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TEXAS DEPARTMENT OF TRANSPORTATION
COMMISSION MEETING

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

Thursday
July 31, 2014
9:00 a.m.

COMMISSION MEMBERS:

Ted Houghton, Jr., Chair
Victor Vandergriff
Jeff Moseley
Jeffrey Austin, III
Fred Underwood

STAFF:

Lt. General Joe Weber, Executive Director
John Barton, Deputy Executive Director
Rose Walker, Chief Clerk
Robin Carter, Assistant Chief Clerk

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P R O C E E D I N G S

1
2 MR. HOUGHTON: Note for the record that public
3 notice of this meeting containing all items on the agenda
4 was filed with the Secretary of State at 3:16 p.m. on July
5 23rd, 2014. At this time, please turn your communication
6 devices into silent or off mode. And if you wish to address
7 us, blue card is in the general at the end of the meeting.
8 A yellow card is on a specific item. At this time, I'll
9 turn over the gavel to you, General, and for our safety
10 briefing.

11 MR. WEBER: Thank you, Chairman. I would like to
12 ask our Deputy Executive Director John Barton to come
13 forward to provide our quick safety brief.

14 MR. BARTON: Thanks, Joe. Good morning, Chairman,
15 General Weber, members of the Commission. Thank you for an
16 opportunity to provide this morning's safety briefing. I
17 wanted to again express appreciation on behalf of all of the
18 employees of the Department for the Commission's leadership
19 on making sure that we focus on safety both internally and
20 externally. We've got a lot of guests with us today, a
21 great agenda of items for you to consider.

22 And wanted to take an opportunity just to make
23 sure that everyone knows that as we're here this morning, if
24 someone has a medical emergency, if you'll go to the guard
25 station near the front entrance of the building where you

1 were, we have a first aid kit and other first aid devices
2 that we can help you with. If you need assistance beyond
3 what we can provide, we certainly can call for medical
4 services through 911 for you.

5 We don't expect to have any inclement weather, but
6 if we do have a response to some kind of storm event, we
7 would shelter here in this building. I would ask that you
8 would find your way out of this room. There are exits at
9 the front of the room behind the desks as well as the rear
10 of the room. And we would find our way out towards the
11 hallway surrounding to the elevator and going to the
12 basement which is one floor below us now through the
13 stairwells or to stay in the stairwells themselves.

14 If there's a reason to evacuate the building for a
15 fire or other emergency, someone will come to the podium and
16 make that announcement. I would ask that we all leave this
17 building through the entrance that you made your way into
18 the building this morning and that you would safely walk
19 across the street to the capital grounds where we can gather
20 til our emergency response teams to do what they need to do.

21 At this time, I wanted to take the opportunity to
22 just highlight a couple of safety issues that are facing us
23 as a state. This morning is -- as I stand before you, we've
24 already experienced over 1800 fatalities here in Texas due
25 to roadway related accidents. And we're starting to see an

1 alarming trend in terms of driver behavior and
2 inattentiveness or distracted driving across the state of
3 Texas. If you'll pull up the -- the slideshow, I wanted to
4 just show you graphically or visibly some of the
5 consequences of distracted driving. We may be having some
6 technical difficulty. That's probably what leads to a lot
7 of distracted driving as well.

8 As they're working on that, let me just voice over
9 very quickly. We have men and women working across the
10 state of Texas on behalf of our citizens to maintain and
11 operate and construct the finest transportation system that
12 this country knows and that this world has in place today.

13 I wanted to show you a few photographs of what I
14 believe is an alarming trend. These all occurred in the San
15 Angelo District, that great booming metropolis out in west
16 Texas. And I think what you'll see is a bit startling.
17 Each of these relate -- relate to a TxDOT operation where we
18 had traffic control in place and in most cases a mobile
19 operation. And as you can see on July the 9th, we were out
20 on a section of freeway environment trying to do some work
21 in a mobile operation.

22 And the driver of this truck for whatever reasons
23 still a little bit unknown, never saw us and hit the back of
24 our operations. Thank goodness we had a truck mounted
25 attenuator on that device. This was in the middle of the

1 day, sun shining, no bad weather. And he just said you know
2 what, I never saw you. I never saw your crew. The great
3 news here is that that safety device saved his life and that
4 of our employees as well.

5 About a week later on July 16th on a -- a two lane
6 divided highway in a more rural area of San Angelo we were
7 out working as well. As you can see and again, we were
8 struck in the rear where we had a crash attenuator. Our
9 employee was able to walk away from that even without any
10 serious injuries as well as the driver of that concrete
11 truck. And again, he just said you know what, I was
12 distracted and I didn't see you. And that's the alarming
13 thing for us is that we're out there, clearly visible,
14 straight stretches of roadway, perfect weather, daylight
15 hours. And someone says they just didn't see us. Thank
16 goodness that we have these types of safety devices so when
17 those things happened.

18 And then on the 21st as you can see now, it's been
19 less than three weeks. We were out working again on another
20 wide open stretch of roadway, open country, San Angelo area,
21 rural part of the state. And the driver had a near miss.
22 We had a lane closure properly marked and signed. He just
23 didn't see us and ended up running off the road and crashing
24 himself.

25 So I bring all this to the attention that this is

1 happening almost on a daily basis here in the state of Texas
2 where someone is running into the rear of our mobile
3 operations or through our work zones and they say they just
4 did not see us. Inattentive driving, distracted driving is
5 an alarming phenomenon that is growing more and more each
6 day. And I just wanted to take an opportunity knowing that
7 this was being streamed through the internet across this
8 nation to remind us all of our responsibilities to drive
9 safely, to pay attention, to not be distracted and to focus
10 on the task at hand. So thank you for allowing me to make
11 this safety brief, General Weber, Chairman. And that
12 concludes my remarks.

13 MR. WEBER: Thanks, John. And I just want to add
14 that again, one of the biggest surprises to me when I became
15 the executive director of TxDOT was that 3300 people were
16 dying a year on the highways of this state. And it was -- I
17 mean, that -- that's pretty amazing, 3300 people. So I know
18 we're caught up in a lot of things, but there's nothing more
19 important than human life. And we work every day here at
20 TxDOT to make sure that we have those safety practices and
21 programs in place to prevent that. So thanks, John.

22 MR. HOUGHTON: And as customary, we'll hear from
23 my fellow commissioners. Opening comments. Commissioner
24 Vandergriff?

25 MR. VANDERGRIFF: Thank you, Chairman. I have a

1 couple of things I want to make sure and bring up that I
2 think are important to -- to note. The first is for -- for
3 me we're going next month to the Dallas/Fort Worth for a
4 commission meeting. And we've had some great commission
5 meetings across the state, most recently in Houston. Last
6 month I thanked Commissioner Moseley for hosting us down
7 there and appreciated that. I think the Metroplex is a
8 unique opportunity is that the two commissioners to my
9 immediate left are both really very engaged and involved in
10 the Dallas/Fort Worth area. So I -- I consider that market
11 their home as well, both Commissioners Austin and
12 Commissioner Moseley. Commissioner Moseley having actually
13 served for eight years as the county judge in Denton County.
14 So I think it's great to have him there.

15 And then I see my friend and -- and 30 year plus
16 may -- and a partner in all sorts of endeavors out there in
17 the audience and that's of course Bill Meadows, former
18 commissioner here. And he took the no pun intended highroad
19 and became the chairman of the DFW High Speed Rail
20 Commission. And that's one the things we're going to have
21 a -- a chance to see his commission and Commissioner -- or
22 Chairman Meadows in action in the morning of Wednesday when
23 we're there, but more importantly get a chance to hear from
24 Texas Center Railway and then also DFW about the plans and
25 the opportunities there which I -- I do think are a game

1 changers and are potentially in line with -- if it works and
2 I hope it does that with -- what our General Weber, our --
3 our executive director has talked about being a multimodal
4 agency.

5 I think we'll also be in the midst of DART, one of
6 the premier transportation transit authorities in the
7 country. We'll get a chance to be in the midst of that.
8 And we'll be right in the thick of billions of dollars worth
9 of needs in downtown Dallas and all the areas there. We're
10 spending billions and we got billions more to go. And
11 you'll get a chance to -- to hear and see about that, but
12 also a couple of other things that will happen there that
13 are in the Dallas area in -- in proper.

14 And that is the continuing need as we finish the
15 great projects in the north side of 635. And you turn south
16 and we will immediately be in a traffic jam because we will
17 have the south and eastern section of 635 that has needs as
18 well. And I hope we get a chance to hear from that. And
19 then I-20 and I-30 which run right through the hearts of the
20 -- the city and the rest of the DFW area. And the -- I'm
21 hoping that we can time commission activities to put us
22 right in the middle of all the traffic of those two roads as
23 well. There's -- there's problems everywhere across the
24 state, but this is a real opportunity to see one of the
25 major urban areas and see how that interconnects with

1 everything else.

2 Last but not least is when I was in NTTA, I talked
3 from the Dias similar to this years ago as we were headed
4 into a lot of toll roads and managed lanes that I worried
5 about what the future would hold when the public woke up in
6 the Metroplex and realized that every road we had because
7 that's how we had an ability to do it was told and in one
8 form or another in the increased capacity of the total.

9 And we're seeing the beginning of that and I think
10 we'll have a good discussion hopefully from our friends in
11 Collin County where everything that they have and everything
12 that is planned is told. And the one road they don't have
13 that's told is I-7 -- or 75. And that road is planned at
14 this point to go from an HOV to perhaps a single occupancy.
15 And the perhaps to a managed lane and there's a lot of
16 concern led by the county judge and state representatives
17 and state senators there. And so I think we'll have a
18 discussion about that as well. And -- and I think that's
19 important for us to hear those points of view and what the
20 consequences are of our actions and -- and what we have to
21 do in terms of the funding we get. And we see that across
22 the Metroplex. So we're ground central I think in terms of
23 tow roads and managed lanes.

24 The other thing that I think is important to note,
25 shifting topics but no less important, is that less month we

1 awarded over \$270,000,000 in transit projects out there.
2 And I abstained from that vote, but we did award that money.
3 And we took a little bit of addressing down from a state
4 committee the house select committee on funding, finance and
5 expenditures. And they have the words wrong. But we took a
6 bit of a beating on that. And I think they -- they asked a
7 proper question which is if we had the money to spend, was
8 that the proper way to spend it. And how did we go about
9 getting approval from that from the communities.

10 We are now facing in the last few days we've had a
11 proposal that this Commission took up a couple of years ago
12 which was to fund a transit project -- or to -- to swap
13 funds, to fund street cars in San Antonio. And the mayor of
14 that city has withdrawn its support or her -- their support.
15 And the -- they're deep divisions in that community.

