Federal Transit Administration issued their final rules on who and how and what and when bus agencies who receive some federal funding have to produce an agency safety plan. And the rules go into effect this coming July, and then we all have to comply with those rules the following July. So by July 20th of 2020, we'll all be in good shape and compliant.

The bottom there shows, along that arrow, sort of the history of this. It's been going on since MAP 21 was passed by congress. These agency safety plans are written in the statute from MAP 21 and were carried forward in the FAST Act, which is our current authorizing legislation. And we jumped on them right away when they came out with a set of advanced rule making back in 2013, and then, of course, since when they've changed it all.

So the bottom line is as of last summer FTA says if you receive Section 5307 funds from us at FTA, you have to do one of these agency safety plans. If you get planning funds only or you fall under Federal Railroad
Administration for commuter rail service or the ferry services, you don't have to do this with us. And contrary to their initial advanced rule making they said if you get 5310 or 5311 only funds, we're going to defer the requirement for you to do an agency safety plan. We think that's FTA speak for it's coming later, to be determined. So you're not entirely off the hook, but you are for now. The wrinkle in this is if you're a 5307 agency and you also do 5310 or 5311 service, that 5310 or 5311 service will have to be included in your 5307 agency safety plan. So our so-called joint providers have to cover their entire fleet and service under the agency safety plan. So there you go. So who has to do these that receive 5307 and what is TxDOT's role in this? Under this rule -- and it's specific to this rule -- the FTA divided up the designation on who has to develop their own plans. And they said if you're a 5307 and you have a rail system, you have to do your own plan and FTA will approve it or certify it. If you're a so-called large bus operator, FTA will review and certify your plan. State DOTs, you get to do that function for so-called small bus operators, and they define that in this rule as an agency with 100 or fewer vehicles in peak revenue service. So our approach here at TxDOT is we're going to do this with the small operators. And we've identified 41 potential small operators in Texas by this
definition. We're going to work with those agencies over
the next roughly year and a half to get those plans
developed. Now, we're bringing on a contractor with a lot
of experience in doing this in other states and is kind of
an expert, if you will, in these bus agency safety plans.
And we're working on getting that firm under contract right
now and hope to get launched here in the next few weeks, and
they will be part of the TxDOT effort to do that. And then,
of course, whether you develop your own or you develop yours
with TxDOT, every agency under the federal rules will be
accountable for actually implementing that plan and then
doing annual updates and recertifications as time goes
along.

Now, the 41 agencies who are so-called small
bus operators have an option to develop their own outside of
our evident if they want to and those agencies will be
required to notify TxDOT in writing. In the next few weeks
or so, we're going to be sending out an e-mail with a letter
template that says, you know, by March return this to us if
you want to opt out. At that point, you're on your own. At
some future date if you want to return in, we can discuss
that but your plan will be certified by FTA and you will get
looked at in your tri-annual reviews, et cetera. So we're
going to work with everyone on that to figure out --

MR. GLEASON: Can I just stop you right there,
Mark? You just said your plan will be certified by FTA.

MR. SPRICK: Yes.

MR. GLEASON: If you're a small bus and you opt out, don't we still certify the plan?

MR. SPRICK: We're not entirely clear on that yet.

MR. GLEASON: Okay.

MR. SPRICK: The rule is not real specific.

MR. GLEASON: Really. Okay.

MR. SPRICK: It's depending on how you read it.

MR. McBETH: It would seem like you would.

MR. SPRICK: When FTA turns the lights back on in their office --

MR. GLEASON: We'll get that clarified. Okay.

MR. SPRICK: We've heard both.

MR. GLEASON: Okay.

MR. CLINE: It seems like there would be a lot of economy of scale for an agency to participate in this. I mean the basic format -- there is going to be agency specific stuff, but a good portion of this should be insistent across all agencies at least to make sure you check all the right blocks.

MR. SPRICK: I agree with you, Jim. And, in fact, I think in talking with our contractor we're thinking
that we're going to be able to come to each agency with
about 50 to 60 percent of their plan pre-written, if you
will, because it's going to be common to all agencies, and
we'll just focus on the things specific to that agency.

Yeah, I agree with that. Okay.

MR. McBETH: Encourage people to do it.

MR. SPRICK: By the way, that wrecked bus was
not one of ours.

MR. FICKES: I looked very hard on there to
see where that was.

MR. SPRICK: Yeah. That's not one of ours.

