Transcript of the Testimony of

TXDOT HEARING

Date:
July 25, 2019

Case:
PUBLIC TRANSPORTATION ADVISORY COMMITTEE
TRANSCRIPTION OF
TEXAS DEPARTMENT OF TRANSPORTATION
PUBLIC TRANSPORTATION ADVISORY COMMITTEE
THURSDAY, JULY 25, 2019
9:00 A.M.
200 EAST RIVERSIDE DRIVE, ROOM 2B.1
AUSTIN, TEXAS 78704

REPORTED BY: PAIGE S. WATTS, TEXAS CSR NO. 8311
APPEARANCES

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

COMMITTEE MEMBERS PARTICIPATING TELEPHONICALLY:
John McBeth, Chair
Dietrich Von Biedenfeld

TxDOT PRESENT AND PARTICIPATING:
Eric Gleason, PTN Director
Josh Ribakove, PTN Communications Manager
Donna Roberts, Program Services Section Director

OTHER SPEAKERS:
Dave Marsh, General Manager, CARTS

COMMENTS BY THE PUBLIC:
Vince Huerta, East Texas Council of Governments
MEETING AGENDA

ITEM

1  Call to Order.

2  Safety Briefing.

3  Approval of minutes from April 30, 2019, meeting. (Action)

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

5  Presentation and discussion on transit agency risk assessment.

6  Presentation and discussion on Capital Area Rural Transportation System's intercity bus service program.

7  Presentation and discussion on Intercity Bus Program Strategic Direction Report. (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. CLINE: Okay. Good morning, everyone. Welcome to the 25 July, 2019, PTAC meeting. First order of business, we'll call the meeting to order. My name is Jim Cline. I'm the Vice-Chair. We'll call role at this time. John McBeth?

MR. GLEASON: John, you have to unmute your phone.

MR. MCBETH: I think it's unmuted. I'm here.

MR. CLINE: Okay, got it. Okay, I'm here.

Marc Whyte?

MR. WHYTE: Present.

MR. CLINE: Ken Fickes?

MR. FICKES: Here.

MR. CLINE: J.R. Salazar?

MR. SALAZAR: Present.

MR. CLINE: Dietrich Von Biedenfeld?

MR. VON BIEDENFELD: (No response).

MR. CLINE: Okay. With five members present, we have a quorum and we'll commence the meeting.

Josh, could you provide the safety briefing, please?
MR. RIBAKOVE: Sure. We are in the large auditorium at 200 East Riverside Drive in Austin. For medical emergencies, please call 9-1-1. We are located at, like I said, 200 East Riverside Drive, ZIP code 78704.

The AED unit is located here on Level 1 in the main lobby in the security booth. First aid kits are marked and located on each floor. In case of a fire or other need to evacuate the building, fire extinguishers are marked and located on each floor. We will evacuate and exit the front door of this building, turn left, and gather near the sidewalks and fence line of the parking lot facing Riverside Drive.

In case of a tornado or inclement weather, stay inside. This auditorium is the best place. We will stay here. Move away from exterior walls and windows, which we do not have any of in this room. Proceed -- yeah. And in case of active shooter or bomb threat, we will follow instructions from the public address system and on-site security personnel.

A couple of housekeeping notes. We do have a sign-in sheet on the table back there by the door, and we also have speaker sheets. If you would like to address the committee, just fill out one of those -- they're very short -- pass it up to me and
we'll make sure that you get your chance to have your say.

Thank you for your time. Have a safe and productive meeting.

MR. CLINE: Josh, thank you very much. And one thing I'll add is if there's anyone who does wish to make comments, please do fill out the card and let us know. We'll be happy to have you make your comments at the appropriate time during the meeting.

So the next order of business is the approval of minutes from the 30 April, 2019, meeting. Are there any comments or corrections to be made to the minutes?

All right. Hearing none -- John, are you good?

MR. MCBETH: I'm fine.

MR. CLINE: All right. Hearing none, I'll entertain a motion from the floor to approve the minutes.

MR. WHYTE: Motion made.

MR. CLINE: Motion by Marc. Do we have a second?

MR. MCBETH: Seconded by McBeth.

MR. CLINE: McBeth second. Any further
discussion?

All in favor say aye.

(Chorus of ayes)

MR. CLINE: Any opposed?

Motion carries unanimously. Thank you.

Next order of business is the TxDOT Public Transportation Division Director's report to the PTAC regarding public transportation matters.

Eric?

MR. GLEASON: Good morning. This is Eric Gleason, Director of Public Transportation for TxDOT. I will keep my remarks relatively short this morning.

And, J.R. and Ken, these are largely going to be the same remarks you heard yesterday. So I apologize for that.

A couple things from the session. Just from a funding standpoint, there was no change to overall funding levels, state funding levels for public transportation for the next biennium. So the committee's recommendation and the Department's request for GR funding to support the findings from the needs assessment was not addressed during the session. We do stay at approximately the 35 million-dollar-a-year level for state funds for large urban, small urban, and rural transit districts in the state.
The other thing of note is that our appropriation also continues to assume the ability of the Department to flex over from the highway side seven and a half million dollars each year of the biennium for a total of 15 million for rural and small urban fleet replacement purposes. This is something the Department has been doing for several sessions. So we continue to be able to do that in '20 and '21 and we typically -- we'll try and leverage that with either federal discretionary funding or federal formula funding to address fleet replacement needs in the state.

Quick update. The Commission at its last meeting in June did approve almost 60 million dollars worth of grant program awards. 59.1 million exactly. It was a combination of the annual state award. So almost $35 million was awarded. It included a relatively small amount of returned funds from the urbanized area of McKinney that were then subsequently by the Commission allocated out to all other urban transit districts based on their reported proportional share of the vehicle miles.

There was about $620,000 to continue regional public transportation coordination planning in each of the state's 24 regional planning areas.

7.3 million of 5310, enhanced mobility of seniors and
individuals with disabilities funding, to small urban and rural areas of the state. The balance of the FY '19 5311 formula grant program was awarded out to rural transit districts based on their total vehicle mileage, 15.7 million. And then finally a small amount of the remaining TIGER Program/Flex funding for fleet replacement, just under $42,000 was awarded to Ark-Tex Council of Governments to spend that money down. So June is always a big month for us, and this year was no exception.

I'll touch briefly, the Department -- since we last met, the Department has submitted an application for discretionary bus and bus facility funding. It's a 24.5 million dollar project of which we're looking for 13.8 million from the discretionary program, combination of statewide fleet replacement for rural transit districts and moving six facility projects from their current status in project development to a ready-to-construct phase and then constructing one facility in Polk County, a maintenance facility operated by the Brazos Transit District.

So we expect to hear back on our application in the fall at some point. It's a very competitive environment. And so, you know, it's rare that you get everything you ask for and if you get
anything all, you've done well. So we will keep the
committee updated on that.

Big issue right now in the state is that
the State Comptroller has -- the contracts we had, the
option we had to go to the SmartBuy Program at the state
level -- cooperative level -- and purchase fleet, those
contracts lapsed in the spring. There is no replacement
set of transit specifications at the moment. It's an
unfortunate situation.

The Department is pulling together a set
of replacement specifications. We hope to have some
expertise on board in the next couple of weeks to help
us do that. Our game plan is to get those replacement
specifications to the Comptroller in October. The
fastest the Comptroller has told us we could see
anything on the street is five months later and so we're
probably looking at the April/May timeframe of 2020
before those new specifications are actually out and
available for folks to buy off of.

So in the meantime, we are allowed to go
buy off other state cooperatives. And, you know,
Oklahoma looks pretty good. Georgia looks good,
although apparently the range of selection with Georgia
is not as large as a lot of people would like. And
there may be others. But kind of a tough spot right now
for the largest rural program in the country not to have a state cooperative available to buy off of. So we'll keep you posted on that.

New initiatives for the coming year, a couple important ones. We are moving to get in place and procure a set of consultant services that we have procured and will be available to subrecipients to assist them with finance, financial management, facility development, and operations -- things like comprehensive operational analyses or evaluation of services. This, as opposed to having them have to go procure their own services to do their own study, we will have a set of consultants on board that have been appropriately procured and then we'll have to work out the process on how folks take advantage of that; but we expect to have those services available in January of next year. It's kind of a back-to-the-future effort on our part. There was a time in our history where we had this available and it was allowed to lapse and we're trying to bring that back.

The other area of effort from a procurement standpoint for us with statewide significance is we're looking to bring on a consultant to help shape and frame an aggressive training program for subrecipients. And what we have in mind for that is
someone to help us actually design the program to begin
with and also be able to deliver a core set of courses
on a routine basis that go to basic operations and
management of transit and then other courses either on
an every-other-year or every-third-year basis or an
on-demand basis, as well. Again, we expect this going
on at the end of August/early September and hopefully
having someone on board by January.

So with that, I will conclude my
comments. I'm open to any questions that any members
may have of me.

MR. CLINE: Any questions from the
committee members regarding Eric's comments?

John, any questions?

MR. MCBETH: No. Good report. Thanks.

MR. CLINE: Okay. Hearing none, Item
No. 5: Presentation and discussion transit agency risk
assessment.

I know, Donna, you're going to do that.

But, Eric, I'll turn it over to you to
introduce Donna, please.

MR. GLEASON: So at our last meeting,
there was a request to hear about what has traditionally
been called a risk assessment that the Division does in
the context of looking at the programs that we provide
monitoring and oversight to and I've asked Donna to join us today to provide an overview of this effort to the committee and to address any areas of interest or questions that you might have on it. This is not an action item. It is something that is important to how we do our work though.

MS. ROBERTS: Thank you, Eric.

