TEXAS DEPARTMENT OF TRANSPORTATION
PUBLIC TRANSPORTATION ADVISORY COMMITTEE

TELECONFERENCE MEETING

Conference Room 323
3712 Jackson Avenue Bldg 6
Austin, Texas

1:30 p.m.
Thursday, July 12, 2012

COMMITTEE MEMBERS PRESENT BY TELEPHONE:

Michelle Bloomer, Chair
Glenn Gadbois
J.R. Salazar
Rob Stephens
Brad Underwood

STAFF:

Eric Gleason
Bobby Killebrew
Kelly Kirkland
Ginnie Mayle

ORIGNAL

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PROCEDINGS

MS. BLOOMER: This is Michelle Bloomer. We will call the meeting to order.

The second item on the agenda is approval of the minutes from the June 7, 2012 meeting. I think, based on previous discussion, there might be a desire to defer this to the next meeting. Is there any discussion or a motion on that item?

MR. GADBOIS: This is Glenn. I would just as soon jump in and deal with the one item we're supposed to deal with and let's save all the regular business for a regular meeting.

MS. BLOOMER: Okay. So I think I hear from Glenn that he is making a motion to defer Item 2, which is approval of the minutes from the June 7 meeting, to our next PTAC meeting.

MR. GADBOIS: Quarterly meeting.

MS. BLOOMER: Do I have a second?

MR. STEPHENS: I'll second that. This is Rob.

MS. BLOOMER: Okay. We have a second and then in order to manage the ayes, I'm just going to go and call everybody's name.

Glenn.

MR. GADBOIS: Aye.

MS. BLOOMER: Brad.

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MR. UNDERWOOD: Aye.

MS. BLOOMER: J.R.

MR. SALAZAR: Aye.

MS. BLOOMER: Rob.

MR. STEPHENS: Aye.

MS. BLOOMER: And Michelle, aye. And so the item passes, moving on to Item 3, which is the bulk of the meeting, the Legislative Appropriations Request (LAR) discussion and comment on proposed letter to the Commission on behalf of PTAC.

Did everybody receive the revised letter that Ginnie sent out yesterday afternoon and have a chance to read it?

VOICE: Yeah. I -- okay.

MS. BLOOMER: All right. I'll assume since nobody's hollering that they didn't get it that you've all received it and you've all read it.

Are there any -- I'm sorry, Glenn.

MR. GADBOIS: Well, Madam Chair, I was going to ask if I can, let me just lay out a little bit of my thinking on why I did what I did and point to some particular discussion items I'd like to make sure people have, that we at least have a chance to discuss and decide, and then if there's anything new beyond that, that's all game for discussion as well.

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MS. BLOOMER: Okay. And Glenn, can you include
in that sort of the interaction between the other members
of the working in preparing the letter?

MR. GADBOIS: Indeed. So the Working Group 1
was assigned this with me in particular taking the
drafting role. So Working Group 1, 1a, and 1b got
together on a phone call and had some discussion about
potential sources that we could point to for the money
that we saw being needed for public transportation. Okay?
because I think that the agreement pretty early
on was we still want to take from the last LAR the overall
thrust that public transportation needs more dollars but
we also felt like just asking for that out of what is in
essence GR is a fruitless -- it has no chance for success.
So we had that discussion. I think the only
item that I threw in last minute that hadn't been
discussed in that initial conversation was the TEF Fund,
the Enterprise Fund, and then after drafting I went back,
with very little notice -- I apologize to my team, but
they at least got this read through it, to get comment
from them to make sure they were comfortable with the way
that the letter had been redrafted.
I then sent it on to you, Michelle, and then it
got distributed from there.

Here are the couple of big changes to the

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letter than we'd done last LAR that I just want to kind of lay out our thinking on. One is the primary audience for this is the Commission and the Commission -- it's my sense that the Commission doesn't really understand or have much of a framework for the way we often talk about public transportation but they do understand return on investment.

As a consequence, rather than talking about this in the usual terms of what really are people are terms -- you know, people would need access to the transportation and all the story that we had listed beyond that, impacts on transportation providers and how many problems they were having because of the increases in cost, et cetera.

That, in and of itself, doesn't make sense to these guys but what they do understand is they make a significant investment in public transportation as part of the system and what's the return on that. As a consequence, the vast majority of the focus of this letter is rewording it to make it look more like an RLI proposal.