So I won't read you this slide other than to just tell you
there is a significant amount of work to do to get
these plans developed, and some of the main features of this
new planning effort that FTA has put out is -- it's really
elevating safety risk and mitigation measures and issues up
to the accountable executive level and ensuring that there
is a management focus on safety identification and
resolution and then use of the so-called safety management
system that is out in the National Transportation Safety
Plan. Sort of like our performance targets on operations,
there is safety performance targets. It's
really integrating from the agency level up with
the National Transit Safety Plan a focus on fatalities,
problems that might come up. It really integrates it in top
to bottom. Not -- that part isn't so hard, and that's what
we're going to be bringing to each agency is a lot of that
national safety plan information. Then you've just got to
figure out how that applies to your operations.

The reason I'm showing this is our contractor
is going to be spending a fair amount of time on these
elements with each agency. Many agencies, as Ken and I were
discussing yesterday, already have some of these or most of
these elements in place. They may not be called this or
organized this way, so we're going to crosswalk what you
already have over into this format, if you will, and may
have to fine tune a little bit but should be fairly
reasonable to cut down on the amount of work everyone has to
do. So we're going to take advantage of what you already
have. Some agencies are further ahead than others, so we'll
see.

Another thing of note, we did not get any
extra funding to do all this from the federal government.

MR. McBETH: Really? Go figure.

MR. SPRICK: They graciously informed us that
these categories you see on the screen can be used out of an
existing fund for you and us to do this effort. We at TxDOT
have come up with some planning funding to help do our part
of it with you. We do receive here at TxDOT, and it's
another program I have, is the rail safety oversight, which
receives Section 5329 funds of a little over a million
dollars a year, and we have I think four separate
interpretations from FTA that under no circumstance can we
use any of those funds to do this bus safety planning. So
I'm sorry to report to you that we can't use that. Maybe
that will change in the future. We'll see.

MR. McBETH: Well, we know -- this is John.
In their original rule, they said it wasn't going to cost
anymore money anyway, so no wonder they didn't give you any
money. I mean at CTAA we fought that like how -- really?
Well, what do you mean it's not going to cost anymore money?
I've got to hire at least one person. Are they going to
come to work for me free? Yeah, but their -- their position
is it's not going to cost anymore money and --

MR. SPRICK: Yes, sir. We challenged that as
well. I think AASHTO challenged it.

MR. McBETH: Everybody challenged it.

MR. SPRICK: I can tell you it is not going to
be free to TxDOT. I can assure you that.

MR. McBETH: It certainly wasn't -- hasn't
been free to us. Safety officer --

MR. GLEASON: Saves you money.

MR. McBETH: Huh?

MR. GLEASON: It saves you money.

MR. McBETH: It saves you money on your
insurance. That's for sure.

MR. SPRICK: So here's where we're at. This is the final slide. And really where the committee I think is going to be involved is when we bring to you the set of draft rules. We're developing those now. And I'll tell you this time line is based on some coordination with our general counsel division and other parts of TxDOT that have advised us that this would be a really good thing for us to work on but to not bring to the commission until after legislative session is substantially completed. So it's based in part on that.

So we're developing some rules. The governor has a policy in place where he wants to see those rules and review them. So we have to include that in our time frame here between March and April. We're going to then based on that final review of our draft rules, if that makes sense, develop draft final rules and then share those with you this summer. And then we'll have a discussion about those and then hopefully -- and I'll tell you they're not as lengthy as the rules you looked at, what, last year, the year before when we were doing formula rules and all that. This is a much briefer set of rules. And then late this summer we'll be going to the commission with the draft rules and then out to the public and then looking for a fall adoption by the commission. And I would suspect that at every meeting until
then we'll be bringing something to you to look at and/or consider.

And with that I will of take any questions.

MR. GLEASON: If I can, Mr. Chair -- if I can -- a couple points for the committee. I think -- we don't necessarily see in the rule development a tremendous amount of policy discussion type issues. And so I think when the time comes, we typically bring all rule changes affecting transit through this committee, but this committee could make the decision that, you know, this is pretty straightforward stuff and you don't really need to spend too much time on it. I'll leave that up to you. But right now we don't see this is as a policy discussion necessarily for the committee.

The only area of potential concern that we see is around the funding needed to support to program and where we take those funds from. And right now the -- right now under the current approach with our contract, we've actually been able to tap into -- over in the planning and programming division of TxDOT, they're actually tearing that expense for us.

MR. McBETH: Good.

MR. GLEASON: Down the road in terms of just ongoing effort to sustain the plans and whatever we might need to do for that, the 5304 program is probably our most
likely source. And, you know, that's kind of spoken for in any number of different arenas. And so there may come a point in time where we come to you with a discussion on that program and say here is how we spend it and look for some direction on priorities and -- but we're not there yet.

And so those are kind of the two things I see with this near term. The rules -- I don't think there's too much there. Long term there may be a funding priority kind of conversation we may have with the committee.