Good morning. My name is Donna Roberts. I am the Program Services Section Director for the Public Transportation Division. As Eric mentioned, I'm here to discuss our -- what we are now calling our "agency assessment process." This is what we previously called an "agency risk assessment process," basically measuring an agency's performance in the grant regulatory environment.

It's a -- the grant world is a highly government-regulated program and this process was developed a few years ago to help us assess where an agency is performing at any given time throughout the year and helps us to determine what level of subrecipient oversight we may need to do with a particular agency; if an agency at any particular time throughout the year needs additional monitoring, what that additional monitoring might be and having a conversation with the agency about that; and then what
they need to do to get back into compliance at a level of performance that we expect for managing the grant.

So I'll go through the process -- go ahead.

MR. RIBAKOVE: Oh.

MS. ROBERTS: So in previous discussions with our operators at a semiannual meeting where we talked about this subject, the word "risk" was something that people didn't like. So we have changed that "risk assessment name" to "agency assessment" and that's all this little cartoon is trying to tell you there.

So this slide demonstrates the variables that go into our assessment process. There are basically two components. We have an assessment score that we assign to each agency, and that score is determined with these main two elements. There is a profile element and a compliance element. The profile element looks at the type of entity that a subrecipient is and what we mean by that is if it's a city organization, if its a standalone transit district, or if it's a nonprofit, various types of entities and they may get different points depending on the type of entity that you are.

The next one is the funding that they receive throughout the year. The more funding you
receive, the higher points -- the more points you get.

Third element is the agency changes. If there are organizational changes, if the agency has turnover in key personnel -- especially personnel that are directly involved in managing the grants -- there are points associated with that.

MR. GLEASON: Points are not good.

MS. ROBERTS: Points -- well, in the profile, in the profile score, a high score in the profile doesn't necessarily mean anything. This is just a score. These are just inherent in running your organization. But the points may have meaning when you have a higher score on the compliance element. If you are an agency that is not performing well from a compliance standpoint, then we start to look at what that profile score is.

If you are having a lot of turnover in your organization and you're receiving a lot of money from us, that could increase the likelihood that you have problems with compliance or it may increase the impact of problems with compliance if you are getting a lot of money from us and you are having a lot of change in personnel. So in and of itself, a high compliance score is not cause for concern; but it is looked at in conjunction with the compliance score.
So let me go through the compliance score. There are several bullets you see there under the compliance elements. These are mainly our subrecipient oversight and monitoring that we perform. Some of it is oversight that is performed by the feds or other organizations. So let me go through those.

The first bullet there, Quarterly Deficiencies, the PTN-126. This is a quarterly review that our field staff do of all of the subrecipients who received funds throughout the quarter where they look at the financials associated with those reimbursements. They look at a line item review. They make sure that all the costs are eligible, allowable, and supported for the grant. Any deficiencies found in that review, of course, you get points for.

The second bullet there, Annual Monitoring/Triennial Deficiencies. I think everyone knows what a triennial is. Those are the reviews that the FTA comes and does particularly for dual recipients who receive not only the 5311 funds through us, but the 5307 funds through direct funds through the FTA. The annual monitoring and triennial deficiencies, our own annual monitoring looks at about eight or nine different programmatic areas -- everything from procurements to Title 6 to American Disabilities Act -- compliance with
a variety of programmatic requirements that anyone receiving those grant funds is required to comply with.

The single audits, that is a federal requirement that agencies that receive over a certain amount of funds each year -- I think the threshold is 750,000 of government funds -- they have to have an outside, independent accounting firm come and audit them and there's a whole series of compliance elements and financials that those single audits cover. So the results of those single audits are also factored into our assessment.

The last bullet there, it says "Late Improvement Action Plan." Let me explain what that is. So if there are any deficiencies that we find in our compliance reviews, we write what we call an improvement action plan that is basically just putting the agency on notice that we found a deficiency, here's the corrective action, we discuss the corrective action needed, the timeframes associated with that, and then we follow up later on to make sure that the agency has implemented that corrective action. If they are delayed in doing that as committed to, then they get a small number of points on the agency assessment for being delayed in implementing that action. Okay?

So the points for both the profile and
compliance elements comprise the total score on our risk assessment. And we look at these on a quarterly basis. We pull data from the field, all of the monitoring that has occurred, and at the end of each quarter, we look at what the assessment is telling us with each of our agencies. Any questions on that piece?

Okay. I'll go through an example of a typical 5311 transit district. So they are -- this is a 5311 agency that is a local government. So their profile score there for the type of entity is 25 points. Throughout the year, they were reimbursed $911,000. Sixty points there. They had no system or staff or organizational changes. Zero points there. The total profile score: 85 points.

On the right side of the screen, you see an agency's compliance score. So from their quarterly line item reviews, there was one financial deficiency found. Twenty points there. They got a programmatic review. Ten points there. Their single audit was clean. Zero points there. But they did have an IAP that was late for a couple of months. So ten points there. Forty points total compliance score. Whopping total overall score of 125.

The way that we previously reported this, that would be in the medium risk level. You see the
chart in gold there on the bottom of the left, those were the thresholds where we defined low risk, medium risk, and high risk. But again, that word "risk" in those thresholds kind of caused some angst for folks in our semiannual meeting the last time we met. So we are changing how we speak about that and how we report that and we're now not using the word "risk." We're just calling it an "agency assessment." We've gotten rid of the thresholds, and I'll show you on the next screen what that looks like.

So last year, the left side of the screen, that's how we reported this risk assessment at the end of the year and we compiled it all together and said here's an agency's picture: Inherent risk, compliance risk, total risk value. On the right, you will see how we will report it moving forward. The word "risk" is no longer in there. The information is the same. Our assessment process is the same. What we have changed is how we talk about it. So you've still got a compliance score of 40, profile score of 85, total assessed value of 125.

There are explanations there as to what that means, if you want to take a minute and read through there. The bottom -- the paragraph on the bottom right says, "While a high profile score in and of
itself is not cause for concern, a compliance score over
60 may trigger additional oversight." So we still have
our defined thresholds that allow us to make decisions
on monitoring for our agencies, but the way we are
reporting it is quite different.

We have found the agency assessment tool
to be very effective in timely decisions and how we
address agencies that may need additional oversight. It
also allows us internally to demonstrate to our upper
management within TxDOT and our own internal auditors --
who like to come and visit us from time to time -- that
we do have a very robust and comprehensive mechanism to
examine our agencies and how they perform within the
government regulatory environment. It's a very helpful
tool.

MR. CLINE: Are there any questions? I
have a quick question.

Ken, go ahead.

MR. FICKES: Yeah, Donna, the -- and I
understand what y'all are doing. I'm not sure what the
underlying concept is or what the actual -- your data,
how that meshes together. You have a local government
agency score of 25. What would a nonprofit score be?

MS. ROBERTS: I think it's a -- it's
higher. I don't know if it's up 50 points or if it's --
MR. FICKES: Well, I would think it would be higher. But what gets you -- what gets the lowest number for that type of agency?

MS. ROBERTS: A local government.

MR. FICKES: So I'm a local government or a county, so I get a 25. And then we jump into the reimbursement and which, boom, all of a sudden is a 60. And I'm trying to figure out is there a scale that we can find someplace that addresses all this?

MS. ROBERTS: So, yeah, the scale used to be the bottom right box -- I mean the bottom left box there. From the agency profile component, that's where we want to kind of minimize people's angst about that because a high profile score in and of itself isn't cause for alarm; but it may have significant impacts on deficiencies that are found.

So the highest points you might get on an agency profile, probably in the range of -- probably around mid 100s. If you had multiple turnover in your staff and/or you went through organizational changes of -- if you are a nonprofit and you get several different grant funds to do several different community action or whatever or whatever, you lose grant funds over here or over here, it may impact the overall health of the organization.
MR. FICKES: Sure.

MS. ROBERTS: We had an agency last year that two key people walked off at the same time, their accountant and another person managing the grants. And so --

MR. FICKES: That's a risk issue. Absolutely.

MS. ROBERTS: Yeah, that's an issue.

MR. FICKES: But what I'm trying to get at -- and I don't mean to interrupt -- is do you have a list someplace that outlines all this different criteria that y'all are utilizing to determine what the risk is? I mean, I understand the threshold box here; but over here you said that if you had a 60 or higher, make sure there's additional oversight --

MS. ROBERTS: For the compliance score.

MR. FICKES: Right. But the funding alone is 60 on this example.

MS. ROBERTS: Okay. The score of 60 is just for the compliance element. A score of 60 for the compliance element may require us to make a decision on: Does this agency need additional oversight? If we don't say that clearly in there --

MR. FICKES: Okay.

MS. ROBERTS: -- a compliance score over
60 may trigger additional oversight. The profile score is not what's going to trigger additional oversight. It could. If there are a lot of organizational changes, we may decide for a limited period of time we want to look closer at the reimbursements that are coming in, the financials, when you're requesting reimbursements, and you've got a new accountant who's doing this work. We may take a closer look at what's going on for a period of two or three months just for due diligence.

MR. CLINE: Okay. Anything -- I'm sorry. Ken, go ahead.

MR. FICKES: Is there any place on the TxDOT website where we can find the criteria that y'all are using?

MS. ROBERTS: So this is basically the criteria. It just doesn't go into detail on how the points are associated with it. Does that make sense? These elements, the profile elements. It just doesn't go into the points spread.

The answer to your question, no, we don't have that on our website now. We have it on our internal tool. It's built into tables, you know; but we haven't publicized the points that go with each of these elements, if that's what you're asking.

MR. FICKES: Right. Okay.
MR. CLINE: I have one suggestion on the compliance part. You may want to consider -- it's got single audit if there are issues identified. I think something even more telling is: Are there issues identified if the audit is late?