16 So I urge this Commission to listen to that group
17 of citizens as they come forward hopefully and ask us to
18 rethink that decision and urge us in the same time to really
19 rethink the manner and method in which we awarded those
20 transit projects. Nothing against those projects, they're
21 all terrific and great. I think that we did them a
22 disservice without having a lot more thought and involvement
23 from the communities in which it came from.

24 So with that, I will pass the gavel.

25 MR. MOSELEY: Commissioner Vandergriff, we look

1 forward to being with you in North Central Texas next month
2 and it seems like a year goes by pretty fast. Commissioner
3 Meadows hosted this in Arlington. So we look forward to
4 getting updated and seeing all the wonderful progress since
5 our last meeting up in North Central Texas.

6 Chairman, members, and really we're so pleased to
7 have the Commission in Houston last month. Thank you so
8 much for -- for the idea of moving the Commission meetings
9 around and allowing the public to participate. It's a
10 wonderful opportunity for the Commission to listen and hear.
11 And so we -- we were so pleased to have the Commission in --
12 in Houston last month.

13 Since that time I have had a benefit of doing a
14 little bit of traveling to another poor community and a --
15 if the Commission would bear with me, I have a -- a
16 statement here just to read. But one of the challenges that
17 we face really in all or our meetings relates to the fact
18 that we have significant congestion and infrastructure
19 deterioration that is challenging the driving public and
20 it's really restricting the movement of freight to its
21 destination.

22 In 2012, a Texas A&M Transportation Institute
23 study indicated that congestion in 498 U.S. cities cost
24 taxpayers a hundred and twenty-one billion dollars. And
25 that was the total on the U.S. economy in 2011. Well, this

1 is a 500 percent increase over 1982 and more than 20 percent
2 of these costs are absorbed by the trucking industry and
3 passed onto we the consumers and customers.

4 In 2011, the American Trucking Association
5 reported that 67 percent of all U.S. domestic freight
6 tonnage was moved by trucks. And we know that that figure
7 is expected to double by 2035. So annually, 1.167 trillion
8 dollars in goods are shipped from sites in Texas and another
9 1.246 trillion in goods are shipped to sites in Texas mostly
10 by truck. And as General Weber pointed out, we're seeing
11 more than 3,200 people who are -- are dying annually on
12 Texas highways and -- and traffic related to crashes. And
13 the -- the numbers just are staggering. So one -- one
14 solution Chairman and members on how we fix this is as we've
15 heard the legislature challenge our agency to be a full
16 transportation agency and to be multimodal.

17 Other modes or transportation of course give us --
18 give us some dramatic options. And as we talked in Houston
19 last month, we were seeing greater opportunities to move
20 freight on waterways. And waterway transportation has
21 significant advantages moving freight. And it doesn't add
22 to the congestion of our roadways and the pavement damage to
23 our streets. It seems to be safer and more fuel efficient
24 and a better friend of the environment.

25 It's a -- and it's -- and it's -- it's really a

1 key strategy that we're beginning to understand and
2 appreciate and consider. And again, I appreciate the vote
3 last month on finding a feasibility study related to one of
4 our strategic corridors, the Gulf Intercoastal Waterway.

5 A loaded liquid barge carries the equivalent of
6 144 trucks and enough gasoline to keep 2,500 automobiles
7 running for one year. One barge can travel 616 ton miles on
8 one gallon of fuel compared to a truck which is traveling a
9 hundred and fifty ton miles. So with the math, a hundred
10 barges, take 14,400 trucks off of our roadway every day.
11 And we've discussed, this saves lives, it saves
12 infrastructure, decreases congestion on our roadways and it
13 is a friend to the environment.

14 I had a recent trip to the Colorado River Locks
15 and the Port of Victoria. The U.S. Army Corps of Engineers,
16 the Galveston District, hosted the tour of the locks. Carl
17 Brown, chief of project operations for the U.S. Corps,
18 Galveston District and Simon DeSoto, the lockmaster, were
19 our guides.

20 The Colorado River Locks as we heard last month
21 were built in 1943 on the Gulf Intercoastal Waterway. The
22 locks aid the passage of vessels and barges during periods
23 of high water. And during normal river conditions, the
24 locks are used as floodgates to prevent excessive silting in
25 the Gulf Intercoastal Waterway.

1 In 2013, tonnage through both sets of these locks
2 totaled nearly -- nearly 44,000,000. And that's up from
3 31,000,000 in 2009. So when the Colorado River exceeds two
4 miles per hour, then that restricts all the towing traffic
5 and there are huge delays on the Gulf Intercoastal Waterway.
6 And that's why I'm so pleased that last month the Commission
7 voted to fund the feasibility study of both the Colorado
8 River Locks and the more challenged Brazos River Floodgates.
9 And -- and so it can help us understand how to keep the Gulf
10 Intercoastal Waterway efficient and current.

11 The TxDOT Maritime Division is working with the
12 U.S. Army Corps of Engineers to address infrastructure
13 challenges with these two structures. The Port of Victoria
14 tour was hosted by Port Executive Director Skip Copp (ph)
15 and Director of Operations Jennifer Stasney. They are a
16 member of the Port Authority Advisory Committee here at
17 TxDOT.

18 Port Victoria is a major player in the Eagle Ford
19 Shale play handling several unit trains or frac sand and
20 millions of barrels of oil per month. The port handled 5.5
21 million short tons in 2013 and is expected to far exceed
22 that number this year. So again, we see the value of
23 putting these heavy goods on water and hauling them to
24 relief congestion on our roadways.

25 There are some challenges with mobility in and out

1 of the port. I was very pleased Chairman and members that
2 our local district engineer Paul Furig was able to join our
3 tour and be a part of -- of seeing some of the challenges to
4 keeping the roadways upgraded.

5 So with that, Chairman, that concludes my remarks.
6 And again, I thank you for the support last month on the
7 feasibility study to see how the Gulf Intercoastal Waterway
8 can be and remain efficient.

9 MR. AUSTIN: Good morning, everyone. The -- the --
10 - Commissioner Moseley, thank you again for our tour down
11 there and that we had the opportunity, Commissioner
12 Underwood and I, to fly the Grand Parkway and take a look at
13 what's really happening there and really wonderful and much
14 needed project going through Senator Williams' home up there
15 in Woodlands. I want to say Senator, it's great to see you
16 back. And thank you again for all of your -- I know you're
17 no longer in the senate, but thank you for everything you
18 did to be a champion in promoting finance and
19 transportation. And we really appreciate your efforts. We
20 need you back because we still have a lot to do.

21 And with this, I know you were instrumental in the
22 passing of putting -- helping bring forth Proposition 1.
23 I -- I see Scott Haywood back here. Scott is traveling the
24 state doing a great job in promoting this. I know I'll be
25 with you in -- in long view to really appreciate the

1 education effort that this is -- that what you're doing
2 and -- and highlighting the need. And again, when this
3 passes, this is not going to be a total solution. It's only
4 going to solve about 20 percent of the funding need. And
5 that's important to know.

6 That is going to be important because as we're
7 faced right now, this is something we as Texans control that
8 we can vote for this. And it's important as because you
9 look at what's happening in Washington right now with the
10 Highway Trust Fund reauthorization. There is a very real
11 potential that we could have a slowdown in the
12 reimbursements coming back to the state. We talked about
13 this at a recent hearing. I think since our last meeting we
14 saw Secretary Fox's announcement where our 300,000,000 could
15 cut -- be cut back to approximately a hundred and seventy-
16 five million month. That's a significant impact.

17 Should that continue, I know that James will
18 have -- will have an opportunity to discuss this in two
19 minutes, should that continue, that could have a prolonged
20 impact of how we identify and work on projects going in next
21 year. And I just think we need to be cognizant and aware
22 and not run from this but this could have a big impact.

23 Commissioner Vandergriff, as you talked about all
24 the construction going on in Dallas in the Dallas region,
25 between you and Meadows, I think ya'll have created a

1 shortage of construction signs, because they're all up in
2 the -- they're all up in the Metroplex. I did have the
3 opportunity to attend the opening of the western segment of
4 the LBJ project. And I want to say again, this is a great
5 example of a public private partnership to see how this
6 project is advancing. And these are very important tools
7 that we have available for us to -- to use.

8 As we talk about tools, one that we do not have
9 that I think would be very helpful as Commissioner
10 Vandergriff Moseley talk about multimodal rail and talked
11 about high-speed and transit. CDA authority to potentially
12 work with -- with these types of projects to where we can
13 also potentially attract outside investment. And I --
14 that's something that with strained funds as we've all
15 talked about, this is going to be something extremely
16 important as we go into the next session talking about these
17 projects in how we can advance these using outside investors
18 to help us or other sources.

19 The -- after our last meeting in Kemah, I went
20 back to Tyler and I went to our open houses and we're
21 looking at the 2040 plan to go through the -- the survey.
22 If ya'll have not participated, we would encourage you to or
23 those that are not in this room. That is important to get
24 your input of what -- what the needs are for congestion,
25 safety. But also there is an element in there for

1 multimodal. And as we begin looking at that, that we cannot
2 ignore multimodal aspects because what may be convenient for
3 me may not be as convenient for somebody else and vice versa
4 and that we do serve the state and we have to look at
5 different angle -- ways to move people, goods and services
6 than the -- versus the traditional model. But the -- the
7 transit highspeed rail freight issues are going to continue
8 to come to the forefront as our population grows and we need
9 to take some of this traffic off of our -- off of our
10 roadway.

11 But one element that was not in the committee --
12 in the report and I think we visited about this is to make
13 sure we address the rural needs and connectivity, because
14 for example, the Metroplex or Austin, the connectivity
15 between these major points and other cities is going to be
16 important to -- to keep in mind as we look in setting --
17 setting priorities.

18 I did have the opportunity as well in Tyler to
19 attend the opening of a compressed natural gas facilities.
20 And as we begin looking at alternate fuels and other fuel
21 sources, Texas is in an abundance of gas. If we continue to
22 use this, I -- I think a lot of people will be happy to see
23 the increased demand to use this -- use these projects.

24 But I'm really excited about some of the things
25 that we are doing and -- and the multimodal aspects we -- as

1 we begin implementing our strategic plan, going into session
2 and looking at projects. Your comments are important to us
3 and we appreciate what everybody -- what -- what ya'll are
4 doing.