MR. CLINE: Can I ask a question? Timing is something to me that -- because having been an account executive and knowing I've got to take it to a board, I would suspect that the consultant's work needs to be done end of April, beginning of May to get two board cycles -- likely board monthly cycles to allow that to proceed. I mean most agencies are on a monthly -- at least monthly meetings; right? Probably. Maybe every other month, something like that. And so if you have -- if there is anything that did change -- if you start saying it's going to be published in November of '19, has to be approved -- or has to have a product ready for boards by May of '20, all of a sudden those dates start squeezing together pretty tight. I agree it's probably going to be a rule that says thou shalt meet all the requirements of the FTA; right? I mean at the end of the day, that's probably what the
administrative code says in a nutshell. But I think that if they're not prepped to be ready in May to actually have board approval by July, it may be really hard.

MR. GLEASON: Yeah, well, that's going to have to be part of the schedule. And I think the challenge for us is -- around this effort is mostly sort of organizational project management type challenges when we have 41 -- possibly 41 agencies that at the end there -- that end game between April or May, or whatever it is, in July getting that all through their efforts and signed and certified by us. So that's -- that's going to be the real challenge. I think we're going to try -- I think we're going to try and do a fast start and not try and save a lot for the end because I suspect that's going to be --

MR. CLINE: If the board gets fussy about it and says we want to wait another month, you know, to think about it again, all of a sudden you're going to be August, September before, and then everybody is out -- and you're out of compliance.

MR. SPRICK: And internally -- I mean while our contractor is doing the work to get these plans developed, my section will be parallel with the rules effort, and we're going to keep each other informed as we go. I think we're going to share with the 41 agencies as much of these rules as we can early on. I don't think
anything in the rules is going to necessarily change what is
in their safety plan. It is going to be more the timing of
it, so -- I don't think anything --

MR. GLEASON: Rules are one thing. I think
Jim has gone from the rules, and we're into the end game on

MR. CLINE: Right.

MR. GLEASON: And recognizing, as we talked
about yesterday, the board approval process and, you know,
how much can they know for sure about whether -- what
they've got is certifiable on our standpoint before they
start the board process only to find out at the end of that
that it's somehow short on the certification. So we'll have
to kind of work that end game really, really carefully.
Absolutely.

MR. SPRICK: Okay.

MR. McBETH: Thank you.

MR. SPRICK: Yes, sir.

MR. McBETH: Good report. Item number seven,
this is a discussion of options and priorities for the
potential additional public transportation funding requested
and TxDOT's current legislative appropriations request.

Eric.

MR. GLEASON: I will introduce this, and then
I will turn it over to James from TTI to walk you through
the presentation.

So when we were discussing about next steps and what the committee wanted to focus on this year, one of the topics that came up is a desire to keep talking about the $41 million program and kind of how we would get there I think was the next logical step, how would we implement it if we actually got this money.

What we've done for this meeting is we asked TTI to kind of go back into that work. We gave them some upfront guidance that said let's just assume for the purposes of this conversation we get $41 million over bienniums at $10 million a shot roughly, and let's talk about the kinds of different ways that are out there that we might choose to figure out what to do each step along the way, what's going to drive our priorities for the first $10 million, what's going to drive our priorities for the next one, and what are the different ways without trying to decide one over the other -- but what are the different ways we can look at that. And that's what you have in front of you today.

So, James, why don't you walk the committee through and -- you know, we're just kind of feeling our way into this conversation. I don't know how far -- I think, Mr. Chair, this is something you're interested in particularly.
MR. McBETH: Uh-huh.

MR. GLEASON: I don't know how far you want to take it. I don't know how far we can take it from a make-a-decision standpoint, but it seemed like it would be helpful to begin talking about it.

So, James, why don't you go through it and show them what you've got here.

MR. CARDENAS: All right. Thank you, Eric.

This is James Cardenas with TTI. So I think, Eric, that's a good intro for our discussion today. As Eric mentioned for looking at our objectives, the question is how the additional state funding would be it implemented. So we have a couple options to discuss. And after we have discussed those options and during each option, we'll be discussing some of the considerations that we thought of and what we thought through.

This is just the order of which I'm going to present. We're going to look at the assumptions. We're going to look at two prioritization approaches. In each of those prioritization approaches has two options. So a total of four options today to look at how we go through that prioritization list. We'll look at some additional considerations and then turn it over for discussion and questions.

So our key assumptions. Considering the $41
million ask, we are not anticipating that we get the whole thing at once. We're looking at the -- our assumption --
our one example is to get $5 million and have that compound annually as it is in this chart here. As such, there will
need to be a prioritization methodology as developed to see how these funds are distributed year in and year out.