MS. ROBERTS: So that's a good point. If the audit is late, it gets an IAP, an improvement action plan. And whether it shows up in this risk assessment -- we usually give a little bit of time when an audit is late before they get a ding, so to speak, on here. If they're a week late, two weeks late, we're not that worried about it. But if it goes on for months, yes, then they will get -- they will get a deficiency. And if it goes on to be continuously late, it's actually more points.

The single audit, the score that's associated with the single audit will be whether there are any findings related to grant funds or if the single audit denotes or designates that agency as being a high or low risk. If they are a high risk, they get --

MR. CLINE: I would just suggest -- just the thought was that it seems like history would tell us that when they're really late, a lot of times that may mean that there's a lot of problems.

MS. ROBERTS: Yes.
MR. CLINE: So that's food for thought.

MS. ROBERTS: And point well taken. We do monitor that closely and keep tabs on that and there is a point associated with being too late on that and we work closely with our own -- the TxDOT audit office communicates with us monthly. They track the status of these single audits, as well. We coordinate closely with them. They have a high interest in those single audits and the results of those single audits, as well.

MR. CLINE: And I had one other question kind of following up on what Ken was saying. Does it make sense to share any of those criteria or is that something that kind of changes a lot or it's just more of an internal tool?

MR. GLEASON: So this was -- this is Eric, if I can. This was developed first and foremost as an internal tool for a number of different reasons. One reason was we were going through and just coming out of a period -- whether by coincidence or by being provoked by issues in the program -- intense audit scrutiny, internal and external to the Division, with some of our toughest scrutiny coming from our own internal audit people.

And so this gives us an ability to describe an approach to our programs that has us on top
of all the different kinds of things that might trigger a problem for us. It was very helpful in communicating a little more credibility and confidence for the program internally. Externally it allows us to separate out, if you will, and not put everyone through the same level of scrutiny. Just because we have one or two folks that mess up, it doesn't mean that everyone has to suffer for it. Previous to this, we really didn't have the ability to do that in any sort of a consistent, methodical way.

Finally, prior to something like this which is a tool that we can manage internally at headquarters, it lends a great deal of consistency to how we interact with subrecipients in the field. Where, you know, prior to something like this it could be pretty subjective, depending on the field staff and their specific relationship with any given agency on what exactly that additional oversight and when it might kick in. This gets everybody into a much smaller sandbox, if you will, for those kinds of decisions and really give us an overarching level of consistency.

So first and foremost, it's an internal tool. We shared it last year because we thought it would be helpful from a transparency standpoint to tell folks how we did things and actually give them what we had for them. And unintended and inadvertently, but
understandably, people focused on it and got concerned and we get that. Some of them assumed and appropriately so, they wanted to share it with the board members and now they needed to understand what it meant and then if they did share it, but couldn't explain it, it caused a high amount of consternation because, of course, nobody wants to be high and that's when we were sort of adding in all the -- the agency profile information went into this cumulative risk score.

What we've tried to do with this approach is kind of separate that out. So we think this is better. We're not really intending to -- and we're more than willing on an agency-by-agency basis to sit down with them and explain to them exactly why and what it means. But I don't envision us posting this somewhere and I don't envision us really going out and trying to get a large degree of consensus over how we do it. And that -- you know, that may not sit well with the members. It really wasn't our intent to go further than our internal tool.

MR. SALAZAR: I had one question kind of following up to Jim's question. And I understand that one year, a transit agency may be at high risk and then medium risk the next year and I understand that we go up and down.
But what -- Donna, would you say that the people that are on high risk, that amount or that group, would you say that group grows or does it shrink per year?

MS. ROBERTS: So in FY '18, last fiscal year, we had 14 out of over a hundred agencies that were in the high risk range. The year before, it was very close to that as well. Right now, just through the third quarter of FY '19, we probably have about nine; but yet we still have another quarter's worth of information to gather. So it hovers anywhere from between 10 to 15 agencies, but the agencies might change.

MR. SALAZAR: Sure.

MS. ROBERTS: But it -- if there's an agency that continues to stay there, then we start to look at what other technical assistance can we provide and we've done that. You know, we have some efforts to provide some additional technical assistance to those agencies who need it. And, you know, not all of the 14 who were high risk from FY '18 were because of a high profile score.

MR. GLEASON: One of the big ones is if you get a single audit finding, that process -- it takes, what, three years to clear?
MS. ROBERTS: If you -- yes.

MR. GLEASON: And so you can be on there for a while. That single audit is a big deal.

MS. ROBERTS: Yeah.

MR. GLEASON: And we've learned from experience that it ought to be a big deal.

MR. FICKES: I have a question about that. This is Ken. So I'm with Harris County. They're the largest county in the country. We have a single audit every year. They come in every year and do some part of the county.

So two years ago, there was a finding on federal procurement. It wasn't us. It was somebody else way over someplace else, and everybody went into panic mode. So how would you treat something like that if they're the largest --

MR. GLEASON: We make a distinction.


MR. GLEASON: If it's not on the transit program, it --

MR. FICKES: I've got a checklist that covered that item. It's never going to happen to us, I don't think. It could, but not if you follow the checklist.

MR. GLEASON: It's more complicated with
the umbrella type agencies, and we do focus on the
specific substantive area of the finding.

MR. FICKES: Okay.

MR. GLEASON: And, you know, it could be
a yellow flag for us just because it's a -- you know, if
it's a centralized procurement function, but the
procurement issue was found in housing and not in
transit, it could be an issue for us because the same
procurement group does transit; but it wasn't called out
specifically. So, you know, it wouldn't trigger
something that --

MS. ROBERTS: Right. The way that our
assessment tool is set up right now, that would not be
cause for any points. We may put a comment to keep an
eye on it, but it's not anything that would cause an
increase in score on our risk assessment.

MR. FICKES: We had kind of a
functional -- it had to do with the SAMs and $50,000 is
$25,000 triggered a new one. Someone didn't do one and
they thought somebody else was doing it and, you know,
miscommunication.

MS. ROBERTS: Yeah. I will tell you that
I believe what actually causes -- well, the single
element that causes the highest scores on here are the
triennials.
MR. FICKES:  Oh, yeah. Yeah.

MS. ROBERTS:  There's usually multiple findings generated out of a triennial usually.

MR. GLEASON:  Which we all knew.

MR. FICKES:  Oh, I understand. I went to a SWTA conference two years ago and they had this graph that showed, you know, triennial findings and I saw where we were and I thought, "Well, that's pretty good."

MS. ROBERTS:  Right. You don't know that when you get six findings from a triennial, that's good. Because most people are getting 12.

MR. FICKES:  Well, we had less than that; but it was surprising the number that had over 20.

MS. ROBERTS:  Yeah, right.

MR. CLINE:  Well, good. Well, Donna, thank you for an excellent presentation.

MS. ROBERTS:  Sure.

MR. FICKES:  That was great. Thanks.

MR. CLINE:  Just one comment I'd make is it really makes a lot of sense when you can focus your efforts on those folks that need the love more than the others.

MS. ROBERTS:  Yes.

MR. CLINE:  So I think that's a real positive. So thank you so much for coming before us
today. I really appreciate it.

MS. ROBERTS: Sure. Thank you.

MR. CLINE: Item No. 6 is a presentation and discussion on Capital Area Rural Transportation System's intercity bus service program by Dave Marsh.

And, Eric, I'll let you introduce Dave.

MR. GLEASON: So, Dave, come on up.

Where do we want him to sit? Over here, Josh?

Okay. So some context for this presentation. So beginning with your January meeting and in April and now July, the committee has been discussing our current intercity bus program in the state, how we spend the approximately 7 million dollars a year that is set aside for these purposes. We've talked about the services generally being West Texas and Northwest Texas.

We've not had an opportunity to hear from CARTS, in particular, because the brand of intercity service offered by CARTS is somewhat different than what we find in West Texas in the context of a growing metropolitan region. And so even as we are continuing later today and into October to kind of bring closure to the committee's conversation on this, not having yet a chance to hear from CARTS to expand the committee's
understanding of the program scope in general, we thought it would be appropriate to have Dave come and kind of walk the committee through.

So with that, Dave.

MR. MARSH: Thank you, Eric. I'm pleased to be here. I appreciate the opportunity.

When I heard of the discussion on policy changes about intercity bus program, I was particularly interested because CARTS has actually been involved in intercity bus program since 1980. Our affiliation with the intercity bus companies and approaching our services from a terminal and route configuration is longstanding.

I'm not going to give a presentation today. I'm going to tell a story. I'm not going to give you a lot of facts. I'm just going to tell you what our experience has been and how we got to where we are today.

For those of you that don't know me, my name is Dave Marsh. I'm the General Manager of the Capital Area Rural Transportation System. I've been affiliated with CARTS since 1979, and I've been the General Manager since 1983. On the screen you'll see our San Marcos facility. We operate out of eight transit stations that are scattered throughout our district. We've been building facilities for a long
time because of our affiliation with intercity bus companies.

The San Marcos one is kind of our best example and it kind of tells a story of what's changed over the years with the intercity bus industry. When we built this and opened it in 2001, we partnered with Greyhound and they paid me ten years advanced rent for us building this facility to help us in the funding for doing it. It was a true partnership.

You can't see it, but there's a blade sign in front. A big, tall blade sign that says "Greyhound" on it that shows that that's the Greyhound station for San Marcos and we salvaged that sign from Waco. Got Greyhound to refurbish it for us and so we have a vintage sign, a big blade sign on the street.

This facility has two Amtrak trains a day and at the time we opened it, it had 24 Greyhound schedules a day. It also has a fixed route system that hubs here and a transfer center. There where you see where those buses are is where all the buses come. When we opened it, we also had a taxi company that we rented space to. So when we opened that facility, we had every piece of the pie. Plus, the front of the property had a stop for the Texas State University tram that ran. So everything that happened in that city revolved, as far
as transit and freight and shipping freight, all that happened right there.