5 MR. UNDERWOOD: Commissioner Austin, rural
6 connectivity is music to my ears. Thank you. I appreciate
7 your comments. I would like to recognize -- and you know --
8 you know, just to remind our audience, the -- the ribbons
9 are to remind us that we would like to go one day without a
10 death on our highways in Texas. The little bracelet that I
11 have, don't text, talk and drive.

12 I would like to recognize our employee Pablo P.J.
13 Signs. He's a construction inspector for the Lubbock area
14 office. At TxDOT, we have a program called -- called Doing
15 It Right. And this one we recognize employees for doing
16 things right, going the extra mile. In this case, a lady
17 was driving on the access road of -- of 289 and Lubbock in
18 which she hit something on the road and blew out both
19 passenger tires. Pablo was following a few cars behind when
20 he saw this. As he past, he turned back around, he -- he
21 pulled in behind the lady, he turned on all his lights and
22 protected her vehicle while there was -- she called for help
23 and then they came to enter -- repair the tire.

24 But the -- the interesting part is that they
25 replaced the tire. It turns out there were two flats. So

1 now they had to call a wrecker. Now this all took place
2 during noon right before lunch. And this employee sat there
3 and -- and protected these people as they took care of the
4 car and they finally hauled it off. And that's what we
5 called doing it right, taking care of the public. And
6 Pablo, I want to thank you for doing this. And I just
7 happened to be driving by and I saw this. And I think it's
8 very important for what we do.

9 On the second part, I wanted to discuss our audit
10 department. TxDOT Audit has been acknowledged as a global
11 process for audit process improvement and leadership by the
12 Institute of International Auditors. And this is a global
13 international audit standard setting body.

14 That shows how far we've come and I'm really proud
15 of Benny and his staff and I was telling Benny, you know, I
16 said Benny, I'm -- I'm proud of the successes that you're
17 having and improvements in our audit process. You know,
18 TxDOT is now being known nationwide and actually we're now
19 internationally known for our audit progress. But Benny
20 reminded me this is possible because of the support of the
21 Commission, thank you, Commissioners. This is -- General,
22 thank you, sir, for support of management and also for the
23 high quality of staff that he has. Benny, thank you and
24 your staff for helping TxDOT be best in class. Thank you.

25 And on another note, I see Commissioner Meadows.

1 It is so good to see you, sir. I know you're semi-retired
2 and -- but you know what, I have never forgot what you --
3 you know, I've learned alto of lessons from you but I never
4 forgotten what you -- you know, one of the comments you
5 provided before you left. If you drink, don't drive. Don't
6 even cut. And I never forgotten that one. And -- and I
7 always like to give a thought to our -- our chair when might
8 I said chair --

9 MR. HOUGHTON: And I thought I was going to escape
10 this.

11 MR. UNDERWOOD: Always do right. This will
12 gratify some people and astonish the rest. And I'll pass
13 the gavel.

14 MR. HOUGHTON: I know. Well, I can tell I
15 associate myself with some of the remarks of my fellow
16 Commissioners, some. Welcome -- welcome to all. And
17 believe it or not, next January, 2015, we will celebrate the
18 10th Transportation Forum to be held here in Austin. It's
19 gone by very quickly. But we will have our 10th Annual
20 Forum Meeting on January 14th through the -- January 16th at
21 the Downtown Hilton. And next month, August 13,
22 registration will open. And I've seen a hint of what is to
23 come and it's -- it is going to be out of the box. I mean,
24 it's going to be a lot of fun and it's going to be very
25 informative. So don't miss out on that.

1 And I think the theme this year and I think the
2 theme is TechDOT going beyond concrete and asphalt. So that
3 may shake up a few people, but we're going to have some fund
4 -- we're going to have some fun doing it and think again
5 outside the box.

6 I do want to recognize a few people here, some
7 folks that have been important to us and some leaders. The
8 mayor of Irving, Beth Van -- Van Duyne. Mayor, how you?
9 Welcome. Welcome to -- to Transportation 101. Here we are.
10 Bill Meadows. You've already been recognized several times.
11 Do you want to speak? Do you want to say anything?

12 MR. MEADOWS: No.

13 MR. HOUGHTON: Oh, okay. Thank you. You never
14 have -- had waltzed by that before. So thank you. Thank
15 you for being here and thank you for taking on the highspeed
16 rail in the Dallas/Fort Worth area. I appreciate it. And
17 Senator Williams, nice to have you back. I know we'll be
18 hearing you -- from you shortly. Again, thanks for coming.
19 Commissioner Austin, did you have a special guest you would
20 like to introduce?

21 MR. AUSTIN: Yeah, I have a friend by the name
22 Becky who is waiting, Mr. Chairman.

23 MR. HOUGHTON: Becky who? What's her last name?

24 MR. AUSTIN: Schneider.

25 MR. HOUGHTON: Becky Schneider, where are you,

1 Becky?

2 MR. AUSTIN: I think she's back there.

3 MR. HOUGHTON: Welcome, Becky. Glad to have you
4 here.

5 MR. AUSTIN: Thank you.

6 MR. HOUGHTON: You class up Mr. Austin --
7 Commissioner Austin. Thank you very much for being here.
8 With that said, we'll move on with the regular agenda and --
9 and we'll turn it over to you, General.

10 MR. WEBER: Thank you, Chairman. You know, Texas
11 is beautiful and TxDOT works everyday very hard to keep it
12 beautiful with your support. So with that said, we're going
13 to move on to Item 3 and I -- it's my pleasure to introduce
14 our Director of Travel Information Division Margo Richards
15 who's going to talk about Keeping Texas Beautiful. Thank
16 you, Margo.

17 MS. RICHARDS: Good morning, General and
18 Commissioners. For the record, my name is Margo Richards.
19 I am the director of the Travel Information Division. Since
20 1985, TxDOT has partnered with Keep Texas Beautiful through
21 an annual contract to support our anti-litter efforts and
22 beautification programs such as Don't Mess With Texas and
23 the Governor's Community Achievement Awards. Through this
24 partnership, we extend the reach of TxDOT anti-litter
25 programs through Keep Texas Beautiful's grassroots efforts

1 and their more than 370 affiliate organizations across the
2 state.

3 Keep Texas Beautiful is here today to present an
4 overview of our partnership with them and share some of
5 their many successes. And with that, I'm happy to introduce
6 Jamie Wallmack [sic] who is Keep Texas Beautiful's most
7 recent past president. And Jamie, will you joint me? And
8 while Jamie's making her way up, I would like to invite all
9 of the other Keep Texas Beautiful board members and staff to
10 please stand and be recognized.

11 MR. HOUGHTON: Oh, my.

12 MS. RICHARDS: Thank you all for being here.

13 (Applause)

14 MS. WALLMAN: Thank you so much. For the record,
15 my name is Jamie Wallman. Well, I'm the past president of
16 Keep Texas Beautiful. Today I'll tell you about the
17 extremely successful partnership that we have had since the
18 early 1980s. Keep Texas Beautiful is a nonprofit
19 organization whose mission is to education and engage Texans
20 to take responsibility for improving their community
21 environment. Our goal is to provide the resource -- the
22 resources in our -- our focused areas of litter prevention,
23 waste reduction and beautification to make Texas the
24 cleanest and most beautiful state in the nation.

25 We support TxDOT's anti-litter and beautification

1 programs through the KTB community affiliate network, Don't
2 Mess With Texas Trashoff, youth programs, and the Governor's
3 Community Achievement Awards. KTB's network of affiliates
4 is the largest community based grassroots litter prevent
5 beautification and waste reduction program in the state.

6 Affiliates are qualifying cities or counties that
7 work alongside us in our mission and take responsibility for
8 improving their communities. These organizations are
9 comprised of members of government, business and concerned
10 citizens who organize cleanups and educate citizens about
11 important issues like litter prevention, water conservation
12 and community greening.

13 Our 373 affiliates vary based on what works best
14 for their communities. Some of their efforts include youth
15 education, targeted litter abatement and native tree
16 plantings. All work closely with a variety of partners to
17 ensure that their community is a great place to live, work
18 and play.

19 Affiliates cover all parts of Texas, from -- from
20 small rural communities to sprawling cities. And they also
21 vary in organizational structures. For example, Keep
22 Midland Beautiful is a nonprofit. They are shown here in
23 the slide promoting the Don't Mess With Texas anti-litter
24 campaign.

25 Keep Grapevine Beautiful is a city program with a

1 volunteer board that works extensively with corporate
2 volunteers. They are pictured here doing a large scale
3 cleanup. Keep Henderson beautiful is an all volunteer
4 effort that partners with their city government. The
5 picture shown here is one of their downtown community
6 greening efforts.

7 As we all know, the population of Texas continues to
8 grow and a result -- as a result of KTB's partnership with
9 TxDOT, so do our affiliate numbers. In 1985 we had 48
10 affiliate communities. In 2014 we reached 373 and have
11 aggressive growth goals for coming years. Dramatic
12 increases have been made in the number of affiliate
13 communities added while funding support from TxDOT has
14 increased only once since 1985, up from 300,000 to 400,000.
15 And has remained the same since 2000.

16 With the Texas population growth, there is
17 generally a correlation with a higher rate of littering.
18 However, results of the 2013 visible litter study
19 commissioned by TxDOT found that a decrease of visible
20 litter occurred at 34 percent despite the rise in both adult
21 population in Texas which was 5.8 percent and an increase in
22 traffic levels statewide which was 1.5 billion additional
23 miles traveled annually.

24 Between the years in which the study 2009 and 2013
25 visible litter studies were conducted, the visible litter

1 study also mentioned that the state of Texas has a
2 significant infrastructure of litter cleanups and
3 educational efforts through TxDOT, Keep Texas Beautiful and
4 its local affiliates and the Adopt a Highway program which
5 covers approximately 10 percent of roadways.

6 We attribute this infrastructure to our network
7 and the increase in education and cleanups to our affiliate
8 communities. With the 373 communities, we now have the
9 potential to reach, educate and empower 21,000,000 Texans on
10 the effects of litter and inspire them to take action.

11 The Don't Mess With Texas Trashoff is an annual
12 event that began in 1986. And it's traditionally held each
13 spring with the purpose of bringing up coordinated effort
14 toward cleaning up roadsides, cities and communities within
15 the state. The Don't Mess With Texas Trashoff is Texas's
16 signature event of the Great American Cleanup. Volunteers
17 throughout the state remove litter from roadsides, city
18 parks, neighborhoods and waterways during this annual event
19 organized by the TxDOT and Keep Texas Beautiful. KTB
20 provides trainings including guidelines on volunteer safety
21 while cleaning along roadways and tools for groups to
22 participate including trashbags, volunteer giveaways and
23 banners.