The span threshold we're looking at is the 14-hour weekday transit service. And we're going to look at filling all of these service gaps -- span gaps. And that includes service that is not operated at that 14-hour weekday service level. And we'll also be looking at coverage gaps as well, geographically areas in Texas that do not have general public transit service.

Regardless of the prioritization approach, at the end of this disbursement of funds all those gaps will be covered.

So the two prioritization approaches I mentioned, one will be looking at need and the other one focuses on performance.

So under the need approaches, we'll look at, first, addressing coverage gaps and then one addressing span gaps. And then for performance, we'll look at ridership within the transit district and looking at cost effectiveness for transit districts.

So let's look at need option one, which is
coverage gaps. So for this approach, what we'll be looking at -- focusing on providing funding to cover those coverage gaps. And the ranking process that we're looking at is by population. So that's population within those coverage gaps.

So the funding process -- that's the same funding process I mentioned earlier, looking at $5 million per year. It will be used to, first, get that prioritization list and look at filling those coverage gaps based on their assumed operating cost expenses and continue to fill those gaps each year with each of those $5 million disbursements until all those coverage gaps are filled at that point, which then we'll look at filling the remaining span gaps.

So the main result from option one, the need option, is that the coverage gaps with the highest population would be first covered and filled with this -- these disbursements of funds. And, of course, these areas are influenced by density and land area. What that means is that there are different coverage gaps with different size land area and different density. For instance, there is a coverage gap in the lower Rio Grande Valley area that is very wide, very large areas geographically but does not have the high population. There are other coverage gap areas around the Harris County area that are very dense and have a
high population -- in the high population density. So that's option one.

So option two in the need -- looking at need option would be span gaps -- focusing on span gaps. And that's, of course, getting those services that are below the 14-hour weekday threshold.

So what's our ranking process for this? We'll be looking at ranking areas with the most need, in other words, the areas that have -- that need the most span gap hours. That's the hours needed to reach that 14-hour weekday service. And with this funding process, again, we'll be using the $5 million yearly disbursements to go after those transit districts that are at the top of our prioritization list in this area to fill those 14-hour weekday span gaps. The difference here is that we're going to fill the span gaps first. And once those are addressed, then we'll go and look at the coverage gaps. And that's the main result of this option is that the transit districts with the largest total span gaps, and that's across all modes operated, the total hours of span gaps -- the hours needed would receive the funding first.

So those are our two need options. So what are our two performance options? Both of these performance options look at filling span gaps first, and the reason why it's because the coverage gaps do not currently have
service; and, therefore, they do not have current ridership
or they don't have a cost effective measure that we can put
to this. So with that being said, how would this -- how
would these two approaches work.

So if we look at ridership, we would
essentially rank the gap areas by the transit district's
passenger trips, their ridership. And this will be across
all modes. So that's how we would start our prioritization
list for this method.

Another -- another note up here is that we
could also use expected ridership instead of the current
ridership for each transit district.

The funding process, again, looking at that $5
million disbursement, look at filling these span gaps,
looking at this prioritization list with the highest
ridership. And then once we get through that list, then
we'll go looking at filling in the coverage gaps. So the
main result is the highest -- the transit districts with the
highest ridership would get that funding first.

Okay. Our second option and our last option
-- or second option performance approach would be to look at
cost effectiveness, which is effectively the cost per --
cost per rider.

So we start that prioritization list by
looking at transit districts that have a span gap, which
ones -- which one of those would have the highest -- or the
most effective cost per ride.

And as we rank those, we will go through the
list. And after we fill the span gaps, again, we'll address
the coverage gaps. So in each scenario, the span gaps are
addressed first and then the coverage gaps for these
performance options. So the result would be that the most
cost effective transit districts would get the funding
first, and this is based across -- on all modes operated.
And then, of course, we'd go in to fill -- use the funding
to fill the coverage gaps.

So our last, additional considerations. So
once we have prioritization method selected and those
recipients are selected, they'll have to complete a transit
development plan or a service plan, and that's to ensure
that the estimated funding that is appropriate for that
identified gap -- or for filling up those gaps.
Additionally, those recipients will have to enact data
collection protocols so we can track the progress and see
the impacts and benefits from those -- from filling those
gaps.

And now we have questions and discussion.

MR. GLEASON: If I can, Mr. Chair, set some
context for the committee. I think there is a fundamental
up-front question, and that is, you know, do you even want
to try and be strategic and deliberate about the investment if it comes in phases. The option being, of course, is you just distribute it out by formula to everyone and everyone gets a little bit along the way. And at the end you -- I guess you assume you've got what you wanted. You know, there's -- it doesn't necessarily have to be that open ended. I mean everyone can do a plan at the beginning, everyone, and everyone can demonstrate and confirm how much they needed to get to the picture we want to get at, and then everyone gets a little bit of the pie point as it becomes available along the way. The issue becomes -- you know, I think one of the -- one of the challenges, of course, is you don't get a commitment for all of the money. You get it one -- one step at a time.