Today, while that facility is still very busy, I have four Greyhound schedules. From 24 to four.

Okay. This went backwards.

This is our business model. You can laugh at our business model if you want to. It requires some examination. I don't know if you can see it very well. This is in Pie Town, New Mexico. This photograph was taken by Russell Lee, a famous photographer that was from Austin, as a matter of fact. And this vehicle you see there is regulated. This is back when all intercity bus companies were regulated. He's our business model because this guy is doing everything.

He's stopping at a U.S. Post Office, so I bet he's carrying mail. You'll see on the back package tray there he's got live chickens. There's freight attached to the top of the truck in every configuration. And if you look on the doors -- you probably can't see it -- but this vehicle is licensed in Oklahoma, Texas, New Mexico, and Arizona. And every one of those states had to regulate and license it. They had to apply for authority. They had to run the numbers on the vehicle, but they did everything.

He didn't have much to operate with, so
he's using a sedan; but he's doing what needs to be done in those rural areas. We think that any time -- you know, we still say rural transit started with the first intercity -- the first stagecoach that went through the United States was supported by carrying mail. There wasn't anybody else supporting it. It was mail they were carrying that allowed them to carry passengers. So we try to make everything that makes sense for all these boxes we carry around through our district to have some representation of what needs to be done as far as intermodal services.

So here's my story. Once upon a time, there was a guy named Fred Curry. A very entrepreneurial fellow that bought Greyhound Lines, and he recognized something that I really identified with. There are two -- at this time in 1988, there were two purveyors of transportation in rural America. It was us, our nascent rural transit network that had developed at that time, and Greyhound. And he decided that he needed to connect them. So he invented this thing called a Greyhound Rural Connection Program wherein he made arrangements with rural bus companies like CARTS to carry passengers to his stations and he'd give us, you know, 15 cents or something. It wasn't very much money.

But here's what it was. We were a bunch
of poor boys out there in rural transit. Everybody thought we just served the handicapped and the elderly and anybody else and our identification was oftentimes community action based or something. This allowed us to share a profile with what at that time -- well, it still is -- one of the most famous archetype companies in the world. Greyhound Lines has been around forever. So being able to identify and team up with a company like that gave us credibility in our local communities.

So we recognized that. And in 1988, this is the Austin bus station. There's a -- you can't see the entire sign; but the sign up there is a big old banner and it says "Greyhound Rural Connection Program Connecting America." And we had this big hoo-ha and sitting just to the left of the podium -- that's my board chairman talking -- is Marcus Yancey. If anybody remembers Marcus Yancey, he was the deputy in charge of public affairs for the entire highway department at that time. A very high profile, elevated guy came to take part in our ceremony.

So it did a lot of wonderful things for us as far as identifying with them, having some connections, got a little money from them. But what it really did was position us to where we started becoming the bus agents. At that time, you'd stop at the local
7-Eleven store and there would be a bus or a gas station. But we started being their bus agents where we handled the local sale of tickets for them. We handled their freight. In those days, a lot of freight was delivered on buses. Not so much anymore, but still a lot of freight and perishable things go on buses. So we started building facilities -- not just us, other agencies across the country -- so that we would have proper places for passengers to wait and we supported some marginal profit intercity routes.

But the thing is -- oops, I need to go backwards. The thing is they discontinued the program in about 1990, and the intercity bus industry got deregulated in 1982. That means they didn't have to do anything to abandon routes. But in Texas, the Railroad Commission wouldn't let them. So for a long time, they couldn't abandon routes. We'd go to -- they'd try to abandon a route and we'd go and the whole community would turn out and they'd say, "You can't take our bus away."

Well, in the early 90s they got to start doing that. So they started discontinuing routes. But in 1991, ISTEA happened. And those of you in the business know ISTEA is the highway act that actually changed the way transit and mobility was looked at to
where transit really got a seat at the table. And so it
created a national intercity bus program right then.
That was in 1991. And 15 percent of what was then
called Section 18 funding was put aside to enhance
intercity bus service in rural areas.

The rub was all that money came out of
the people that had the least money to give. Okay? It
didn't come out of the top. If they had taken -- it
would have been 1 percent if they had taken out of all
the FTA programs. But they took it out of our poor boy
program that there wasn't enough money anyway. So
everybody got mad about it, and stayed mad about it.
John McBeth is still mad about it, and it's because it
wasn't fair. We didn't have that much money, and they
took all that money from us.

But -- I hate this backwards thing -- 28
years later, we've been investing ICB money for 28
years. GLI, the Greyhound Lines, has abandoned a lot of
routes. There's -- my San Marcos thing is an example,
from 24 schedules to four. They started running
metropolitan to metropolitan. They didn't stop anywhere
they didn't have to. And a lot of service remains. You
know, some of the small regionals picked up some of
those routes Greyhound got rid of; but all of the ICB
service mostly connects urban areas now, and there's
still no national network. No national effort, in my mind, to connect rural transit to intercity bus services.

This is intercity bus service in Texas before deregulation. Again, you probably can't see this as well, but it's amazing how many dots there are on there. Up in the panhandle, there's two routes that are bisecting going up to Amarillo; but there are like eight, ten stops every hundred miles. They were stopping everywhere because a lot of farmers and people like that used the freight -- it was still worthwhile for them to.

But, you know, all across the country they start abandoning service. Everybody started trying to figure out how to meet the -- how to get stuff there. I gave a presentation once at TRB and the name of my presentation was "How do you get a skunk head to Austin" and everybody laughed, you know; but it was serious. In the panhandle, they were having a rabies outbreak and you have to take a skunk head and send it to the Health Department and it has to get there within 24 hours and so the city manager was having to drive all the way from Perryton to Amarillo. I use that as a takeoff, but there are things that intercity bus services do that it's not always about passengers.
So what we did is we -- backing up a little bit. Back when we started being an intercity bus carrier and the local terminal agent, we were part of the network for Greyhound. Here we have Greyhound, Arrow Trailways, and us at one bus depot. Here we have Greyhound at our San Marcos station. Here we have Kerrville running through our Smithville station.

So we commenced to building stations and making it to where people could still use the bus. But then the buses all went away and we've come to now today and the way it is now where we got -- in 2006, we commissioned a study from the Texas Transportation Institute about how to scientifically address the need to make these connections in our area. So we came up with routes and services. It's called CARTS Interurban Coach Service. You have a brochure here that shows all the things we do, but we didn't just go out and do it.

We studied it for two years. We applied for grants and finally in 2010, we launched our first interurban bus service. That went through a lot of study. We put down every destination we served. We had Fred Fravel, the intercity bus guru in the nation, come and analyze our routes and make the best feeds. And so here's what -- here's what they did. They studied what needed to be done, how to do it, how we'd make the best
connections, and this is what we have today.

We have a service that connects all points of our district on a fixed schedule that operates to where they all come to Austin and they all arrive at the same time. And so if you come from Marble Falls and you want to go to Round Rock, you end up going to Austin, catching a bus, and going to Round Rock. Every one of the buses that comes in, stops at Greyhound and provides service, picking up passengers that are arriving and taking passengers that are departing. All of our stations are Greyhound stations.

We sell tickets. If you're going to Minneapolis, you can -- at any of our stations, we can write you a ticket. You get on our bus and go to the Austin bus station or the San Marcos bus station and continue your trip up. We've completely connected our services to where you can travel anywhere in the United States with one ticket from our locations.

But also it's clear that the demand for people going to the bus station is not going to justify all that route service. I mean, it's a great thing to do and having the ability from any small town to ship freight and get freight and go catch a bus is fine; but we make it to where we also use it to connect to everything else. So all of our routes you'll see on our
brochure connect to Capital Metro at several locations
and our hub where they all come together is shared with
Capital Metro and so people can access the metropolitan
area. We have a paratransit on the Austin end that if
you're a person coming in to go to the V.A. Clinic or
medical services, you can get a ride from us to get to
your final destination. And we've integrated it to
where all of our services revolve and connect throughout
our district through those routes.

So, you know, you can go to the Greyhound
website. And Josh said he'd do it for it. Do you want
to do it for me?

MR. RIBAKOVE: Do you want to go? Let's
go.

MR. MARSH: Let's go to the Greyhound
website, and let's buy us a ticket. The intercity bus
industry has changed a lot. It's so much easier to use.
The buses have Wi-Fi. You can get your stuff online.

We're going to go from -- let's go from
Lockhart, home of the capital barbecue, to Austin.
Maybe you're going to go down and wait in line at that
other barbecue place. That service only operates on
Monday, Wednesday, and Friday. So let's pick a date
that is a Monday, Wednesday, or Friday that we want to
go and let's see what we've got.
You notice it says Lockhart, Texas, Walmart. That's where our stop is, is at the Walmart and there you go. Four bucks gets you to Austin. You'll arrive at the Greyhound bus station, or you'll arrive at my main hub to do something else; but then you could connect all the way to where you're going. We can also -- if you're not going online and you come to our station, we can go ahead and write you your ticket for wherever you're going. But what this does is lets you get to that point. And if you try to go from Lockhart to a farther place, it will also put that four-dollar trip on there and then it will add the other legs of the trip as you go through.

So we are -- thank you, Josh.

We are Greyhound. Any place in our district that Greyhound is, that's us. And so we think we've completely fulfilled the objectives of the program, but we also recognize -- and I know y'all recognize when you're looking at your policy changes -- that that's not going to support just intercity bus service. You need to make it be a multitude a things, and that's what we've done. We go everywhere because we do and we serve all those towns, all those little places you can get scheduled service. You don't have to call us. You go wait at the bus stop or go to our station
and you can get a ride to Austin or anywhere else you want to go.