24 During this year's Trashoff held on April the 5th,
25 2014, there were 3700 cleanups where over 18,000,000 pounds

1 of trash and recyclables were collected with a hundred and
2 fourteen thousand and three hundred and forty-four
3 volunteers participating. The project savings to TxDOT on
4 highway miles cleaned is \$19,490,432.

5 In addition to cleaning up litter, many additional
6 activities took place during the Great American Cleanup
7 including planting trees and flowers, the creation of
8 gardens and green spaces and the recycling of much of the
9 trash collected. All of which all certainly improves the
10 appearance of Texas.

11
12 In order to recognize the achievements of
13 communities throughout the State, Keep Texas Beautiful
14 offers two award programs, the KTB Awards program for
15 individuals, governments, business, civic organizations,
16 media and youth and the prestigious Governor's Community
17 Achievement Award for our communities.

18 The first GCAA was presented in 1970 and TxDOT
19 joined in providing landscaping grants in 1985. Award
20 applicants are divided into 10 population categories for
21 determining the annual winners. The grants awarded total
22 \$2,000,000 in landscape installments along state rights of
23 way. Shown here is Lake Jackson winning this year with
24 Margo Richards, the Division Director of the Travel
25 Information Division.

1 KTB offers a variety of programs by which we get
2 youth involved locally and then recognize and promote their
3 achievements statewide. We do this by offering
4 opportunities for them to participate in avenues such as the
5 patch program and the youth awards through which they are
6 recognized. Other programs are designed to engage educators
7 in litter prevention programs.

8 Waste in Place is a kindergarten through eighth
9 grade curriculum that has been correlated to the Texas
10 education agencies, Texas essential knowledge and skills
11 RTs. Teachers use the hands-on curriculum to teach young
12 Texans about the litter prevention, recycling, waste
13 reduction, beautification and community improvement.

14 This year, KTB administered the inaugural Don't
15 Mess With Texas art contest. The contest promoted the Don't
16 Mess With Texas message as well as facts, tips and guides on
17 how to get youth involved in their local community. The
18 contest was an overwhelming success as teachers and parents
19 appreciated the tools to teach students lessons on community
20 pride and litter prevention. A copy of the calendar which
21 looks just like this will be delivered to you. So you will
22 all get one. It is fun to see how Texas children
23 interpreted the Keep Texas Beautiful and Don't Mess With
24 Texas message. It turned out to be also a great educational
25 tool. I think that's one of the really important parts of

1 that.

2 More than 6500 entries were received, 6500, so you
3 can imagine those coming into the office, received from a
4 total of 307 different schools in 187 communities. So great
5 lessons learned. Winners and runner-ups were published in
6 the first ever Don't Mess With Texas calendar. And that's
7 what I just showed you.

8 KTB offers Texas communities and extensive
9 training program to help them organize and activate their
10 membership. Regional trainings are offered around the state
11 as well as an annual conference. TxDOT partners in the
12 development and implementation of our annual conference.

13 Certainly one of the best reminders to remind us
14 not to litter is the Don't Mess With Texas license plate.
15 KTB promotes the license plate through our affiliate
16 community network and outreach efforts.

17 I would now like to thank TxDOT for the many years
18 of support that you have provided us with and introduce the
19 current Keep Texas Beautiful president, Johnny Walmack, to
20 present a special award to you.

21 MR. WALMACK: General, Commissioners, first off, I
22 would like to thank you all very much for your support that
23 you've offered to keep in touch. It's beautiful through the
24 years. We have a truly great partnership and we look
25 forward for many more years of that partnership.

1 This award was presented by Keep America Beautiful
2 at their annual conference in February. It recognizes your
3 partnership with the partnership efforts with Keep Texas
4 Beautiful and the outstanding programing like the Don't Mess
5 With Texas Trashoff, Youth Art Contest, and the Governor's
6 Community Achievement Award that you have offered in the
7 state of Texas.

8 So on behalf of the Board of Directors, staff,
9 affiliates and thousands of volunteers, we thank ya'll very
10 much.

11 MR. HOUGHTON: Thank you. Very much.

12 (Applause)

13 MR. UNDERWOOD: Okay. Just -- just one quick
14 comment. I want to thank ya'll that are in the audience.
15 Thank you very much for what you do. I -- I appreciate your
16 passion and also the pride in which you're doing for keeping
17 our state beautiful. So thank ya'll very much. Thank you.

18 MR. HOUGHTON: I think Margo would like to have a
19 picture. Margo, would -- I think you ought to be in that
20 picture. I think the staff that has worked too hard on
21 putting Keep Texas Beautiful, Don't Mess With Texas campaign
22 and my congratulations to our staff Margo and to the Keep
23 Texas Beautiful folks for a persevering in building this
24 entity to what it is today. Thank you all very much.
25 Margo, General.

1 MR. AUSTIN: Mr. Chairman, as she's -- as Margo is
2 coming up, I want to say thank you for working. I know
3 we've had two great artists work with the Don't Mess With
4 Texas campaign, Jack Ingram and Kevin Fowler. And if I
5 understand, I know there's -- us Texas, we love wearing
6 boots. And we're about to have a partnership with Justin
7 Boots for many of you to build a buy the Don't Mess With
8 Texas brand on the pair of boots. So stay tuned. That'll
9 be interesting.

10 UNIDENTIFIED SPEAKER: Do you want the whole --

11 MR. HOUGHTON: No, let them -- let -- they're the
12 ones that should take the credit for this.

13 (Pictures taken)

14 MR. HOUGHTON: While we're going back, can we get
15 that last slide of the license plate put up, please? Can
16 you get that last slide of the license plate? Somebody back
17 there can hear me. Oh. Let me get it real quick. If not,
18 we'll just -- we'll move on. That is an outstanding license
19 plate and I understand Commissioner Vandergriff, he had
20 something to do with that when you were on DMV. I love that
21 Don't Mess With Texas. That is -- that is very nice.

22 And at the same time, Fred, that would look great
23 on that new hot rod sitting out in the parking lot.

24 MR. UNDERWOOD: Yes, it would.

25 MR. HOUGHTON: It matches -- it matches that new

1 car, that blue -- I mean, the blue background.

2 MR. UNDERWOOD: I agree.

3 MR. HOUGHTON: I think you ought to look at that,
4 I really do. All right.

5 MR. UNDERWOOD: Mr. Chairman, I really do
6 appreciate that. Thank you.

7 MR. HOUGHTON: You're welcome. I've got one thing
8 I need to do real quickly and since I skipped over it in the
9 -- in the -- is the approval of the June 25th, 2014 workshop
10 meeting, the June 26th, 2014 regular meeting of the Texas
11 Transportation Commission. Is there a motion?

12 MR. UNDERWOOD: So moved.

13 MR. AUSTIN: Second.

14 MR. HOUGHTON: All in favor?

15 IN UNISON: Aye.

16 MR. HOUGHTON: Okay. General, back to you.

17 MR. WEBER: Thanks, Chairman. Next up is Item 4A,
18 an updated transportation technologies research activities.
19 Our Deputy Executive Director John Barton will present.
20 John, thank you.

21 MR. BARTON: Thank you, General Weber. I'm going
22 to ask Darren Anderson, our chief strategy and innovation
23 officer to join me at the -- at the podium. He may have
24 additional comments and thoughts to add to the presentation.
25 But I'll ask that they pull up the slides for this

1 presentation to the Commission.

2 It's an exciting day for me to be in front of you.
3 As Chairman Houghton said, we're rebranding ourself as
4 TechDOT. And so we're very excited to share with you some
5 information about the Department's research program. It's
6 been an incredibly valuable program in partnership with our
7 universities all across the state of Texas to help us to
8 explore and develop new technologies, materials, programs
9 and practices. And we are excited about what's happened in
10 the past, the value that is brought to us and -- and where
11 we are headed into the future.

12 Today, we wanted to update the Commission on an
13 initiative the agency has launched under Darren's leadership
14 and builds up work that the Commission brought forward for
15 the agency about two years ago to help us define where we
16 are headed with the broader research program and the
17 challenges that face us in terms of transportation here in
18 the great state of Texas.

19 A couple years ago the Commission asked us to
20 think about what lies ahead of us. We know that the future
21 is uncertain but there are uncertain things that are
22 consistent and are accepted as the realities that we will
23 face. Texas is growing and will continue to grow. And the
24 demands that that growth is placing on our transportation
25 system are escalating very rapidly. That means that the

1 modes of transportation, the mix of those modes and the
2 types of transportation we use have to evolve to address
3 those growing challenges. And technology is going to play a
4 critical role -- a pivotal role in helping us address these
5 challenges and move forward in this area.

6 We already are seeing examples in this in the work
7 that's happening around the nation. One example is shown in
8 this slide where rapidly advancing technologies and
9 solutions through connected vehicles is being explored by
10 many entities, private sector companies and organizations.
11 This technology and this type of system will help to improve
12 the safety of travel on our roadways to increase the
13 mobility that citizens enjoy and to improve the reliability
14 of the system that we put in place to meet their
15 transportation needs. And we know that these are highly
16 desirable outcomes and things that are important to all of
17 us that we need to be focused on.

18 And although connected vehicle technology is
19 rapidly developing and we expect that it will continue to do
20 so in the future, it is a broad ranging topic. And there
21 are significant benefits to all the things that it brings to
22 society, but there's still a lot that's unknown in this
23 space.

24 One of the things that -- that we do know however
25 is that our Texas Department of Transportation will be

1 responsible for much of the infrastructure that will be
2 necessarily to support this type of technology and to enable
3 the type of benefits that are shown on this slide. And so
4 two years ago this Commission said to the agency we need to
5 advance our understanding of these challenges and prepare
6 the state of Texas for what lies ahead.

7 So through your wisdom, you create the Texas
8 Technology Taskforce. And I wanted to pause here and
9 recognize that we have Dr. -- Dr. Michael Walton from the
10 University of Texas with us today. Dr. Walton helped lead
11 this group and he was gracious enough to be here, to answer
12 questions that you might have about that taskforce and the
13 work that it's done.

14 A great effort that has provided significant value
15 to us. It was a taskforce made up of experts from across
16 the private sector, public sector and academia, spans of
17 experience. These men and women came together and thought
18 about what the challenges the state of Texas would face in
19 terms of transportation might be. And through this
20 assembled group of experts, they explored what opportunities
21 we might need to be researching and investing in and what
22 the uses of those technologies in the future might be and
23 where we should focus our efforts.