MR. McBETH: At a time, yeah.

MR. GLEASON: And every time you want to go for more, you want to be in a position of being able to show what you did with the first part, and that may mean a more proscriptive and deliberate investment strategy that we embark on how to spend the funds as they come in as opposed to just everybody getting a little bit of everything when it comes in. So I think that's a very fundamental upfront kind of consideration for the committee to think about. And then if you choose to go the more deliberate approach, what James has just presented is obviously a very -- you know, perhaps
oversimplified set of choices for you, but I think -- I
think it does sort of highlight some of the key policy
areas, and that is, you know, do you make the investment in
a way initially that generates the higher performance
measures and numbers that you think it can from ridership
and cost effectiveness knowing all the while that in some
areas of the state that really investment isn't going to
generate that kind of performance, but it's absolutely
critical that it will be there from a coverage and span
standpoint. And, you know, it's a -- it's a balance, and
you can always pick to do a little bit of both. But I think
for the purposes of provoking a conversation, our direction
to TTI was to make it a little more black and white for you
and just to kind of talk about it. We don't have -- I don't
think we are going to get to a point where we would reach a
conclusion in this conversation that we could then turn
around and say to the world, you know, this is how we are
going to do it. Obviously that is a conversation that has
to take place with the industry as a whole.

    MR. McBETH: Yeah.

    MR. GLEASON: But I think this gives us the
capacity to at least describe what we're talking about.
And, you know, certainly if I were to find myself in front
of legislative committee this session and ask about what
would you do with this, this is the conversation I would
have with them. It wouldn't be specific. It would be just
saying here's what we're thinking about because that's where
we are. Anyway, so --

MR. McBETH: This is John. My -- my attitude
is to be -- what you presented is very well thought out.
It's very well thought out. There is a lot of choices to
make. It's a nice outline, a lot of choices to make. But
my -- my proclivity would be to be very proscriptive as to
who is going to get the money.

We went forward with the $41 million
recommendation based upon that extensive work that TTI did
for us over the last 24 months. And as a person that has to
go in front of legislative committees and tell them we want
you to give us this money, they don't give you any money
unless you tell them what you're going to give them in
return, and it's got to be fairly substantial. And so what
we have spent our time doing is telling them it's coming.
And what it's going to do is it's going to address needs
that TTI pointed out that are state wide. They affect every
system. The primary among them is the 14-hour a day, which
allows us to get more people to jobs; therefore, it's the
economic development side of what goes on over there in the
pink building.

The other one is just service gaps, which is a
little dicier because you're dealing with some communities
that, like you said, down in Rio Grande Valley, vast swaths of land. There is more goats there than there are people. Goats don't -- well, sometimes goats ride buses, but -- I don't -- I can't remember the last time one of them had a fare.

So I think we have to be proscriptive, and I think that the industry in general I hope will support it. There is always this thing, well, we've got more money. What's my take of the money going to be. Well, from our perspective, our span gap is non-existent. We've got the service out there and the right spans. We do have service gaps, particularly over in East Texas and it's because of money, but I see it being more important to develop those systems that have span gaps right now that are not open in time to get people to work than it is for me to get more money to serve more service area. That's my perspective. And I think we're in a position that we kind of have to adopt that. I don't think we can just say let's take all the money and put it in -- that would be great if we got the $41 million and we just put it in the formula, but I don't know that that's going to solve the problem. We pointed out that there are systems out there that if they got more money, they -- if they weren't told you've got to go 14-hour days, they wouldn't and -- I mean we know -- we know that those systems are out there. I know.
MR. CLINE: Seems to me that -- and this is
the only thing that I looked at -- or one of the things.
Just initial to look at this is that by very nature the --
where there is not a span, where there is a span issue or a
coverage issue, it's by its very nature probably going to
have low performance. I mean so if those are the questions
we're trying to answer, then we -- ridership and cost
effectiveness should be tracked and evaluated but probably
not drive the equation; because if we want those things to
drive the equation, then we're going to be doing -- we're
basically going to be providing money to the existing
systems to keep doing what they do better. And so it seems
to me that if you had the ability to be able to go to a
legislative committee and say if you give me $5 million a
year, I can achieve X coverage of the State of Texas and
we're aiming to 100 percent, or we're going to start with --
we're going to get people to work and make sure that across
the board all of the existing services that have 14, 50
percent of it the first -- I don't know what the number is.
Right? I mean that's math. I don't know the numbers that
feed into it. But a quick 30-second, one-minute pitch that
describes it very succinctly would be really valuable and
just by its very nature is going to serve the rural areas
and the less populated areas of the state anyway. And so,
you know, if we're going to argue, you know, cost
effectiveness, it should be ultimately all the money will go to a highly dense urban area and just spend it there. But we're not -- we're not in the business of doing that. We're trying to address these less dense areas that need -- people need access, right, to get there.