So we built the fleet that's particularly for just that. They're all equipped with luggage -- I mean with luggage, of course. A place to carry luggage. But also they have a freight compartment in the back. We do carry freight. And the beauty of it is, is that you build all these routes and then on the inside of it, on early morning side, you have the infrastructure in place and the route structure where you can add service.

And in this case, we added express service that goes from Austin to San Marcos 11 times a day. It's called the Interurban Express, using our same station facilities, our same infrastructure, our same network. It's not supported 5311(f). It's supported by other funding. But that bus carries ridership on it. Its 40-foot buses are full on every trip because of Texas State University being a commuter school, and so we're able to have a lot of robust route service that can grow from these services.

But mostly these serve a need in our district for people that need to move to anywhere they need to go. The same people we carry to dialysis or any wherever else, can ride those buses to get to Austin to do whatever they need to do.
So here's our timeline of history and I -- you know, I hate to read a bunch of letters off the thing; but I just want you to know that 1980, when Section 18 first came to Texas and TxDOT got it, they would not give anybody any money because all the intercity bus companies objected to us being competition and so they held up the distribution of any money for rural transit for over two years.

Finally, we held a public hearing in Austin. It brought a lot of people to it. And it turns out the Kerrville lawyer, one of the lawyers that was protesting it -- because they had the Railroad Commission behind them. You can't run service over those routes unless you get the Railroad Commission. The lawyer for Kerrville's mother came on our bus to say she needed a way to get to the doctor. And overnight, we formed an agreement to where we could carry passengers on their routes only if they were elderly or disabled or they were going to a medical appointment; but we were able to open up the flow of dollars that had been embargoed.

In 1988, we joined the Rural Connection Program. In 1990, we started constructing our first two bus stations. '93 to '95, two more bus stations. In 2001, we partnered with Greyhound to build and operate
the San Marcos station and so on and so forth.

Everything has been a logical progression of events to
get us to the part where we are now. And the next thing
that we're working on is a real regional hub in Austin.

This east side bus plaza, which is going
to be built at the intersection of Fifth and Shady Lane
on TxDOT property that was originally dedicated as a
rest area on old Highway 20 in the 30s and has been
vacant ever since, is going to become a convergent point
for all of our routes that come from all directions
being interurbans or other routes and Capital Metro's
routes, where we're building it together to where we
have frequent 15-minute service all originating at this
station. It's going to make all those things we've been
working for all these years kind of have a nexus to
where we can actually particularly distribute and give
rural people access to the metro system where it really
works for them. There will be a MetroRapid that runs
from here all the way east/west. And that system will
open in 2020.

But we haven't forgotten country because
we still serve the country. Everybody wants to go to
town and the big city and they want to be able to move
around when they get there, but you still need people
like this bus stop here in the middle of nowhere. We
think this one might be somewhere outside of Marfa.
We're not sure. But we plan to be wherever people
travel from and to get them to where they need to go.
So thank you for your attention. I hope
my story was entertaining, and I will answer any
questions you may have.

MR. CLINE: Any questions from the committee?

MR. MCBETH: This is John. First of all, I want to thank Dave for coming to make this
presentation. The first person I met back in 1982 when
I went to work for the Community Action Agency running
the transit system was Dave Marsh. I was told, "You've
got to go with me to Austin and meet this weird, crazy
hippy." And so I went, and I met Dave.

It's been on Dave's mind, like he said, since 1980. Well, I've known him since '82 and I know
it's been on his mind because he was been talking about
it then. This is not just a grand plan, this is
something that came to fruition and continues to develop
and serve people in rural areas.

Dave and I share one thing and it's that
we're from way out in rural, rural, rural West Texas and
out there -- as I was telling Eric the other day -- most
people didn't rely on their cars or their pickup trucks.
If they needed to go to Post or Big Springs or Abilene or Sweetwater, those were long distances. You got on a Greyhound bus and you went that way and it cost you about $2.00. $3.00 if you bought a box lunch there at the station.

So I really appreciate Dave coming and sharing this with us because this is -- this is a very much needed program. I don't know the exact amount of money that Dave gets through intercity bus to do all this. I think you would be surprised because it seems like a whole lot, and I think the money is really not that much. What would be great is if we could have this program throughout the state; but it does take a lot of resources, and it takes a lot of planning to make this happen.

And it's just a fabulous presentation, Dave. As always, it's a great story. But the nice thing about this story is it's true. I've been to the stations. I've seen the stations. I've seen the full buses. It's pretty amazing and I think it's a great model for what intercity bus was actually meant to be.

Hopefully, in our deliberations, we can come up with a method of getting this replicated, even though it's a small amount of money when you look at the scheme of things. I think the one thing that's going to
be problematic is performance measures because as Dave said, he picked up routes that everybody else abandoned. That's the case that I had here at Brazos Transit in Bryan-College Station. We picked up routes that Kerrville, Greyhound, Continental Trailways, they weren't profitable so they abandoned them. That did not diminish the need of those people in those very rural areas to get to a metropolitan area.

We're the only medical complex in our seven-county Brazos Valley Region and Lufkin is the only medical complex in the East Texas Region. And we have a bus station there that Greyhound serves. We have a bus station here in Bryan-College Station that Greyhound serves. So the model -- the model works. It takes a lot of work, but I think it's something that we need to look at.

I think we do need to be careful when we're looking at the performance measures because these, as we have discussed at PTAC, these routes are not super productive; but they do fill a need. And it's like I tell people when they say, "I saw that empty bus of yours driving between Madisonville and Bryan," and I say, "Well, that empty bus on that day was carrying two dialysis patients and if one of them was you're mama, that bus ain't empty, is it?" So I think that's what
we've got to look at.

But again, Dave, outstanding presentation. Masterfully delivered. And, again, congratulations on everything you do because I think this is what intercity bus is meant to be.

MR. MARSH: Thank you, John.

If could, that is the difference. These routes provide access and access is a lot different than mass transit. It serves a area where, you know, if a -- if one of our customers lives 15 miles from town, they still get a ride. But you know what? You've got to drive 15 miles out there to get them. So performance measures I think are a relative term. I think there has to be some way to develop some way to say kind of coverage and access you provide and some way to measure performance, as well.

But Ken was trying to say something. So I'll drift away.

MR. FICKES: Yeah, you got me all choked up. About how much of your revenue comes from freight? Just curious.

MR. MARSH: Probably not much. You know, I think our revenue a year through all of our Greyhound stations are less than -- we get 12 percent of the cost of the ticket. We continue to work with Greyhound and
their people. We really if it was promoted, we could have some significant activity there. But it's not much money, to be honest.

MR. FICKES: Well, I just -- I spent most of my youth -- I was born in Houston; but grew up a lot in East Texas and, you know, you see buses pull into a gas station and they open up the lower doors and they've got the bumper for a car in there and --

MR. MARSH: Fenders, bumpers. A lot of fenders and bumpers.

MR. FICKES: I mean, I can remember waiting for an alternator when I was Stephen F. Austin that had to come on the bus. I mean, it's just a lot of freight gets hauled. Just like that picture you had of the old car and the chickens and all the --

MR. MARSH: Yeah.

MR. FICKES: That's it. And I've done freight forwarding as an occupation before. And it's just people don't know the linkages that fit together to make everything get there.

MR. MARSH: And we think we have a part of our business we haven't opened up yet we call "Jackrabbit Express." This will make everybody nervous. And that is: Why not carry packages station to station within our district and charge it just like a bus
ticket? $4 gets you a package -- you know, give them the box or something -- to where we provide that service to a little community. I don't want FedEx or I don't want UPS or I don't want anybody crawling around saying I shouldn't do that because I haven't. But we think we're carrying all these boxes around our district, we think we ought to use them just like those chickens on the back of that '37 Ford. You know, we just think that's the way it should be.

But don't worry. I haven't done that yet. But Greyhound freight, you know, there are perishable things. I don't want talk about -- you know, people that breed bulls ship stuff?

MR. FICKES: Yeah.

MR. MARSH: And that's the only way to get it there within a certain amount of time. You know, I can get you whatever your bull wants to give to somebody else in Lubbock in one day, okay, from anywhere. People depend on that.

With that, I thank you very much for deliberations and attention.

MR. CLINE: Dave, thank you so much.

That was very good.

All right. Item No. 7 is presentation and discussion on the Intercity Bus Program Strategic
Direction Report from Eric. And I think just for the guidance for the committee, our -- the intent with this is that we'll be asked at the end to endorse this report and send it out to districts and the intercity bus carriers.

And for anyone who wants to -- any member of the public that wants to make comment on that since it is an action item, if you'll make sure you give us the comment card before the end of the presentation, then we can take your comments before the committee takes action.

So with that, Eric, I'm going to turn the floor over to you for your discussion.

MR. GLEASON: All right. I'm trying to find my copy of the report. So I do not have a presentation for the committee. I thought we would -- I'm hoping that everyone has had a chance to look through it. We tried to create a summary for you of our conversations to date that picked off what we felt were the most important conclusions and then summarize what we hoped were some fairly succinct statements that could be thought of as a new direction for the program.

As Jim has said, we would recommend to the committee that you treat today's discussion and today's action as really as a starting point to expand
the discussion of this effort to include transit
districts and intercity carriers before the committee
would actually bring this conversation to a close. So
that would be our recommendation to the committee today
that, as Jim described, that you -- depending on what
you've just heard from Dave and so that may have
introduced a lot of new thinking on your part and if it
has, we can slow this whole thing down. We're not on a
timetable with this. I think it's more important to get
it right than it is to rush into something.