Having said that, I also then -- there were a number of strategies that don't specifically fit into the Legislative Appropriations Request but are sort of related to it that I wanted to at least toss out for us to think about putting into this letter to show that we're thinking

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about a broader strategy than simply going to the legislature for more money.

As a consequence, we do Legislative Appropriations Request and what we'd like to see happen there and basically -- and that's one discussion point that we ought to have, that's basically do-no-harm-strategy. In a time when the Governor has once again asked for significant cuts from agencies and at the drafting of this bill we didn't know how MAP 21 was going to affect funding so basically the thrust was do no harm.

We do kind of put into that overall do-no-harm request the "and additional money would be nice" but that comes later than the specific LAR request.

In addition to that, we wrap into this LAR request specific kind of lighter requests that aren't budget appropriations but are sort of budget appropriation issues. And so that would be a request for some amount of money from the Texas Enterprise Fund, a fund that characteristically they simply approve a dollar amount for and the Governor gets to decide.

But the legislature could assign and make public transportation eligible for those and even assign out of that a big dollar amount. That, in my mind at least, looked like a more likely strategy than going after GR.
And then we kind of framed what those enterprise funds might go towards in a way that makes them eligible for Enterprise Funds at all. After that, then we ask for an additional rider, and this is another discussion item that we ought to have, and I haven't even talked to Eric about this; he may hate the idea, but putting into a rider some requirement that TxDOT be more involved in the program design and procurement of our MPP services because I keep hearing, and I'm not even that involved in public transportation these days, but I still keep hearing all sorts of rumblings about how MPP is not working very well in different areas.

And so kind of an attempt to give us a way to package a request for that in terms of a rider, and I don't know if there'd be a rider on the transportation bill or an the Health & Human Service bill, but that was a strategy. Right?

In addition to that, we asked for two additional legislative support items, which is basically that the Commission work toward exemption of transit fuel. Right now on the state fuel tax public transportation providers pay that. That cost savings, as I understand it, would make a significant difference if the unexpenditure side and that savings translates into real money for the public transportation side. They actually
exempt the federal sales tax, at least if it's done
through the electronic card kind of format, and so there's
no reason it can't be done for the state tax and then that
would make all kind of sense, so they'll get TxDOT
basically helping to pursue that legislative strategy.

In addition, the other kind of legislative item
is to get their legislative staff focused on seeking ways
to pull down more federal money given the new Map 21
landscape that nobody's really familiar with.

And if I've discovered anything it's when a new
bill comes out and changes things with any level of
significance, there are always opportunities to be the
first one to be more effective in grabbing that federal
money and I can't think of any better help than getting
TxDOT's legislative staff focused on doing that.

Then we turn to basically from an RLI argument
to building in durability, which is my new favorite term
for sustainability. You make an investment, make sure
it's going to stay around for the long term. That's when
I take a lot of what had happened in bold letter and
repackage it basically in terms of you've made this
investment. Now make sure that it's as solid, stable and
durable as possible.

And the highlighted areas are where I simply
didn't know whether the facts will hold or have changed

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and so I ask staff for some help with that. And in my
mind, together that bid creates the overall sum of money,
this last section, creates the overall price tag we need,
and there's $22 million, $20 million, $15 million,
whatever it is, and from that, then we would need to
decide the specific amounts we would ask for for the
Enterprise Fund and/or what we'd need made up in both
flexibility and the non-dedicated Fund 6, or whatever our
infill strategy is.

Does that all make sense to people and/or
there's lots of items to talk about with that.

MS. BLOOMER: This is Michelle. Thanks, Glenn,
for sort of the background on the letter.
Initially, do any of the working group members,
either Brad or Rob, have some initial comments before we
open it up for discussion?

MR. STEPHENS: No, this is Rob, Michelle. I
don't. I sent some comments to tweak out a little bit a
couple of days ago and those are included. I don't have
any comments. I'm ready for discussion.

MS. BLOOMER: Okay. Brad, are you okay with
just moving on to discussion?

MR. UNDERWOOD: Yes. I'm sorry. I think I'm
going to have to hang up and redial in. It was earlier
where Ginnie said she couldn't hear me. It's the same

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thing again, like I can hear parts -- can you guys hear me at all?

MS. BLOOMER: We can hear you better than initially, yes. But if you're having trouble hearing us --

MR. UNDERWOOD: I'm going to hang up and call back in.

MS. BLOOMER: Okay.

MR. UNDERWOOD: But go ahead without me. Keep going.