Anyway, so that's -- I would hope we find a -- an answer like that to say if you give us additional funds, we're going to focus on -- John, you proposing this span of service -- whether it's span or coverage, I think that's an issue that the policymakers need to decide. But seems to me that if you had an answer in saying $5 million would give you X percentage of coverage or X percent of span, that would be answer and I'll do it. I say I. I'm speaking as if I'm Brother Gleason here, but --

MR. GLEASON: So let me -- this is Eric. Let me try and rephrase. I think the entire package of $41 million is all about span and coverage. I think the -- what we're trying to do with what we've presented was to suggest that within that span and coverage package of investments there -- you know, is it the areas that have the greatest lack of span and the greatest coverage gap -- is that where you start or is it -- is it an area that, you know, you're only short by a couple of hours on span and, you know, it would actually -- those two hours more of span would actually generate more ridership for you than an
eight-hour span investment somewhere else in the state.
Because the whole package is about span and coverage. We're
not -- I mean you're right. There is a whole -- and I can't
even imagine what the rules would look like. We'd have to
ride around this money to actually guide that investment.
But because -- you're right. There is a whole tendency to
possibly even just forget about the basis for the request to
begin with --

MR. CARDENAS: Exactly.

MR. GLEASON: -- and just go and put it where
you think you need to put it as an individual board, you
know, independent political subdivision of the State making
their decision about what to do with their money.
And so our conversation today is -- so keeping
the faith with the span and gap investment -- span and
coverage and gap investment where to begin. And none --
instead of trying to tackle that larger question about
what's the most cost effective investment we can make with
new money, it's kind of what's the most cost effective
within this investment in general is what we're trying to
say.

MR. McBETH: Your -- this is John. Your point
of looking at the systems that are out there and you find
one that -- for $300,000 a year, they can add two hours and
have the 14-hour span that they need, that's just plain good
economic investment. And I think that is something that we
would rely on the division to look and say we've looked out
there, and these are systems that for a small investment we
can get a bigger bang for our buck, but we have these other
systems that are operating eight hours a day and they're
going to cost us more money, and we might not -- like Jim
says, we might not get the performance that we want, and we
might have a real hard time convincing a local board to do
it because they're the ones that make the decisions.

But I think that point you bring up of you can
look at some of these systems that just for a little bit of
money you can add two hours and they've got their 14-hour
day, two hours strategically added is extremely important.
That's getting someone to work and being able to pick them
up at the end of the day hour on each end. So I'm all for
that.

I like the outline you put together. I think
it's something we need to sit down and we have to look at,
but I also have been doing this long enough to know that it
has to be proscriptive. We just can't -- if we get this
money -- I'm not going to say that. We can't be flippant
about how we spend it. It needs to be done in a very
strategic manner so that we can demonstrate to the
legislature -- we've got a very odd appropriations committee
this session, one of the strangest I've ever seen. So our
work is cut out for us on that $41 million. It's cut out
for us. But I don't say it's possible. It will work.

MR. SALAZAR: The only thing I worry about
starting with the transit districts with a big span -- for
example, if you have a system that's running six hours,
we're going to try to get you up to 14 hours, you know, I
just struggle with the fact that maybe they're at six hours
for a reason and performance and, you know, their boards and
that kind of thing. And so I think for us to start with
that would be hard for me to kind of accept. And I don't
know -- I don't know if there is transit districts in the
state that only operate eight hours a day. I really don't
have a clue. I'm sure there is but --

MR. CARDENAS: Eight hours -- I think the
lowest -- I don't want to throw anyone under the bus. Sorry
for the pun. But I think the majority -- there was a lot --
I think eight hours was very -- very, very few transit
districts have had span. And, remember, span -- we're
talking about from start of service to end of service
throughout the day. So there is very, very few I want to
say, but --

MR. SALAZAR: So that's my thought.