If you believe that what we've produced
for you is largely consistent with your thinking, then
you could find it helpful to expand the discussion on
it. So I was going to walk you through this really
quickly, almost on a page-by-page basis and I apologize
for that if that seems overly deliberate on our part;
but I think I'm not going to read it to you.

I think, generally speaking, what you
have here is a report that suggests as we've talked
about our program as being generally a very
nonprescriptive approach to the program, we basically
embrace the federal program and let the market, if you
will, bring us proposals and we pick from among them and
we have what we have today largely as a result of that
process. We think that a -- given what we've heard, it
seems to us that a more deliberate and strategic
approach to the program may be warranted and in that --
with that in mind, keeping in mind the fact that we
looked at five other states and how they approached it,
we're suggesting that we move from the least
prescriptive level toward the middle. Something that
relies on a higher level of understanding on our part of
need and potential results and outcomes that -- and --
but still allows for the creativity at the local level
to bring specific proposals forward. And to that
extent, we think we need to look a little more like the
North Carolina and Colorado programs do.

So let me walk you through it. Page 2 is
a very -- again, not attempting to cover everything
we've covered; but to capture what we felt were
important conclusions that could drive a conversation on
what the future looks like. Current program model is
nonprescriptive. We have talked about markets, and Dave
alluded to it. You know, it's clear to us that all of
the energy and the focus of the intercity bus industry
continues to be moving away -- moving at a direction
away from the more traditional market that this program
has served and in its conception as a rural area
program, I think continues to serve a more traditional
market of, you know, compromised of lower income folks,
low car ownership, folks with mobility impairments, senior citizens, basic mobility network needs. Particularly where the intercity industry is consolidating its presence, reducing access, and the need for access connections remains.

And I think, you know, Dave's point is well taken and we've talked about this before as well that it's -- this program is not necessarily first and foremost about performance. It may first and foremost be about preserving access and connections and in the determination of which of those access and connections to work with first, performance can be a consideration. And then having made an investment in those connections in that access, does the expected performance result?

So I would offer that up to the committee as something to consider. Program performance on page 3, again, kind of a high level summary. You know, honestly, if you look at some of the performance numbers that we were -- that we saw from Washington State, which is on the other end of our spectrum of delivery models where they are the most prescriptive. They put out an RFP for route and schedule and it's derived from a lot of background work on their part in trying to understand where they need to be first.

And, you know, for all of the focus, I
think, and interest on Washington State, they do operate just four routes, if you recall; and one of them, quite frankly, is an airport service from the Olympic Peninsula. And, honestly, having lived there for 20 years, I can't understand why a private carrier can't make that work; but that's just me with my personal experience of the area and that one knocks the socks off from a performance standpoint. But the other three, we're right in the mix.

So, you know, it doesn't necessarily translate to more cost effectiveness and more efficiency as much as it may translate to a more strategic knowing attempt on the part of the program manager on where these investments can have the greatest impact. And we think, again, that that makes sense for us to think about moving in that direction.

Within the route -- so what you have in the paper here are average performance numbers. And keep in mind that we have that pretty broad range within those averages. And so one of the disciplines we could introduce to the program would be, "You know what? We understand there's always going to be ranges of performance; but maybe we need a program that takes a look at those real low end performers and says, 'You know what? This just isn't going to work out for us and
we need to move that money elsewhere.'" And so introducing that kind of discipline and management to the program through performance.

At the bottom of page 3, we begin to transition from the current program to looking at possible ways forward and we make a series of statements, summarized by a really overly pithy overarching theme that helped to try to bring into focus intent with different kinds of -- what compromises intercity bus service here in Texas, what do we want to say about performance and how will we use it to help us make the initial decision on an investment and then to guide decisions subsequent to that initial invest about whether or not its performance continues to promote sustained funding.

I think one of the things that jumped out at me from the Washington State presentation was the extent to which they really focused on integration and coordination with other services and programs and we heard some of that with Dave's presentation, as well. So looking for a way to kind of elevate the significance of proposals with those kinds of attributes in what we end up funding.

Capital investments, you know, we can't forget about the significance of that. It may make some
sense to tie the concept of a capital investment more closely to what a service investment is intending to accomplish, as opposed to just renovating current facilities to make them nicer; but a more deliberate focus that says if you're going to put a route in place with ten key intersecting points for integrating services, then maybe you ought to put some money into each of those ten points that make that a better place to be to make that connection. So a more direct tie to service.

And then as I mentioned before at the bottom of page 4, the program delivery model. It remains applicant-driven; but those applications are in a more specific statement on our part about what we're looking to get proposals about. And then looking at how we would then look at what a good proposal might look like in those bullets at the bottom.

And, you know, we know that we're not going to have enough funding to do everything that needs to be done. And so how though do we begin to accumulate descriptions of what we would do if we did more, if we had more money? And that's the point of the last bullet on the page.

And then finally, you know, a series of: Where do we go next? And, you know, we don't -- this is
not, in our minds, an effort where we go into a phone booth and come out and everything looks new and different. We think it's kind of a gradual transition over a several year timeframe to get to where we need to go; but we need to have a vision of where that needs to be. And so we've kind of laid out here with proposed near-term and long-term actions some of the things we would do to move us in a direction like this if the committee agrees with us. And not the least of which is engaging some consultants onboard to really, really increase our knowledge of what's going on out there and where we should be making investments.

And then finally, we have included this table that you've seen before on the different kinds of delivery models. What we've done here though is we've inserted a new column that is, you know, in the kind of green -- light gray/green shade which is proposed Texas, this is where we would land. So where we are today is over on the left-hand side and we've attempted -- working with the distributive variables down the left-hand margin of the table -- to place us literally sort of picking and choosing from Colorado and North Carolina on either side the best of each and ending up in the middle somewhere.

So in conclusion, what we would recommend
to the committee would be that if you are largely comfortable with this, that you endorse this today. You direct us to expand the conversation by sending it out to transit districts and intercity carriers. We will get comments back and summarize them for your October meeting so that you can make a final determination there.

Alternatively, if what you heard today from CARTS, if you need more information on that and want to continue the discussion, we can do that as well. So it's up to the committee. We're not on a timetable here, other than to -- you know, we don't want to spend the rest of our careers talking about this. I would rather get something done.

MR. CLINE: Could I -- are you finished?

MR. GLEASON: I am.

MR. CLINE: So let me make a suggestion, if I could. We did get one speaker card request from Vince Huerta. Could I take his comments, and then we could then have his discussion? I think it would benefit us if we heard from him.

Vince, would you like to come forward, please?

MR. VINCE HUERTA: Sure. Am I good here or...
MR. CLINE: You just need to be close enough to where you can be picked up on the microphones and so the court reporter can see you talk.

THE REPORTER: Thank you.

MR. RIBAKOVE: Just have a seat right here (indicating).

MR. VINCE HUERTA: Vince Huerta with the East Texas Council of Governments. I just want to make a couple of comments. I've been following the conversation and I would like you-all to kind of just give a little bit of thought to -- doing rural transit, I've been able to do it pretty much across the state. El Paso, started there. Went to Concho Valley and now in East Texas; but the observation has been pretty consistent, much of what Dave was talking about.

As this intercity bus service goes away in some of the rural areas, the challenges that we face, you know, with our small transit districts, our rural transit districts, and having to take people to -- giving them access is really a big challenge. We don't necessarily get funding for it. The challenge that we have in talking -- you know, I haven't found a Fred yet. Fred Curry or -- you know, unfortunately working with Greyhound, some of the challenges that we face are not being able to just essentially set up that frequent
service, that regular service which is what, in essence, they want and they honor.

Unfortunately for us, it's those onesies, twosies. It's those folks that may not have access to internet and so on. So we carry the burden. We're having to continue to provide that service because we do -- you know, our goal is to maintain that access to the service as best as we can with the folks that we serve and the communities that we serve. So, you know, through that process, having to do that and making sure that we're still taking care of our normal schedules is really a challenge.

So I don't necessarily have an answer; but I certainly want you-all to think about that because, again, having done this across the state, it's the same challenge that we face. I know in Concho Valley, for example, we had challenges. We're off of the I-10. We were fairly close to the I-10 in terms of some of the areas that we served and we actually had agreements or more like gentleman agreements with police departments, with county sheriffs departments, where people were stranded off the side of the road, having to find a way to go down there and get them and bring them to that Greyhound station or that intercity bus carrier.

So, again, it's just something to think
about as we're faced with that challenge to continue providing the service and as that service becomes less and less. Essentially, the burden goes to us. So we're having to provide more and more. That's pretty much my comment.

MR. CLINE: Thank you, Vince.

Are there any other comments from the floor before we begin the committee discussion?

Okay. I'll open the floor to the committee.

MR. WHYTE: My question would be how can CARTS sort of emulate what you just presented?

MR. GLEASON: So I think --

MR. WHYTE: Is there a way to integrate?

MR. GLEASON: So I think there's a couple of places there, Marc. I think we need to look at the description in here on what we think of as intercity bus in Texas and see if what they're doing fits into that. I think the -- it's -- in my mind, you know, the model that is in place, say, in West Texas which is long, you know, distance intercity routes -- Amarillo to San Antonio through Big Spring -- and then we have more of a regionally focused interurban service that CARTS is providing, I think it integrates basically if that's a concept for intercity service, which makes sense even
though it's demonstratively different perhaps than what is happening in West Texas or East Texas and we just need to embrace it in the description of the program and recognize that. You know, with limited funding, we have to decide what's the proper level of investment for it. You know, as regions grow and rural areas around those regions shrink with population growth and urbanization, does that change anything about those programs? And with the source of this funding being rural funding, does that change anything about that?