24 So as you can seem from this slide, they
25 determined that we did need to delve deeper into this arena

1 of connected vehicles, that we need to look at the fact that
2 perhaps in the future transportation will be supported with
3 an electrification of the system, that autonomous vehicles
4 beyond the connected area is becoming a reality and that
5 disruptive force of the Google car is a dominant issue we
6 have to be aware of. And that as all of this information in
7 the technology space is created and manipulated and used,
8 that we needed to be looking at cloud computing and crowd
9 sourcing.

10 As they brought those opportunities forward for
11 our consideration, they realized that we needed to as a
12 public entity explore and grow our adoptance and acceptance
13 of technologies, that national standards needed to be
14 developed and matured and that for Texas it would be
15 beneficial to have an organization in place to help foster
16 the growth of those technologies, to test them and to
17 develop standards around them and that it isn't something
18 that can be done with one single approach or initiative, but
19 it needed to be multi-faceted. And that we had to bring in
20 all the stakeholders to help us do those sorts of things.

21 And so that has kind of what's brought us to the
22 point we're at today and as we move forward. Darren has
23 been here working hard since he's come to work for the
24 agency to think about what this future research program
25 should be and how it should look. And so I'm going to ask

1 him to kind of talk through some of things that are shown in
2 this slide and -- and how he sees the -- the research
3 program at TxDOT helping to address the challenges that we
4 might face. Darren.

5 MR. ANDERSON: Mr. Chairman, Commissioners.
6 First, thank you for the opportunity to serve the state.
7 It's a great honor and privilege. And I look forward to
8 helping you shape the future of Texas transportation.

9 So as I looked at the problem, I realize that, you
10 know, we've -- we've been focused on a lot of near term
11 efforts, but in terms of the state and -- and the challenges
12 that we face in the future, we've got to work at a multi-
13 pronged approach to -- to research and -- and to shaping the
14 strategy of the future of Texas.

15 So we -- we're -- we're embarking on an effort to
16 reach out to several communities not only universities but
17 also industry, other agencies and -- and approach the
18 problem from a multi-discipline thought process, not just
19 transportation but economics, you know, politics, population
20 growth, you know, and -- and work with thought leaders in
21 the future that will -- that will help us identify the --
22 the growth across all those areas and then how
23 transportation will enable that or support that.

24 So generally speaking, that's -- you know, the
25 intent is to start focusing on, you know, not only near term

1 but mid term efforts that can -- can start shaping immediate
2 impact capabilities and then ultimately to much longer term
3 thought shaping ideas and helping with the future.

4 MR. BARTON: Thank you, Darren. As General Weber
5 came on board, he sat down with this leadership team and we
6 talked about transportation and this -- his vision of how we
7 can be building upon the Texas Technology Taskforce work,
8 the vision of this Commission and -- and moving the --
9 forward the program in the state of Texas. And he said you
10 know, we need to be thinking about where people are going to
11 live in the year 2050, what the population's going to be,
12 where they might get their food supply from, their power
13 sources and how we're going to be an enabling agent and
14 making all of that successful. So those are kind of the
15 challenges that we face.

16 What's exciting is that this is exactly what you
17 have envisioned for this program, what the technology
18 taskforce encouraged us to do. And I wanted to pause at
19 this moment in time and pull up a video to show you kind of
20 what the art of the realities might be. It's about a five
21 minute video, so I'll beg your patience. But I encourage
22 you all to watch this, because I think you're going to be
23 wowed. Let's play the video.

24 (Video plays)

25 VIDEO: Join us on our journey into the year 2050.

1 What will influence everyday reality then? To be prepared
2 for the future and make the right decisions. We have to
3 think in alternatives. Let's stretch our imaginations and
4 look ahead.

5 2050, simply breathtaking. Over 9,000,000,000
6 people. Global mass consumption. Climate change is
7 accelerating. The rapid growth of world trade sets the pace
8 for business and the economy. Fast transport network supply
9 the world with more and more goods. The planet is running
10 hot. Even the systematic exploitation of natural resources
11 cannot satisfy the appetite for growth. Competition for
12 natural resources puts our ecosystems at risk. Are there
13 alternatives?

14 2050, a long green period for sustainable thinking
15 and actions. Mega metropolises are centers of progress and
16 pillars of global cooperation. But global urbanization has
17 its downsides. Rural areas are left behind. Thanks to
18 innovative and more efficient technologies, transport is
19 more sustainable and much faster for humans and for goods.
20 The world has reinvented itself. We enjoy unlimited
21 interaction and global cooperation. But could things turn
22 out differently?

23 2050, our world is much more colorful, diverse and
24 local. Technical especially in 3D printing turns consumers
25 into producers, self-made and individually tailored become

1 the new ethos for society. New types of production
2 processes facilitate a world with a multiple of individual
3 lifestyles. Uniformed goods and mass produced items have
4 vanished from display windows and apartments.

5 The consequence of this development is not only a
6 revolution in supply chains, awareness about the need for
7 recycling is growing creating new commercial perspectives.
8 It's a world characterized by diversity. But are more
9 possibilities out there?

10 MR. BARTON: I don't know which of those realities
11 will become what we experience if any of them, but the point
12 is is that transportation and -- and what role it plays in
13 the future is something we have to be thinking about. The
14 technologies that are shown there some may think are
15 farfetched and unrealistic, but this next video clip which
16 is a little bit shorter is going to show you some of the
17 things that are actually available today that most people
18 aren't aware of. So I ask you to watch this short video
19 about technologies that are on the cusp of being a reality
20 and actually are available to us today.

21 (Video plays)

22 VIDEO: We do analysis on truck and safety and
23 we've done so for many years. And we know from this
24 analysis that almost all collisions that occur are caused by
25 human error. If you would automate driving, you take away

1 the causes of many accidents and you can make traffic safer.

2 MR. BARTON: Autonomous vehicles, Volvo in that
3 case, available now, and will be market ready in just a few
4 months in all honesty. So we have a lot to do and perhaps
5 are getting started on it just at the right time.

6 What the future might hold are these types of
7 technologies that we know exist today. Autonomous vehicles,
8 we talked about the -- the video and just a second ago and
9 how that was a reality, that this young lady left her home,
10 got out on the freeway, turned on an autonomous driving
11 operation and was doing what most of us probably thought she
12 was doing in a train or a bus and then it was revealed that
13 she was actually behind the steering wheel of a car.

14 Trucks, a big issue that we faced all across this
15 state and -- and nation have been developed to be autonomous
16 as well. And in fact, the one they shown there by Mercedes
17 is deployable in 2017 if their business plan unfolds as they
18 expect.

19 And then the one on the bottom which has gotten a
20 lot of attention nationally because of a video on YouTube
21 that's gone viral are solar paneled roadways. And the
22 thought that maybe someday we can have roadways made out of
23 solar panels that have all kinds of electric dials in it to
24 provide different information to drivers as they travel the
25 roadway, create energy to supply our energy demands. And

1 for those of us that live through the storms this winter,
2 keep the roadways heated so they don't freeze up in cold
3 weather. Those are the kinds of opportunities that we
4 believe might exist.

5 The freight shuttle system that is being pioneered
6 here in Texas can bring about dramatic and -- and life
7 changing innovations to the movement of freight across the
8 globe. We all know that highspeed rail is upon us and yet,
9 higher speed rail may be possible such as the hopper loop
10 that Elon Musk, the inventor of Tesla and SpaceX has
11 suggested would be a better way to move people and goods
12 over long distances.

13 I mentioned SpaceX and the technologies that are
14 being exploited there and the change of transportation that
15 exists. And just two weeks ago General Weber and I sat
16 through a presentation of -- for a mere \$250,000 you can
17 sign up for a short space flight if any of you are
18 interested. And that that perhaps may become a normal
19 activity for those of us that can afford that kind of travel
20 in the future.

21 We've all heard about unmanned aerial systems such
22 as drones to deliver products to different places and the
23 value that it bring in that particular space but also in
24 another arenas such as the surveying that we require on many
25 of our roadway networks. And then of court jet packs and

1 that elusive flying car that we've all been striving for
2 since we watched Walt Disney many, many years ago. So these
3 are the technologies that we know are real and are coming
4 upon us quickly.

5 So as Darren laid out this multi-pronged approach
6 on research and we thought about it, we wanted to share with
7 you the concepts that your staff have put together to
8 advance this notion of technology and how it plays a role in
9 our space in the work that we do moving forward.

10 In the near term, we want to continue to
11 strengthen and build upon our existing program. We call it
12 internally the asphalt and concrete activities, looking at
13 materials and applied sciences, approaches and practices to
14 advance the work that we do now and every day.

15 We also feel like this midterm thought process of
16 these technologies we just showed you needs to be advanced
17 through the development of test beds and contract
18 relationships with academia here across the state to develop
19 a system where these new technologies can be tested, where
20 the standards for their use can be developed and proved and
21 that they can be deployable across the broader spectrum of
22 the transportation system. Understanding we also need to
23 promote an incubator if you will to make that possible such
24 as the accelerate Texas program that you've already started.

25 And then there's the long term initiative, the --

1 the opportunity for the greatest gain in advancement. And
2 that's to create think tank type of groups working in
3 partnership again with our flagship universities to bring in
4 the -- the brightest minds from across the globe to think
5 about the challenges facing Texas in terms of
6 transportation, water, energy, healthcare, food supply,
7 security, to make sure that we understand what those
8 potential realities might be and that we're developing
9 policies, practices and plans to enable that success of the
10 great state of Texas far into the future.

11 We've also been engaged by others who believe that
12 that's the right thing to do as well. Senator Williams and
13 Vice Chancellor Hamilton are here from Texas A&M University
14 system today and they have approached us about the thought
15 of incorporating our need to explore these things with their
16 vision of creating a think tank skunk works type activity to
17 plan for the future of Texas and to build out that Aggie
18 genius core that I shared with you back in January that was
19 written up in the Texas Monthly and I heard a few snickers
20 from my friends in the audience. I don't appreciate that.
21 It was Meadows. It was Meadows.

22 MR. UNDERWOOD: Would you like to hear one from
23 the Dias?

24 MR. BARTON: So --

25 (Laughter)

1 MR. BARTON: So -- no, sir. That's not necessary
2 either. So as we move forward, just to wrap up, you know,
3 in the near term we need to make sure that we evaluate what
4 we've been doing, that we continue to build it out to be
5 stronger. Darren's focused in on that very succinctly
6 and -- and has put a great deal of time and energy with his
7 team into focusing on that. And we believe that there are
8 improvements to be made to create a stronger program around
9 what we do already.