MS. BLOOMER: Okay. So let's go ahead and move on to the discussion and, first, Glenn, I want to say thank you for taking the lead and working with your working group members to prepare a draft letter.

Historically, my understanding of the Legislative Appropriations Request is more focused on the funding that the Department puts together as part of their request to the legislature so I think one thing -- and you mentioned this a little bit in your discussion is what we might want to do is focus this letter for the Legislative Appropriations Request specifically on our ask, which like you said, Glenn, I think is mainly, at a minimum, hold us harmless; and second, increase funding, and like you mentioned, make a case for additional investment.

And I think, using some of the language you've
provided related to the return on investment, the economic value, as well as wrapping in some of the cost of inflation, population growth, and expanded service can get us to a very tight, maybe one-to-two-page letter specifically related to the Legislative Appropriations Request.

And we might want to mention, like you had indicated, that we're also looking at a broader strategy of legislative priorities, and we could maybe check off what some of those might be very high level, but save the detail for a supplemental letter to be sent later after the committee has had time to discuss the Texas Enterprise Fund, the Medicaid issue, the fuel exemption.

And also, I think it would be good for the committee to hear from the Texas Transit Association what some of their legislative priorities are and see if those are ones we want to support or take up and recommend on our own to the Commission.

So, my thought being we're on sort of a time constraint related to the funding request, as it relates to the July 26 Commission meeting is that we tailor the LAR letter specific to what our funding request is and, via an alternate means, pending further discussion by the committee, make recommendations to the Commission related to our legislative priorities or actions that we would
like to see are in support of.

MR. GADBOIS: And, Michelle, you probably pay
more attention to the Commission than I do these days.
The last time I paid attention to the Commission and their
development of the LAR they actually were engaging in an
overall strategy discussion on legislation of what's the
entire range or things we're asking the legislature for;
what's the LAR within that context and how does that play
with federal monies coming in?

As a consequence that's the way I framed this.
If I'm wrong and they don't do that conversation -- they
want to focus on one little piece at a time, then I accept
that -- what's their practice or what they do now.

MR. UNDERWOOD: Michelle, it's Brad Underwood.
I think I'm back if you guys can hear me okay. I don't
know what was going on.

VOICE: Yeah.

MR. UNDERWOOD: So I guess what you're trying
to say is we would have another opportunity to kind of
take one of these piece by piece, talk about them as PTAC,
and then write another letter recommending some of the
things we feel would be beneficial to public
transportation. Is that correct?

MS. BLOOMER: Yes. The funding issue separate,
to be followed by the legislative issues.

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MR. UNDERWOOD: Okay.

MS. BLOOMER: And, Eric, maybe you can weight in, but my understanding based on my limited participation in the LAR process last year was that it was mostly at that point focused on the funding request that TxDOT was going to put forth.

MR. GLEASON: Yes, although I do want to recognize that Glenn's subscription has merit has merit as well. The Commission is scheduled to approve the LAR at the August meeting and so there already have been a lot of preliminary conversations, including one or two Commission presentations, about general direction and so the vast majority of the conversation now is on the LAR.

I think the thought of maybe highlighting at a higher level the kinds of things that the committee could choose to write a subsequent letter on is a good idea in this one.

And that might be enough, Glenn, to sort of begin to get at the broader context that you were setting. Because you're right -- this is a funding request but it obviously has enormous broader policy implications and so it does need to be talked about in a broader context but I think right now the message around funding is the one that is going to be heard most clearly and I'm not convinced that the other elements of the current letter would be

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heard as clearly in this context as opposed to being communicated subsequently.

MR. GADBOIS: I'm happy with that incite on the process and kind of where we are in it. And I'm fine then dividing off and doing two -- dealing with the immediate issue before the Commission and then following up with some of the higher-level strategies as long as we do as, I think, both of y'all suggested and at least give them some indication that we too are thinking about a broader strategy and really looking in every nook and cranny to be as creative and entrepreneurial as we can.

MS. BLOOMER: This is Michelle. I completely agreed when I think that's part of why, I think, at a higher level it would be good to mention, not only are we asking you to just hold us harmless and/or give us more money, but we are actively taking a role and trying to identify innovative ways to stretch our dollars further or find additional funding as well.

So it's not just we're coming every two years asking you to give us more money; we're doing our part with TDC and some of the other items you've mentioned as well.