So I think it fits if it's within the scope of what we consider to be intercity bus services. Connects communities; connects to national travel, markets; integrates with Greyhound; is relatively long distance; allows for transport of luggage. It's not a requirement; but embraces freight as an option, as well.

MR. CLINE: Go ahead, Ken.

MR. FICKES: Yes. This is Ken. You know, Eric and I have had several conversations about this over the last several months and I'm a big believer in connectivity and there's people out there that need a way to get to the doctor or, you know, go to the hospital or whatever and some of those are real critical needs for people, especially if they're on dialysis. And the data in the report, which I found to be really
good, even if it's a very narrow range in the averages; but having spent a lot of time -- and Eric know I do this -- analyzing that data we initially got and there's a very broad range of costs in there and there's no question we need some kind of performance factors.

I mean, we can't afford to spend over $100,000 transporting one person for a year. And I don't know what the cost breakdown in that is. There's probably some salary in there or whatever, but that's very expensive. I was talking to somebody on my staff about it and they go, "Well, why don't we just buy them a car?" It's that kind of attitude; but, I mean, that's kind of where you are.

I mean, it's very expensive to do it and you have question: Is there a better way to do it? And so I don't -- I've spent a lot of time looking at it now. I know that Pearland, Texas, just hired Kerrville Bus Lines to do park and ride on a market basis. No subsidy. They're just going to charge whatever it is per trip and then they're going to get on the bus and then off they go. So there is a need out there to get around and you can do through on a large bus service like that or whatever, but you've got to look at what the cost is.

And I just think that we've got some very
good examples of what's cost effective. I like what CARTS is going. I see how they have the spokes of the wheel going out of the hub and all this and you've got all these interconnections and it looks like it's pretty cost effective in some respects. But, yeah, I support the document. I think we need to move forward with at least coming up with some kind of criteria.

MR. CLINE: J.R.?

MR. SALAZAR: Just a couple of things. I know, you know, when I think about the intercity bus program, I have some personal relationships with -- especially with Vince when he was at San Angelo and we had a line that came from San Angelo to Brownwood and it went back top to Fort Worth and what they did is exactly what CARTS -- or what they didn't do is exactly what CARTS do.

CARTS marketed. CARTS does all this stuff and really embraces that. And the provider at the time produced no schedules, no advertising, no anything. And I just -- you know, it wasn't my program that was running; so I kind of stayed out of it. But I'm thinking to myself, "You know, why are they not advertising? How do you do service and not advertise?" But that's a personal issue.

But I do think about accessing
connections and the area where I'm from -- and John mentioned Sweetwater, Texas, and that's one of my cities that I provide service in -- you know, those connections and access to the intercity bus is going away. And so, you know, I have an issue with that and, you know, it is what it is.

Secondly, I support what you presented and I do support also what you said about, you know, maybe we need to look at those systems that are at 1 percent and down the road and see if we can help them or maybe this isn't going to work out five years from now and, you know, it's hard. I would think it would be hard for them to justify that level of service for that amount. And so, you know, that's the way I'm thinking.

I also had thoughts of minimum service and then I started thinking about at the operator meeting yesterday, we had several providers say, "Well, you know, we don't have minimum service for the 5311 program. There's no numbers that are given to us, the minimum level of service." So I backed down a little bit from that. But I do think, you know, if you're at 1 percent, we need to do something down the road.

MR. WHYTE: I'm just thinking outside the box.

MR. GLEASON: Absolutely.
MR. WHYTE: But to your point of can we just buy them a car. Well, obviously, we're not going to do that.

MR. FICKES: The grant funds probably won't allow you to do that, but it makes more sense.

MR. WHYTE: Is there a way to use technology to somehow, you know, skin this cat in a different way? And what's coming to my head is when you said, "Can we buy them a car," is the ride share, right? Uber and then Lyft and all of that.

Is there a way to integrate something like that where you don't necessarily have to have these huge buses that cost all this money going out to areas and one or two people get on it and that's it. You know, maybe a suburban or something where four or five people and -- you know, you sign up.

I mean, I don't know. I'm just thinking out loud because I think that the performance issue and the cost is obviously -- it's a huge issue. So is there a way to minimize costs with something like that?

MR. FICKES: Well, Marc -- this is Ken. To Marc's point, yesterday at the operator's meeting we talked about TNCs, network companies. Uber and Lyft is fairly rare out in the rural areas; but, you know, in the Houston region we have STAR vanpool. It's run by
Metro. And there are van programs. In some cases, it might make more sense to have something way out up in East Texas maybe where there's some sort of a van program where you can share a van or whatever and that might make some sense, too; but I think that would be kind of pioneering a little it bit, but I think it's certainly possible to do something like that.

MR. CLINE: Yeah. I was going to -- if I could, unless there's somebody else who wants to comment?

MR. FICKES: No. Please, Jim.

MR. CLINE: I think there's a couple of things that came to mind.

And, Marc, I'm with you. I think that -- and I really like what you've done, Eric, or your team. This is really good.

I'd like to take to frame this though when we send this out and what we're really trying to define is answer the question: What does right look like? And it's answering the transportation question. And, you know, I think the mobility on demand, the TNC model, there's a second order benefit to that in that it also provides some part-time work opportunities in some of these rural areas that may well need -- that maybe a benefit that we could -- not we -- but TxDOT or the
system, right, whichever it is, could do -- you know, why isn't there Lyft and Uber or whatever brand X out there? Is it something that where -- is there a subsidy if be built into it?

And there are models for that. We can talk offline about that. But I can tell you an experience I had where I previously worked where we did that and it works. The technology is there. It can happen. Maybe we don't buy them a car. Maybe we buy them a smart phone. Seriously.

MR. FICKES: I know.

MR. CLINE: And that's not off the charts. That may be something that might make sense. So I would ask that we -- and, again, a couple of a thoughts that I got looking at this is: No. 1, is if we're trying to find what right looks like, how do we -- you know, Dave brought up a solution that fits that -- a shoe that fits that area, right? And it may not be the same way in every other place. So how do you bring solutions that solve the transportation problem?

MR. FICKES: And, Jim, you just made me think about something.

So, Eric, is there any room in -- you want to do a little study, right, or some analysis on options?
MR. GLEASON: Well, it's actually a pretty big one, honestly.

MR. FICKES: I know. Right. But can we add to that looking at other functional ways to accomplish this without necessarily, you know, using ICB funds to do it or is there an opportunity out there to set up some kind of a small van program? What are the options available if we don't do this? Can somebody reach out and do something like that for us, you think?

MR. GLEASON: So, yes. What I want to say -- and I mentioned this yesterday, as well -- I think the whole extension of the mobility-on-demand notions and those solutions, the ride share application solutions, looking for experience and application experience with those in the lower density areas that aren't the normal markets that those folks go to on their own, is pretty limited across the country right now.

It comes up every time we talk to someone, you know, why don't they -- well, they're not -- you know, so I have been talking with Scott Bogren, who's the Executive Director of the Community Transit Association of America back in D.C., and talking about getting them to organization and host a workshop here in Texas to explore that and talk about that. And
try and get a better understanding of what that actually looks like. It's talked about in the metropolitan areas because everybody is -- it's the current topic de jure there. There's all kinds of stuff happening there. First mile, last mile, all that stuff; but not so much where we are with this.

And remember, I mean, this program is largely conceived of, I think, in the notion of what's going on in the intercity industry. They are pulling back. They have been pulling back for 20 years, and they continue to do so. They continue to reduce access so they can focus on competing in the more competitive, large markets and offering a higher level premium service in those larger markets because that's where the growth is. Extent to which we can run them profitably, we don't want to be there either. You know, we're not in the business of trying to compete with something that's already being done.

And so, you know, by definition I think we are in areas with markets that will generate low performance numbers. I think our challenge is understanding even with that environment, we need to introduce performance into what we do. And then even though with something there that is the only thing, if it's not being used, we need to get out of that
business. Whether there's an option for folks in those instances, I don't know. And that's an interesting and another dimension to this conversation is that, you know: What other kinds of alternatives are there for longer distance rural area travel?

And, you know, intercity bus kind of brings with it its own perceptions of what is. There are some -- within the program itself is how it's conceived. The intent and anticipated use of these funds built into the program is that we will involve and engage and provide traditional, private-for-profit intercity carriers with access to these funds. And anything short of that, requires a determination by the Governor of the state that all the intercity bus needs of the state have been met.

And so that's quite a -- you know, it's a little hard to imagine how that would be a conclusion here that would be reach in Texas. And so, you know, if not with those funds, then how else can we get there?

MR. CLINE: Well, one of the things that I thought about, Eric, is kind of flip the script on how the changes in the intercity bus is happening. How do we actually leverage that, right?

I mean, it is -- and I thought Dave made a good point. It's about access. You know, the routes
running up and down I-45 and whatnot, are going to be
towards some of these folks coming from rural areas get to, say, from Marble Falls to Dallas. If they could tie into that and even the -- I took the bus from the airport to downtown here in Austin. Fifteen minute headway. It works. You can get to the airport very easily in terms of access, right? So you really can access a whole lot of things.

And maybe think about instead of about how this dropping back, is how to leverage that and how to turn that story around a little bit. I would think we shouldn't be using the funds to subsidize a profitable route. We're really talking about how to deal with the routes that are not profitable.

MR. GLEASON: Correct, by definition.

MR. CLINE: And then the last thing -- and I'm sorry. Just one other comment I wanted to make is that if we think back to in the last couple of years what we've done in this committee and we've looked at the rural system and we did a whole -- and there was a big analysis that was done over the scope in frequency of service or the coverage and then the hours, the amount of area that's covered. And so the story that was told to our funding -- you know, to the Legislature and to the commission was, "Wow, wouldn't it be great if
we could get a good level of coverage in the same kind of scope throughout the state? How do we get to that point?" And that seemed to resonate in terms of what we heard back, and they responded with additional funding.