10 In the midterm arena, creating those partnerships
11 to develop those test beds where these things like solar
12 panel roadways can be developed, implemented, tested in a
13 large scale arena, migrated maybe out onto a roadway network
14 to prove their viability and safety and then to have them
15 deployable across the globe. And we believe it's something
16 that's important. And -- and it's going to require on this
17 Commission's behalf a long term commitment. Not only to the
18 initiative but to the fine financing of those initiatives as
19 well.

20 And then lastly this think tank where we look at
21 those potential scenarios of what the future of
22 transportation and society may be and how are going to adapt
23 to that, plan for it and prepare for it. As we've talked
24 about this through General Weber's leadership over the last
25 several weeks, one of the common conversations is that in

1 this very building probably sometime in the 1940s or 50s
2 Dewitt C. Greer and his colleagues sat around a conference
3 table and talked about division of the interstate system.
4 And then they built it out.

5 And as they completed those roadway systems,
6 people like your fathers and grandfathers that have shaped
7 the state of Texas stood there with them and were proud of
8 it. And the rest of society said those men and women are a
9 bunch of blooming idiots. They didn't do -- you know, what
10 was all this about? And yet today about halfway through
11 that process we said they were visionary. Today we said
12 they didn't think large enough.

13 And so we need to be pushing the point forward.
14 We need to be doing things where our colleagues that snicker
15 at us from the audience are saying those guys are a bunch of
16 blooming idiots. And in 20 or 30 years they'll say we're a
17 visionary and in 50 years they may say we didn't think large
18 enough.

19 That's what we're trying to push forward. We
20 think it's the right thing to do. We prepared for this
21 financial support in a long term fashion in our legislative
22 appropriations request. And I wanted to brief you on the
23 great work that Darren and his team are doing to help push
24 this forward and to get your feedback. I would be happy to
25 answer your questions if you have questions about these

1 initiatives and your thoughts about this whole approach to
2 furthering our research that we are doing in response to
3 your Texas technology attached reports.

4 MR. UNDERWOOD: John, I -- I want to thank you for
5 your passion and I agree with you. And Darren, I want to
6 thank you for your work. And it's been well received with
7 the troops at TxDOT. I just wanted you to know that. I
8 really appreciate it. They're excited. You've energized
9 them. And I -- I -- and I -- I agree with you, John. This
10 is what we need to do. This is where we need to be
11 thinking. And we need to think outside the box.

12 If we don't, we end up being like a horse with
13 blinders. We end up being in a rut. And for my
14 Commissioners, a rut, all that is is a grave with both ends
15 knocked out. Okay.

16 MR. AUSTIN: A couple of comments and I -- I know
17 -- hopefully we get to hear from Senator Williams in here in
18 a couple of minutes. But John and Darren, I want to say
19 thank you. And Dr. Walton, I had the opportunity to sit in
20 on -- on a few of the technology advisory committee meetings
21 early on. And Mike Kruse, I know a former chairman was --
22 was involved and really thinking -- helping challenge us
23 also thinking outside the box.

24 But some of the initiatives that -- that are being
25 talked about are not that far off. And I think I had the --

1 I had the opportunity with Dan Paschal. We visited the
2 Southwest Research Center a couple of months ago down in San
3 Antonio. And some of this technology that we see is real.
4 And one question I keep coming back to. This sounds great,
5 it's in the future.

6 But what can we use and do now? Some of it is
7 being used in -- by the military. The military I think is a
8 great research bed to -- we -- we use a lot of military
9 technology right now.

10 So what can we use today? And I assume ya'll --
11 these things that ya'll discussed, one, in the -- with the
12 autonomous or connected vehicles, hypothetically, if we
13 needed to remove or add capacity on 35, we could have one
14 lane dedicate just for trucks to where they're connected and
15 it's -- it was a platooning -- platooning where they can
16 move at a faster pace three or four feet apart from each
17 other and just continue to move instead of this swerving
18 back and forth in -- but move in a much safer route. Much
19 like the freight shuttle that you see.

20 Applications for TxDOT, hypothetically, we could
21 have -- you know, as you looked at the -- the one slide that
22 had the zones where the -- like a bubble around a vehicle,
23 we could have that in construction zones where the sensors,
24 whether it's your phone or the navigation systems could read
25 coming up and you're -- you're about to enter a construction

1 zone, slow down. We can do it for bicycle areas where
2 bicyclists could have their on their -- hypothetically on --
3 on an attachment. Maybe that could be transpondent through
4 the TX tag of some sort.

5 Also in work zones with autonomous, if we don't
6 have a driver in there, the follow chase shadow vehicle that
7 you'll -- the one where we had the impact, that's around our
8 work zone, could be -- could be used.

9 So there are applications that we could use right
10 now. Darren and I had a -- a conversation yesterday with
11 the gentleman that brought the Google car to Texas, Anthony,
12 a couple of years ago. Many of us had the opportunity to
13 ride on 35 and I remember being in the backseat with then
14 director Phil Wilson. The driver turned around and started
15 to us. There's an 18-wheeler came back and I don't know who
16 was wider than the -- but we all had the opportunity to
17 experience that. But it's real. And I felt safe because
18 it's mapping and it slowed down in a -- in a time when maybe
19 I wouldn't have. But I felt safe. It's here.

20 There are others that I know with medical
21 conditions that are still extremely alert that could be able
22 to drive with this autonomous type -- or driverless vehicle
23 where you can put in some -- it recognizes things.

24 So I think the time is here. I applaud what's
25 being done. I know we spend a little money, the research,

1 because again, back to TxDOT implications, if it's going to
2 require sensors, there's a lot of people that are -- that go
3 unnoticed with their work and what they do at TxDOT. It's
4 our research department and our partners in research. Maybe
5 that requires us to put something -- a different element
6 into the paint or the asphalt that we do.

7 So this research is important right now and it's
8 not going to be built out overnight. So I -- I applaud what
9 you all are doing and maybe the time is right to start
10 thinking of what is the right legislature if needed, in
11 summary, I know it will be, to where we can begin advancing
12 this. So thank you all for what you're doing. And Dr.
13 Walton, I would love to hear from you.

14 DR. WALTON: Yeah, Commissioner, let me just
15 mention. Your comment about the headway between vehicles is
16 clearly a very important issue. I'll point out that the
17 national automatic highway system demonstration was held in
18 San Diego in 1997. At that time, we had the chair of the
19 house science committee in the backseat of one of the cars.
20 We had a platoon of aid vehicles operating at 60 plus miles
21 an hour. And they were operating at about a two foot
22 headway. Scared the hell out of me. I mean, so here we
23 were trying to demonstrate all the advance technology
24 capability and realize there's still that human factor that
25 we have to -- have to work with.

1 The point is you're right on target. What we did
2 not do is continue to advance in with integrated systems at
3 that point. There is some -- you know, not -- not just
4 that, but there were other priorities that got in the way of
5 that. Now we have the opportunity to do the integrated
6 systems and that's what's going on.

7 There are so many technologies out there that are
8 ready for active deployment and in -- installation. So I --
9 I hope with this effort we will continue to move that
10 forward and look forward to being a part of the program.

11 We have been asked to bring the -- the task force
12 back together as Commissioner Moseley knows, we talked about
13 other opportunities and other technologies. There's a whole
14 host out there. So hopefully in the fall we'll be back in
15 business and we get on the way.

16 MR. AUSTIN: Well, we need to be the lead in
17 Texas.

18 DR. WALTON: I agree.

19 MR. VANDERGRIFF: Can -- can I ask a couple
20 questions if I could? And I'll just ask them all out front.
21 The first is I -- I get everything that we're talking about
22 and it's -- it's very important to be innovative and keep
23 looking forward in the future. What specifically are you
24 going to do? What are you asking from us? At some point, I
25 gather through the LAR. So how much money are putting into

1 this and then what kind of performance metrics do we have to
2 analyze and measurements output that you roll back into to
3 look at whether this investment actually mounted to
4 anything?

5 And I realize that that might be something that
6 takes years to get to, but so basically what -- what's the
7 investment and what's the performance measurements and then
8 I guess how do you roll that back into the analytics to
9 improve things?

10 MR. ANDERSON: Well, Commissioner, the first thing
11 I did is I looked at what we had in terms of the research
12 that -- that had been going on. And there -- and there's I
13 believe it's about a \$23,000,000 a year effort that's
14 continued over a few years. And we've looked at then okay,
15 are we -- how are we -- what are they focused on. There's -
16 - there's some dispar -- you know, they're -- the majority
17 of them are what I termed near term efforts and then there
18 are a couple that were -- were a little bit more far ranging
19 and I would put those in the midterm category.

20 And so on a couple of those slides it mentioned
21 let's get these nailed down as to what we're addressing with
22 each one, each effort. And then -- and then you hit exactly
23 too. What -- you know, what are the performance metrics
24 that we're going to put on each one of these as a
25 deliverable and as also as an assessment of did it -- did it

1 meet the need or did it -- you know, is it on prog -- you
2 know, in progress and -- and meeting the -- the gates that
3 we're setting for them. It's work that we have to do in --
4 in the case of the ones that we already have going on as
5 well as future project calls.

6 Likewise, John submitted a request in LAR recently
7 and at least in the draft it was a figure 25,000,000. With
8 the intent of that addressing some of the test bed
9 capability that we've talked about as well as the -- the
10 long range think tank efforts and then again shoring up the
11 -- the promising technologies that are coming out of both
12 the -- the midterm and near term project calls. And, you
13 know, if you want to expand further on that one.

14 MR. BARTON: Yeah, so to -- just to unpack that a
15 little further, on the test bed environment, the thought,
16 Commissioner Vandergriff, would to be somewhere in the six
17 to seven million dollar per year range to work with our
18 leading research institutes to create those environments
19 where things like the solar panel roadways can be developed
20 more fully, put in place, tested, that the data could be
21 collected on how they perform under traffic, under varying
22 weather conditions, what are the possibilities for their
23 deployment further -- or what are the standards that need to
24 be in place so that you can do this nationally and in a
25 competitive bidding environment. And so those would be kind

1 of the performance measures or outcomes that we would expect
2 from that.

3 And then on the think tank side, you know,
4 probably anywhere from two to \$5,000,000 per year depending
5 on the number and -- and scope of those to bring in those
6 experts from across the globe through all the multi-
7 disciplinary areas of expertise to think about these
8 challenges, to identify the plausible future scenarios and
9 to create policy and practice considerations that we can
10 then bring forward to the Commission to get direction on
11 which ones to work toward and to bring forward to the
12 legislature on things they need to be thinking about.