I think one of the questions I would have for either Eric or Ginnie is when the legislative -- we want to make sure we get our comments in on the legislative

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priorities prior to that sort of solidifying, and then how
does that timeline play into our timeline for our next
meeting which I would anticipate sometime in August, late
August, early September in order to address the TDC
rulemaking process.

MR. GLEASON: Yeah, TDC rules. Bob, do you
know off the top of your head when they're going final?
Is that August or is it September?

MR. KILLEBREW: September.

MR. GLEASON: Okay. so it's the September
Commission meeting when the TDC rules will be final. So
the committee will clearly need to meet before then. I
don't have a timetable that I can check off the top off
the top of my head on legislative agenda discussions, but
I think that if the committee were to meet and discuss in
the late August, mid-September time frame, that issue --
to be followed by a letter that that would be pretty good
timing and I will try and confirm that afterwards but
that's my sense.

MS. BLOOMER: Okay. Because I think that that
might be a good way to sort of move forward with this,
Glenn, and then that would allow you and the other members
of Working Group 1 to sort of look at what all those
legislative priorities are that we would like to put
forward to the committee as an entire group as well as
maybe what some of TTA's --

MR. GADBOIS: Sure.

MS. BLOOMER: -- legislative priorities are,
any of the other industry groups out there, that we could
then discuss at our next meeting and have that as a -- in
addition to the rulemaking, have that as maybe the
secondary item of main discussion for that meeting.

MR. GADBOIS: Sure. Well, and our only
legislative strategy issues here were money-related.
Right? And I'm willing to wager TTA and the operators
have other legislative issues and so we --

Brad, you're on that committee. Correct?

MR. UNDERWOOD: Yes, I am.

MR. GADBOIS: Yeah. So when we include Brad in
our working group and he can bring all those to the table,
yes.

MS. BLOOMER: Perfect. I think that would be a
good opportunity. You mentioned most of the legislative
items in the current letter are all funding-related but
there may be non-funding ones that we would also want to
include.

MR. GADBOIS: Right.

MS. BLOOMER: And we would have some -- and to
develop those as well.

MR. GADBOIS: Right. And, now, I do want to go

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back and be a little bit specific here. On the
Legislative Appropriations Request, I see requests about
riders as appropriate for an LAR.
Is that accurate, Eric?
MR. GLEASON: I think -- yes, it can be done as
a part of the LAR. Historically, those that are included
in the LAR are more specific to specific initiatives the
Department is trying to pursue, like buying uniforms for
maintenance workers, that kind of thing, and not so much
broader policy-type LARs that aren't necessarily related
directly or easily to an expenditure of money.
Does that make sense?
MR. GADBOIS: Yeah. Okay. So is that
suggestion that if they are riders they should be of that
type, not of this type, is, I think, what I just heard.
MR. GLEASON: One more time, please.
MR. GADBOIS: Of the type -- if we are going to
mention riders at all, we should be mentioning very
specific programmatic stuff, not the broader --
MR. GLEASON: Yeah. That's a good place to
start, yeah.
MS. BLOOMER: Right. This is Michelle. I
think, Glenn, my preference would be to include those
items that you've indicated as riders in the letter as
part of the legislative priorities discussion.

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MR. GADBOIS: That's what I'm double-checking.

MS. BLOOMER: Okay. Does any other committee members, J.R., Rob, have any thoughts or items for discussion.

MR. SALAZAR: This is J.R. Nothing really more than that you guys have already hashed out. I don't want to repeat myself but, Glenn, I do agree with Michelle with the writing of the letter, and you did a great job. I was a little concerned about the length of the letter being four pages was the only concern I has and I think we've already hashed that out so I'm fine with everything.

MR. GADBOIS: Yeah, we've made it much shorter but, then, again, we made it shorter than the last one we did too -- just a note.

MS. BLOOMER: Okay. This is Michelle now. As far as action, Eric, are we good to say that the committee is going to revise the letter to focus on the funding aspects that we talked about, holding harmless, increasing funding, and making a case for the additional investment based on the return on investment, economic value, cost of inflation, et cetera, and then to follow up with a second letter which would be discussed in more detail at our next meeting. Is that sufficient to move forward to then revise the letter and have me sign it, or do we need more formal action to allow me to sign a revised letter?
MR. GLEASON: I think just clarify who you're going to have revise the letter and we'll be good.

MS. BLOOMER: Okay.