So I wonder if we made a really good case for how -- if a really good case was made for this -- the -- providing the access and adapting to the changing environment, would that not ring true with the people who can provide the funding?

And I'm sorry I'm not looking at you when I'm talking.

THE REPORTER: That's fine.

MR. WHYTE: Yeah, I would like -- if possible, I would love to see some sort of out-of-the-box van ride share, some sort of pilot program. Would it not be possible to set that up -- and I don't know how we would pick the rural area, but people smarter than me can do that -- and just run some sort of test program for a year to see if there's another way?

MR. GLEASON: Let me offer something up for you, Marc, in the context of this report that if -- and if I'm straying out of my scope, I apologize. But if the motion to move forward with this report were to also include direction to include language in it
recognizing, you know, the role of innovative pilot programs testing new technology and alternative mode strategies, we can add that to this report as long as y'all are comfortable with us adding that without your review of it and then we'll just send it out as a part of what gets talked about. And we can -- I think we can easily accommodate that interest if the committee wants to see that.

We could even go so far as to revise the report. We can send it out to you as individuals and you get back to us as individuals, not as committee; and we can make adjustments based on that. But that could be easily accommodated.

MR. CLINE: I would suggest this: Whether it's us asking the questions or the legislators asking the questions or the commissioners, someone is going to ask the question --

MR. GLEASON: Well, strategically, it makes sense for us to be positioning ourself as open to that notion.

MR. CLINE: Well, and the other thing is, if you think about provision of transit service as a spectrum that goes everything from providing a train to providing an individual ride -- and it has to accommodate the disabled too, right? That's usually
where the -- that's one of the things where the Lyft and Uber model or the mobility-on-demand model can fail is because it doesn't have -- you know, there just isn't a fleet of accessible vehicles. Particularly for the larger mobility devices. So --

MR. WHYTE: But some of the vans do have them.

MR. CLINE: Some of the vans do. You're right. And if there's a way and if there's a market, there will be someone that will answer the call.

And so to me, that's what I'm thinking "When I say what does right look like," is asking the question: Is there another way? Is there a smart way to do it? Can we leverage what's going on in the industry? How do we make that happen? And then also all the good work that's being done by the regional transit districts.

You know, there's a bunch of really smart people doing smart things said "Well, what if we took some of the reins off or" -- I'm not saying take the controls off, but take some of the -- open up the opportunities if it was available to do that and then particularly, again, I like the idea of saying, wow, there may be an ability for someone in a rural area to make money as a part-time employee and then all of a
sudden, we're starting to slay a bunch of dragons all at one time.

MR. WHYTE: Yeah, I love that.

And I like your proposal and I think however you just phrased it two minutes ago, would be fine. I don't feel the need that I have to see it again and review it, but if everybody else does. If you want to add to this what you just said a couple minutes ago, I'd be happy.

MR. GLEASON: We'll add a bulleted item that will talk about innovation and technology.

MR. SALAZAR: Just for the record, I support that as well. I think that's a great idea.

MR. CLINE: I'm complete -- yeah, I think we get this out the door. There's no need to have a big -- you know, a churn of this information. Let's get it out there and open it up and say what -- you know, is there something else outside the norm that we could do? And I think that would be -- you guys -- you've heard what we've said and I think that would be very -- your office and your staff is more than --

MR. FICKES: I'm good with it.

MR. CLINE: You can represent that and get the feedback.

MR. GLEASON: We'll make sure it's in the
motion and we're good.

        MR. CLINE: So any more discussion that we need to have? Any more that we desire to have, not need to have.

        MR. FICKES: Do we need a motion?

        MR. CLINE: John, is there anything you want to add? I'm sorry. I don't mean to leave you out of the discussion. Are you good?

        MR. MCBETH: This discussion is a discussion I hoped would take place. I think there's probably no greater group of innovative people out there than those of us in rural transit because we operate on a shoestring and so we have to be creative. We have to be innovative. So I would agree with adding that to the motion that we also look at the new technologies and all that kind of stuff.

        But as J.R. said, while I've got Uber and Lyft in Bryan-College Station, it does not exist in any of my other 16 counties that I operate.

        MR. CLINE: Yeah.

        MR. MCBETH: Even in Bryan-College Station, it's unreliable at best. You can call them. It doesn't mean they're going to respond. And, of course, there's absolutely no accessibility. And then as a transit provider that has been attempting to
contract with those people, which is one of the things
that is on Liz's -- Liz Bruchez's list of things to do,
the federal requirements for just the drug and alcohol
screening alone, keep us from doing that. Not to
mention the bigger issue, which is the background
checks. They just -- that's not in their business
model. It's just not in their business model and they
don't want to add it to their business model and we've
had a lot of discussion with them.

So I think putting that recommendation
there to let's look at innovative things -- I think
buying people cell phones is a good idea. The State of
Texas does it. We do it because of the Lone Star Card.
It's a good idea. The Legislature didn't like it, but
then it was explained to them that that's what you've
got to do if you want to get to the 21st century. So I
think that's the direction we need to go. I really do.

MR. CLINE: Well, and I would add one
other thing. The feds are making a lot more inroads
into how to tackle some of these issues with
implementing mobility on demand and TNCs and there's a
lot of things that may well -- you know, there was an
example in Las Vegas. You get a 15-dollar subsidy if
you're willing to take Lyft instead of taking
paratransit.
MR. FICKES: Right.

MR. CLINE: If you're an eligible paratransit rider. And I can tell you, that's about a three-to-one ROI.

MR. FICKES: Yeah, DARTS is doing the same thing with their programs. They have incentives if do this, you don't pay or whatever. It's working well for them apparently.

MR. CLINE: So I would -- okay. If we've wrapped up, then I would entertain a motion.

And I think, Marc, you summed it pretty well is that take what -- as I heard it -- take what Eric's got here, add the innovative and, you know, different service approaches, send it out, get that feedback, and then we'll talk about it in October.

MR. WHYTE: Yes.

MR. CLINE: All right. So I'll take that as a motion.

MR. FICKES: I'll second that.

MR. CLINE: And then second by Ken. Any further discussion?

All in favor say aye.

(Chorus of ayes)

MR. CLINE: All apposed?

The motion carries unanimously.
Thank you. And, Eric, I think that should go along with the confidence we have in what y'all do and we look forward to that discussion. That will be great.

All right. I think we may have tackled our public comment. Is there anyone else wishing to make a public comment?

MR. RIBAKOVE: Nothing else received.

MR. CLINE: Nothing else received. So no additional public comments.

Next item is to propose -- we've talked about -- propose to discuss agenda items for the next meeting.

Confirm the date of the next meeting. That is an action item to get that together. We've talked about this item specifically, the last one we just looked at on intercity bus which really relates back to the rural transit and how that synchronizes together.

Are there any other agenda items from the committee that wish to talk about?

And then also, Josh, do we have a date or a couple of dates? Because let's try to pick a date if we can.

MR. RIBAKOVE: Our traditional date in
October would be last Tuesday of the month and that is Tuesday, October 29.

MR. CLINE: What time?

MR. RIBAKOVE: 10:00 a.m.

MR. CLINE: I would personally request 10:00 a.m. because if I'm driving from Dallas --

MR. FICKES: That's what I need, too.

MR. CLINE: Yeah. I mean, it's a little bit hard getting here by 9:00 o'clock. I came in last night. 10:00 is a little bit on the manageable --

MR. VON BIEDENFELD: Dietrich on the speaker. I'm sorry I came in late, but I don't mind coming in at 9:00 or 10:00; but the Austin traffic is a little bit challenging. And sorry I couldn't be there personally today.

MR. CLINE: Oh, no problem. Dietrich, is that you?

MR. VON BIEDENFELD: Yes, sir.

MR. CLINE: Oh, very good. So we'll add you to the attendance. So if we did --

MR. VON BIEDENFELD: I've been logged in on the webinar. I sent a chat, but I don't know if Josh could see it.

MR. RIBAKOVE: I couldn't see the chat here on my screen. Is there anything pertinent that you
would like to bring up to the committee?

MR. VON BIEDENFELD: I don't think anyone has ever accused me of having pertinent things to contribute, but I'll send you an e-mail.

MR. CLINE: So let's revise the record to reflect Dietrich Von Biedenfeld was online for the meeting.

MR. FICKES: Yes, please. There you go.

MR. CLINE: Okay. So as it stands right now, that would be ten hundred -- I'm sorry, 10:00 o'clock in the morning on the 29th of October here in Austin.

MR. FICKES: Right.

MR. CLINE: Done.

And, Josh, if you could send out a meeting notice on that so we could just lock that in our calendars and be set to go?

MR. RIBAKOVE: I will.

MR. CLINE: That would be awesome.

Okay any further agenda items?

I'm hearing crickets.

Is there a motion to adjourn?

MR. FICKES: I move for adjournment.

MR. SALAZAR: So moved.

MR. CLINE: Wait, wait, wait. Who said
MR. FICKES: Ken Fickes did.

MR. CLINE: Ken is first. J.R. is second.

All in favor say aye or vote with your feet.

(Chorus of ayes)

MR. CLINE: Thank you all so much for your attendance.

And, John and Dietrich, thank you so much.

(Meeting adjourns at 11:02 a.m.)
I, Paige S. Watts, Certified Shorthand Reporter in and for the State of Texas, do hereby certify that the above-mentioned matter occurred as hereinbefore set out.

I further certify that the proceedings of such were reported by me or under my supervision, later reduced to typewritten form under my supervision and control and that the foregoing pages are a full, true, and correct transcription of the original notes.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this Turn in date 18th day of August, 2019.

________________________
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