13 The example I would give, I talked about the
14 interstate system and -- and, you know, like I-30, the --
15 the turnpike in Fort Worth, a great vision. What I would
16 found interesting as in a meeting the other day, I thought
17 that that was a 1950 initiative, the first interstate map,
18 the very first interstate map was drawn in 1932. The
19 planning process for it started in the early 1920s. And
20 while President Eisenhower was given all the credit for
21 bringing it to fruition, it started as an initiative in the
22 1920s that wasn't completed until the 1990s. That's the
23 kind of forward thinking think tank technology exploration
24 that we need to do.

25 So that's the span of this dollars and cents and

1 kind of how we'll roll out these deliverables to monitor
2 whether we're being successful and to make sure that in
3 those deliverables are certain outcomes we can measure our
4 success against. A lot of it is yet to be developed.

5 MR. ANDERSON: Well, and Commissioner, I would add
6 -- you know, as you all know, I'm -- I just completed my
7 first month here. So I -- these -- these are fresh ideas.
8 I -- you know, I just laid out kind of the concept to -- to
9 the folks that are working for me and -- and kind of
10 communicating exactly the concerns that you had as it
11 relates to -- I -- I come from a very restrictive and -- and
12 focused environment with the Army's research efforts. And -
13 - and believe me, they -- they expect, you know, standards
14 and -- and metrics for, you know, all the research that we
15 would do -- did in that field.

16 So I have the same thought process going into this
17 and also being a steward of the citizen's money because we
18 worked on a very tight budget and -- and I understand, you
19 know -- you know, the value of getting the best out of every
20 dollar that we spend on it.

21 MR. HOUGHTON: Commissioner Moseley.

22 MR. MOSELEY: Thank you, Chairman. Darren (ph)
23 and John, I appreciate so much, this presentation. Dr.
24 Walton, thank you for your stepping forward to chair this --
25 this committee. Clearly as -- as John's pointed out, you

1 know, the -- the genesis of corridors is pretty fascinating.
2 I think Route 66 linking Port Chicago to Port L.A. began
3 with citizen engineer who stepped forward to standardize
4 U.S. highways. There had not been a standard prior to that
5 time. And so that answers the question about why Route 66
6 goes through Oklahoma is you had an Oklahoma and leading
7 that.

8 But -- but it does point to a question as senator
9 -- as A&M involves itself or as other institutions involves
10 itself and looking at strategic -- a mobility infrastructure
11 for our state, it would be valuable I think to take into
12 account Mexico which is projected over the next 30 years to
13 eclipse the economy of Germany. We have 14 border crossings
14 with Mexico. So it seems like our -- as much trade as we do
15 that -- that this would be very much a part of -- of the
16 discussion going forward. And other U.S. cities and maybe
17 even Canada just to -- to show how our mobility
18 infrastructure links with goods getting to market, you know,
19 going back to it, linking Port Chicago to Port L.A., that
20 whole concept of these corridors are strategic for driving
21 the economy.

22 The interstate highway system by the way put Route
23 66 out of business, because if you -- if you weren't on that
24 strategic interstate highway system then your economy is
25 tended to shrivel.

1 So we know -- we know these corridors are very
2 integral to our economic engines within the state. So the
3 economic engine of West Texas and now demonstrated not only
4 by agriculture -- and you know, Dolph Briscoe had this
5 vision of going from county roads that were not necessarily
6 all weather to a state highway farmed market, ranched
7 market, all weather highway to get goods to market. That
8 had a -- that had a profound impact on the State's economy
9 in a very positive way.

10 And so I would say another opportunity for this
11 study would be to look at the economic engines of the state
12 as we look at how we prioritize corridors. Clearly,
13 Dallas/Fort Worth's a huge economic engine, the Austin/San
14 Antonio area and Houston. I think today the State's economy
15 is 1.5 trillion and Houston's about half a trillion. So how
16 do these economic engines -- how are they served by the
17 visioning?

18 And lastly, Dr. Walton, I know we talked about the
19 air quality and eco driving as -- as was in the slideshow
20 today. And it just seems like TxDOT is already leading the
21 nation in best practices. When we rebuild a road, we use
22 the old road for the material for the new road. And -- and
23 that is the essence of lead certified buildings. And so the
24 question is can we go ahead and codify and get credit for
25 having environmentally sound construction best practices?

1 And if that's possible for us to already be recognized for
2 silver lead construction, then it takes us into what if we
3 harvest water off of our roadways for like a gold level and
4 going to the solar panels embedded, perhaps, that becomes a
5 platinum level lead highway or a green corridor.

6 So I don't know if you wanted to respond, Doctor.
7 I know we had very good conversation when we met about that.

8 DR. WALTON: No, I agree. And I think so many of
9 the practices that we currently have underway fit in to the
10 vision for that particular effort. So I think it's time to
11 -- time to do that.

12 MR. MOSELEY: Thank you.

13 MR. HOUGHTON: John, Darren, where will this be
14 housed, the initiative?

15 MR. BARTON: The initiative within our research
16 program here at TxDOT.

17 MR. HOUGHTON: Okay. And -- and university, we --
18 is it A&M where we'll have -- lead the initiative?

19 MR. BARTON: Texas A&M has reached out to us about
20 the think tank initiative they're putting together and have
21 Billy Hamilton and Senator Williams today from the
22 university system. We've been approached as Darren's
23 visited with the other research groups at Texas A&M
24 transportations to center for transportation acts --
25 research, TTI, about these test bed environments. So it's

1 possible that it'll be in multiple places. We've already
2 been approached by the A&M system for the --

3 MR. HOUGHTON: Okay.

4 MR. BARTON: -- for the think tank initiative.

5 MR. HOUGHTON: How about patent opportunities?

6 MR. ANDERSON: Well, Commissioner, I mean, I -- I
7 think we'll have to address that as -- as the ideas come
8 forward, but your -- I mean, I know there's concerns as a
9 think tank forms as, you know, they're sharing ideas and --
10 and so we'll -- we'll have to codify exactly how that's
11 addressed before they start sharing their -- their long
12 range.

13 I mean, one of the slides showed a hover car. You
14 know, that -- that was to address an idea that was brought
15 forward from some kids in a competition in Central Texas
16 asking for transportation ideas of the future. But in
17 reality when we were talking to an individual from Google
18 yesterday, he actually mentioned that term and it caught me
19 off guard because he's -- you know, although he's working on
20 the car that we all think is very futuristic, he's already
21 well beyond that. So --

22 MR. HOUGHTON: Okay.

23 MR. ANDERSON: -- we -- we will have to address
24 those.

25 MR. HOUGHTON: We do have one person signed up,

1 but I'll imagine there will be some others. Executive Vice
2 Chancellor Billy Hamilton, Texas A&M University system.

3 MR. ANDERSON: May I make one more comment --

4 MR. HOUGHTON: Sure. You can.

5 MR. ANDERSON: -- Mr. Chairman?

6 MR. HOUGHTON: I'm sorry.

7 MR. ANDERSON: Just the other thing I want people
8 to know is -- is we can't be wowed for -- by technology and
9 -- and pursue technology for technology's sake. There was a
10 really good comment earlier about the human factor. And,
11 you know, believe me when I say multi-discipline, that's
12 another large component of it to me that we have to consider
13 the impacts on society, the readiness to -- to take on some
14 of the change and -- and what's really in the best interest
15 of the -- of the people of the state. So --

16 MR. HOUGHTON: Okay.

17 MR. ANDERSON: -- I will always consider that.

18 MR. HOUGHTON: Chancellor?

19 MR. HAMILTON: Mr. Chairman, members, General
20 Weber. I just wanted to say on behalf of Chancellor Sharpe
21 who's out of state today that we appreciate the opportunity
22 to work with TxDOT I recall that I was a revenue estimator
23 in the 1980s and I used to make speeches where I said oil
24 and gas will run out by the late 1990s. But George Mitchell
25 proved me wrong. And more importantly entered in the

1 current era of prosperity and growth that we have here in
2 this state.

3 But I think that we, that the system, the
4 chancellor, the regions recognize that the future of the
5 state as we continue to grow and prosper, the health of the
6 economy is going to be dictated by how well we address a
7 series of significant problems like transportation and water
8 and healthcare and whatnot.

9 So we began talking with the general and with
10 others on your staff about what we might be able to do to
11 look over the horizon and bring the -- the knowledge that we
12 know is in our 11 institutions and seven agencies to bear on
13 some of these problems for the benefit of the state and out
14 of that our idea for think tanks, concourse, whatever you
15 want to call it, was born.

16 And we felt and, you know, ya'll have been very
17 gracious in -- in working with us, that transportation was a
18 place to start, because we know that the demands are
19 infinite on you. We know that the resources of the state
20 are limited. And we know that we have to find out of the
21 box innovations. And we appreciate this opportunity. I
22 think the one thing I learned at Texas A&M as a graduate of
23 the University of Texas other than you can have a lot of
24 uncomfortable days is that -- is that there is unique
25 knowledge there that is directed toward practical

1 applications. And the land grant mission of the system
2 means that we are to go into the community and contribute to
3 the bettering of this state. And we appreciate what TxDOT
4 does. Thank you.

5 MR. HOUGHTON: Any questions for the chancellor?

6 MR. AUSTIN: Well, Chancellor, I just want to say
7 thank you for what ya'll are doing. And but to follow up on
8 the Chairman's question on intellectual property and
9 patents, trademarks, anything we can do to bring in that
10 angel capital, I think this is something with all the
11 university system, but it benefits Texas as a whole to bring
12 that patent technology and the revenue sources of the jobs
13 to Texas. We're going to be benefactors. And, you know, I
14 -- I really applaud what you all are doing to -- to help
15 promote and push that.

16 MR. HAMILTON: Well, thank you. And, you know, as
17 you know, TTI has done remarkable work in the transportation
18 area. We have a part of our system that works on
19 commercialization, intellectual property. And, you know,
20 what I hope that we can find issues -- as a matter of fact,
21 that -- that is one of my things under my purview. And, you
22 know, I hope we can find things, because, you know, the --
23 part of our work and -- and your work ought to be leading
24 the nation in these innovations.

25 MR. AUSTIN: Well, while we're talking about high

1 technology here, the technology, you know, was also
2 discussed with one of your units down in Kingsville. That
3 helped us with our six -- six seed native grass efforts down
4 there to where -- where I believe they do have the patent on
5 that. And that's something that's brought a real solution
6 to us in saving in maintenance dollars.

7 So and let's not forget some of the basics as
8 well. I think it's important for us to remember that came
9 out of a maintenance request. So thank you all for your
10 efforts there as well.

11 MR. HAMILTON: Well, thank you. And -- and I -- I
12 will just say that, you know, you're most familiar I assume
13 with TTI. And they -- they are remarkable nationally. But
14 we do have 11 institutions and seven state agencies. And I
15 think many of them cross over into these areas that we have
16 researchers to do. I mean, for example, we're doing drone
17 research.