MR. GADBOIS: And, Michelle, I think at this point it should be you. You're signing it; you have experience with this and we've given you more than you need, I would think, to do that pretty easily so, I mean, I'm hoping we're not asking a lot from you in asking you to do it.

MS. BLOOMER: And this is Michelle. That's similar to what I was thinking. So, okay. I will take I will take a stab at revising the letter based on the discussion we've had today and we'll get that out to everybody, get it signed and to the Commission in advance of their July 26 meeting.

MR. GADBOIS: Thank you.

MR. UNDERWOOD: Awesome.

MS. BLOOMER: All right. And we don't need formal action. Correct, Eric -- motion, second, voting?

MR. GLEASON: I wouldn't think so, no. We're good.

MS. BLOOMER: Okay. Perfect.

Do we have any public to comment?

(No response.)

MS. BLOOMER: No. And I think we initially

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talked about our next meeting would be sometime late August, early September, but I think that's about as far as we can get into firming a date at this point.

So if there are no other items for discussion --

MR. GADBOIS: There's just one item. Given this decision, and this is for Working Group 1, Brad and Rob, can we have a conference call before our next meeting to come back to our meeting with a number of items we think ought to be on the letter. Can we do that by a conference call sometime in early-, mid-August?

MR. UNDERWOOD: That's fine with me. Yeah, we can do that. What days -- what'd we do last time? Did we do a Wednesday because that seemed like it was better for you and Rob?

MR. STEPHENS: Yeah. Sure. Let's look at August. How about the 8th?

MR. UNDERWOOD: That's what I was just pointing to. As long as it's in the morning, I can do that. Around 10-ish?

MR. GADBOIS: Rob?

MR. STEPHENS: August 8 at 10:00 in the morning?

MR. GADBOIS: Uh-huh.

MR. STEPHENS: Yeah.

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MR. GLEASON: This is Eric. Let me just clarify. The committee has expressed the desire to have Working Group 1 get together between this meeting and the next and prepare sort of an initial discussion piece for items that might be included in a letter on legislative priorities.

MR. UNDERWOOD: That's the way I understand that.

MR. GADBOIS: If that's the way it needs to be framed, and I'm assuming you're framing it that way for that reason, sure.

MR. GLEASON: No. I'm just trying to structure it a bit so the record will show that the committee agreed this is what they want to have done.

MR. GADBOIS: And my understanding was the committee agreed we wanted to have at our next meeting a substantive discussion about items that would go into a letter that could then subsequently be drafted and took that as an assignment from the working group.

Let's make that official. Is that an assignment?

MS. BLOOMER: This is Michelle. Yes, that was my intention.

MR. GADBOIS: Okay.

MS. BLOOMER: So if Working Group 1 will do
some work between now and our next PTAC meeting so that in
advance of that meeting we can have some information to
review so we can have a meaningful discussion at our next
PTAC meeting on what we would like to put forth as our
recommendations, legislative priorities, to the Commission
as.

MR. GADBOIS: Okay. And then, just, on the
mechanics, who put together the teleconference last
time -- whoever it was, will you do it again and send us a
call number?

MR. UNDERWOOD: I did that and I just sent a
meeting place to hold and as soon as I hang up I'll get us
a number and I'll blast it out to you as well.

MR. GADBOIS: You're beautiful. I appreciate
it.

MR. UNDERWOOD: Let the record show I've been
notated as beautiful. Notate it in the minutes, Ginnie
Mayle.

MR. GLEASON: I don't know what that means for
approval of the minutes at the next meeting but I'll let
that go.

MR. UNDERWOOD: Michelle, how about a motion to
adjourn? You need that?

MS. BLOOMER: Yes. I was trying to get in
there. If there are no further items for discussion, do

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we have a motion to adjourn?

MR. UNDERWOOD: So moved.

MS. BLOOMER: A second?

MR. GADBOIS: Second.

MS. BLOOMER: In this case, all those in favor, aye.

VOICES: Aye.

MS. BLOOMER: Anyone object?

(No response.)

MS. BLOOMER: No. All right. Thank you.

(Whereupon, at 2:04 p.m., the teleconference meeting was concluded.)
CERTIFICATE

MEETING OF:  Public Transportation Advisory Committee
Teleconference Meeting

LOCATION:  Austin, Texas

DATE:  July 12, 2012

I do hereby certify that the foregoing pages, numbers 1 through 25, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Leslie Berridge before the Texas Department of Transportation.

[Signature]
(Transcriber)  7/13/12
(Date)

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