MR. McBETH: Yeah, that's a good thought. I
mean like I was saying to you, what can you tell local
boards that they're going to do. They may have a reason for
doing what they do, but it's counterintuitive that if you're trying to spur economic development you have to get people to work, and you can't get people to work if you're only operating -- if you're not operating early in the morning and late in the afternoon. You could run cut during the middle of the day and have no service in the middle of the day --

MR. SALAZAR: No, I'll concede that point. I mean I understand --

MR. McBETH: You've got -- you've got to have the early morning routes and -- when I instituted them back in 1983, I lost nine drivers overnight. They just told me they weren't going to come to work before 8:00. Bye. See you later. So that's just my thoughts.

MR. WHYTE: And this is Marc. And I'll just say that I agree with John. It's got -- it's got to be proscriptive. And, you know, looking at the economic development side of it I think is of utmost importance. We can't -- I mean we've asked for a lot of money. It needs to go to good use. If we really need all that money, then let's make sure it goes to something that's critical.

MR. CLINE: Just a thought here kind of building on John and what you said is that if -- there is a one way to say it is we're going to push it down and the other is that someone pulls it up.
MR. McBETH: Uh-huh.

MR. CLINE: Right? So if the agency came back and said -- if TxDOT was to say it's our goal first year we're going to address those -- to fill in those last gaps, right, the runs that are short, in an area where we can get a lot of population for a minimal investment; right? That's the focus. So you get -- and we're addressing both and -- but the agency comes back and says if you give me $300,000, I will provide you two hours, not saying we're going to give you this to make -- do you see what I'm saying?

MR. McBETH: Yeah.

MR. CLINE: That's where the commitment comes in. So you get a grant for it. And if we -- whichever way we got; right? And, Marc, you brought up an excellent point. It's about economic development. That's probably going to ring well. But the first year to me it should be we're going to start closing some of these gaps.

MR. McBETH: The biggest bang for your buck --

MR. CLINE: Right.

MR. McBETH: -- initially.

MR. CLINE: And it's -- you're going to either -- we've got an area that has a big population with a small area that's unserved or small gaps in coverage, I'm sorry, and the time, and then we're going to be go track performance and report back because next year we're going to
ask for some more money and tell that story. I think that
to me would be a very concise point.

MR. WHYTE: And to that point -- and this is
-- I mean may be a side point. There is -- I mean we sort
of have a money crisis in Texas right now. We need money
for a lot of things.

MR. McBETH: Yep.

MR. WHYTE: Most specifically I think we're
going to see this legislative session as the school finance
issue is -- I mean it's incredible. We've got -- we have to
properly fund education in this state. And so going
forward, I just want to make sure that we're really asking
for dollars that we absolutely have to have; because, if
not, this money could be well spent other places.

MR. GLEASON: If I can ask the committee, I
don't -- like perhaps our two previous topics, I don't
really have a strong feeling on where we go next with this
discussion. And so I would -- I'd like to hear back kind
of, you know, what the committee might be interested in
doing next with this. And the caveat I'll put on this is
I'm not looking to put the committee in a position of making
a recommendation. You can do so. Obviously you can do so
on your own. But as staff, our approach would be to take a
more grassroots effort, you know, approach with the industry
as a whole to work through this conversation we're having
today so at the end we have more inclusive buy into it.
Obviously the committee under your chairmanship can do what
you wish with it, but -- so where -- where would -- where do
we go next with this topic? What else would you like to
hear?

    MR. McBETH: I'd like to see it on the next
    agenda.

    MR. GLEASON: About what?

    MR. McBETH: About this -- this report and
give us time to look at it and consider it. At the same
time, I -- it would be great if you guys could point us to
those systems that for a small investment we can show that
we've done amazing work. You can show that in the first
year of a biennium if we got the money. That's worth a lot.
It's worth a lot.

    MR. CLINE: It would be really cool to say
that 41 agencies -- you had a span and coverage block and
you checked on all of them, and you're able to check them
off and literally just put up one graphic that says -- and
where are the checkmarks and here is the red ones we added
this time. Your money gave you this. That would be --

    MR. McBETH: That's perfect.

    MR. CLINE: -- very effective I believe and --
    MR. McBETH: One table.

    MR. CLINE: Yep. One page. This is our
story. This is where we want to go. And then at the end of
the first year and end of the second year, this is what we
achieved. That would be very powerful.

MR. GLEASON: We'll be in touch. So we will
work on that general -- general strategy there and try and
come back with something for the committee on that.

MR. McBETH: Great. Thank you. Item number
eight. Josh, do we have any people signed up for public
comments?

MR. RIBAKOVE: We do not.

MR. McBETH: We do not have any people signed
up for public comments. That pretty much brings us to item
number nine, propose and discuss agenda items for next
meeting, confirm the date for the next meeting. Two items I
have. Talk about intercity bus again and talk about the TTI
report again.

MR. CLINE: John, could I add one?

MR. McBETH: Sure.

MR. CLINE: The administrative rules for the
safety plan -- I would suspect, unless there is something
that's dramatically different from the -- well, it can't be
dramatically different from the feds -- that we may want to
just turn that loose on the staff and get back reports --

MR. McBETH: I agree. I was --

MR. CLINE: That was a topic that came up, and
I just thought we ought to --

MR. McBETH: I was going to comment on that and it just escaped my mind. I don't think this committee can do anything about that. It's federal requirements. I think we have a very able transportation staff. They've got their work cut out for them. I heard great things about the consultants you guys hired from my staff that were here yesterday, who evidently had several conversations with the guy. He seems like our kind of people. So, no, I don't think there is much we can do. I just like for us to be informed as to where we are and where we're going.

MR. GLEASON: So I will --

MR. CLINE: That would take an impediment out of -- that would take a step out of the process.

MR. McBETH: Yeah.

MR. GLEASON: So we will take that approach. I will use my director's report as an opportunity to kind of let you know where we're at. And if at some point the committee wants to add it to a subsequent agenda, we can do that.


MR. McBETH: And with that, what's the next date and time, Josh?

MR. RIBAKOVE: The next date and time we were
looking at Tuesday the 26th of March, 10:00 a.m. start, if
that works for everyone.

        MR. WHYTE: What did you say, 10:00 a.m.
        start?

        MR. RIBAKOVE: Yeah, that's our general start
time.

        MR. McBETH: I actually think I have a board
meeting that day, but I'll look and see.

        MR. GLEASON: So this committee is -- I think
from the department -- now, this is not a department
committee, and I recognize that. The department committees
traditionally I think -- the expectation is they meet on a
quarterly basis. We have been on an every other month basis
with this committee since I think we were in rule making and
perhaps a little bit before. So the committee always has an
option to revert back to the baseline quarterly meeting
schedule either --

        MR. McBETH: Quarterly is fine with me if no
one has an objection.

        MR. FICKES: I don't.

        MR. McBETH: With sessions going on, I have
other things to do.

        MR. FICKES: I know that, but I consider the
timeline we've got for the -- this is Ken talking, by the
way. The timeline we have for the safety program is heavily
little dependent on what happens here. And I really want to kind of stay on top of that. So is there any way we can do that and not come meet every other month? Can we get updates on e-mails or something?

MR. GLEASON: Let me -- I want to make sure I understand, Ken, where you're coming because we just had a conversation --

MR. FICKES: Right.

MR. GLEASON: -- about diminishing the significance of the discussion for this committee on the safety rules.

MR. FICKES: Right.

MR. GLEASON: And I'm hearing what I think is something different from you. I'm not sure I understand.

MR. FICKES: I just want to know what's going on as far as the process.

MR. GLEASON: We can -- we can keep you apprised of what's going on.

MR. FICKES: The next operators meeting is next summer, so --

MR. GLEASON: Yes. So we can -- we can keep the committee apprised of our progress independent of a meeting. If that's what you're looking for, --

MR. FICKES: Right.

MR. GLEASON: -- that's fine. Okay.
Absolutely.

MR. McBETH: So going quarterly, Josh, what would be the date?

MR. RIBAKOVE: If we're going quarterly, the next date we would be thinking about would be Tuesday, April 30.

MR. McBETH: Okay.

MR. GLEASON: We'll work with that date and see how --

MR. McBETH: That works for me. With that being done --

MR. FICKES: My only thought, John, would be when do you need input? When can we help the process? If that's every other month, if that's every quarter --

MR. McBETH: Well, I'm not shy about picking up the phone and calling Eric. He always answers.

MR. GLEASON: 979 area code. Pick up with care.

MR. McBETH: I keep trying different numbers, though.

MR. GLEASON: That and 903 are my two area codes that I watch out for.

MR. McBETH: That's my Lufkin.

MR. GLEASON: Off the record.

MR. McBETH: Yeah. Item number ten,
adjournment. Do I have a motion?

MR. SALAZAR: Motion to adjourn.

MR. WHYTE: Second.

MR. McBETH: I have a motion and a second.

All in favor, signify by saying aye.

(Aye.)

MR. McBETH: All opposed. You'll be here by yourself. Okay. Motion carries. Thank y'all. Great meeting.

(Proceedings concluded at 11:23.)

* * * * *
THE STATE OF TEXAS
COUNTY OF BEXAR

I, BARBARA GRIFFIN, a Certified Reporter in and for the State of Texas, do hereby certify that the above and foregoing contain a true and correct transcription of all proceedings, all of which occurred and were reported by me.

WITNESS MY HAND, this the 1st day February A.D. 2019.

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