18 You mentioned drone research. That's actually
19 being done primarily at A&M Corpus Christi. And we have
20 water at San Antonio and what you were talking about at
21 Kingsville. So there's a lot of power there to be brought
22 together. And I think that's where the chancellor's
23 interest in this think tank originated.

24 MR. HOUGHTON: Thank you. Thank you, Billy.

25 MR. HAMILTON: Thank you, Mr. Chairman.

1 MR. HOUGHTON: Thank you very much. Senator
2 Williams, vice chancellor. Government, state and federal,
3 right?

4 MR. WILLIAMS: Yes, sir.

5 MR. HOUGHTON: We can get both sides. Welcome.

6 MR. WILLIAMS: Well, thank you. I appreciate the
7 chance to be here. Most of all, I just want to echo what
8 Mr. Hamilton said earlier. And that is that we welcome the
9 opportunity to work with TxDOT. We think this is a great
10 opportunity. We look forward to working with you to help
11 solve the state's problems in this area.

12 The chancellor and our board has a vision that we
13 should have a think tank that's dedicated to solving the
14 problems that the state faces over the next several decades.
15 And I think there is a general agreement that transportation
16 related issues is at the very top of that list and we look
17 forward to working with you.

18 MR. HOUGHTON: Thank you, Senator. Any other
19 questions, John, Darren? This is a discussion item. It
20 doesn't take any action. I think we're headed in the right
21 direction. I think what you brought here today is -- is
22 fabulous. General, do you need --

23 MR. WEBER: Yeah, just --

24 MR. HOUGHTON: -- to say something?

25 MR. WEBER: Just --

1 MR. VANDERGRIFF: I would just encourage you again
2 that I've seen time and time again in the state government
3 and in the private sector that initiatives like this start
4 off like great noble causes and efforts and spiral out of
5 control because they're not performance metrics and
6 performance measurements. Then that result and analysis
7 plowed back into the process to improve it and control it.
8 So I encourage you to -- to do it since this is kind of a
9 train going forward so to speak. I -- I encourage you to do
10 that.

11 MR. BARTON: The point -- the point's well taken
12 and we will look forward to continuing to engage with
13 Commission -- Commissioner Vandergriff. We'll make sure
14 that we continue to engage you to help us understand how to
15 do those things right and better and ensure the success of
16 these initiatives that we move forward.

17 MR. WEBER: Yeah, John and Darren, I just want to
18 say both of you couldn't have laid -- pitched this any
19 better today. And I really do appreciate it. And Chairman
20 and Commissioners, I know there are questions that need to
21 be answered and details that need to be worked out. But
22 I'll tell you my biggest challenge right now is tomorrow
23 morning when everybody comes back into this building they're
24 going to be thinking about two things, bridges and roads.
25 And -- and so what we need to get in place first is some

1 type of a formal structure, you know, a formal emphasis that
2 keeps us thinking about this and -- and our great
3 legislatures across the street thinking about it and you
4 because I'm going to tell you what this is, the future.
5 It's not our future, but it's a future of our children and
6 our grandchildren. And we need to spend some time and
7 resources on this. So -- so thank you all very much.

8 And with that said, it is multi-disciplinary. And
9 I think our next item, 4B, discussion of the Department's
10 peak time, work trip reduction initiative by Deputy Director
11 John Barton addresses the human behavioral aspect of some of
12 this. Thanks, John.

13 MR. BARTON: Thank you General Weber and again
14 Chairman and Commissioners. I got a presentation to share
15 with you on a brief regarding a very important initiative
16 that we have under way here at your Texas Department of
17 Transportation. As we know, part of our mission is to
18 provide for the safe and reliable transportation solutions
19 for Texas. And we know that we as an agency need to seek
20 out innovative ways to reduce roadway congestion. That's
21 been a topic of concern for many of us over the past several
22 years and specifically has come up more frequently in the
23 recent days.

24 Addressing congestion is a strategic goal of the
25 agency that you have established for us. And as an industry

1 leader in addressing congestion, we have done great things
2 through non-traditional approaches. We've improved our
3 capacity with technology and operational improvements.
4 We've entered into public private partnerships to enable
5 better mobility in some of the most congested areas of our
6 state. And yet, with this growing recognition that we can't
7 build our way out of congestion especially during rush hour
8 congestion, we have to do something in addition to all those
9 things.

10 And when you think about peak hour congestion
11 specifically, we know that we have a lot of tools available
12 to us in our toolbox and we need to use those that do all
13 those things we've already talked about but also to address
14 travel behavior as General Weber just said.

15 The things about how I come to work, when I come
16 to work and take trips and if I even get out to take that
17 trip in the first place are important for us, especially
18 during peak periods. And so TxDOT needs to continue to push
19 that envelope forward as a best in class agency to
20 demonstrate to ourselves and to other employers both public
21 and private that we can't have a positive influence on the
22 trips that our employees made during peak times and to
23 reduce work related trips. And we are in the process of
24 developing a test bed for these new approaches to be
25 considered.

1 In March of 2014, I was given the opportunity to
2 kickoff a fast pace initiative. Fast pace is a relative
3 term to some, I suppose. And it's being led by our TxDOT
4 staff to explore the art or the possibility. It's supported
5 by the Texas Transportation Institute to consider TxDOT
6 employee work trip reduction.

7 Our goal was to identify strategies that would
8 help us reduce peak time travel and work trips that are
9 associated with those congestion hours to provide a concept
10 where flexible menus of options are given to our employees
11 to address job related activity and trips to maybe make sure
12 that we're looking at the variety of jobs that we do and the
13 locations where we work and the services that we provide and
14 the support that we need to give the citizens.

15 And as an added bonus, we wanted to advance our
16 agency's progression towards being a responsible and nimble
17 workforce for this new generation of employees that we have
18 been blessed to be bringing on board over the last several
19 years.

20 The initial findings of this work group have been
21 very enlightening and encouraging. We have the support
22 structure and a workforce characteristic already in place
23 here. It's ripe for streamlining and improving to support
24 teleworking. We've got policies, guidelines, training,
25 agreement forms that are already out there and being used.

1 We also have other internal/external tools that
2 are available to us to help facilitate reducing work related
3 trips in this whole initiative. And then there's
4 communication and education tools available to us about
5 reducing work related trips as a strategy for fighting
6 congestion and increasing our productivity as workers.

7 So in short as in agency, we have the tools. We
8 know we can improve them in our role in reducing peak hour
9 work -- or work trip reductions is something that we want to
10 move forward with.

11 So I directed the staff to continue working on
12 this study, to bring back a recommendation to our
13 administration and General Weber in November. And their
14 study needs to address things like what are the implications
15 to our resources in terms of the technology we have to
16 provide to our employees, the facilities that we might need
17 to make available to and how we would adjust those, what
18 policies and procedures do we need to have -- have in place
19 and improvements we need to make to existing ones, the
20 training that we need to give to employees, how do we
21 determine which employees are eligible for this.

22 How will we measure -- as Commissioner Vandergriff
23 pointed out, how are we going to measure this? What are the
24 performance measures around it and the impacts that it will
25 have on reducing our work related trips and the benefits

1 that it provides to addressing congestion and
2 internal/external communications plans to facilitate a
3 successful program.

4 Based on the initial work that they've done, we
5 have determined that we do have the support structure and
6 policies already in place and available to us. And we have
7 staff that our receptive to teleworking and they see it as a
8 significant benefit to reducing their work related trips
9 during peak periods. And so we're going to move forward
10 very quickly with this initiative to pilot it here in
11 Austin.

12 And I'll talk a little but more about that
13 piloting of it here in Austin. But first, I want to talk
14 about why would we do it here in the Austin area. So if you
15 look at this slide, it comes I think obviously fairly
16 quickly. I-35 here in Austin as many of us know is ranked
17 number one in terms of congestion for the network of state
18 highways here in the state of Texas. It is the most
19 congested corridor. And it goes all the way up into
20 Williamson and down into Hays County and it touches other
21 corridors that are in our top 1-- most congested corridors
22 list.

23 About 34 percent of our residents are reporting
24 that their trips here and around Austin are taking longer
25 today than they were two years ago. That's no surprise.

1 National and local studies demonstrate that there's an
2 increase in risk to the quality of life here in Austin
3 because of these things. For example, Texas A&M
4 Transportation institutes mobility report ranked Austin as
5 the number five community out of a hundred and one American
6 communities where extra commuting time in automobiles is
7 becoming a challenge for them.

8 And also we have growing air quality issues that
9 are a concern for this region. And congestion obviously
10 feeds into the need to try to do something to prevent the
11 looming air quality challenges.

12 I found this graph to be very telling in terms of
13 the opportunity. This is a graph that was put together by a
14 study that was sponsored by the Great Area Chamber of
15 Commerce. And they looked at the travel time index, the
16 time it takes you to travel from point A to point B during
17 congested times versus that same trip in non-congestion off
18 peak periods.

19 And as you can see today, we have about a 31
20 percent increase in travel times relative to non-congested
21 travel here in the Austin area during the peak periods.
22 This graph reflects that if -- if we build out everything
23 that we're planning to do, this multibillion dollar
24 improvement plan for the Greater Austin area, all those
25 roadway improvements, by the year 2035, congestion's going

1 to go from its current condition up to an index rating of
2 2.17 a hundred and 17 percent increase in travel times
3 during peak periods than non-travel times.

4 If we build everything that we're planning on
5 building -- so we know that building new highways and extra
6 capacity is not going to be enough. So you can see that if
7 we start to develop things such as telecommuting -- and I'm
8 -- excuse me, I need to correct it. The -- it's a 79
9 percent increase if we build out to plan. If we don't build
10 anything, it's a 117 percent increase.

11 But if we start telecommunicating, if we provide
12 other alternatives for employees, we'll be able to respond
13 to that need and get it closer to being sustainable at where
14 we are today and perhaps even in an idealistic way reduce
15 congestion in the Greater Austin area.

16 We have a lot of support here as well. CAMPO, the
17 local planning organization, Movability Austin, the Chamber
18 of Commerce here in Austin, they're all supporting trip
19 reduction initiatives. And they're ready to come forward
20 and help us do that. We have a tech savvy and mobile
21 workforce here in the Austin area. They're going to be
22 ready to embrace this kind of thing. And we also have a lot
23 of employees that work for the State of Texas here in
24 Austin. So we have a controlled universe for employees in
25 order to be able to pilot this. We know that we have 1200

1 employees that work down at Riverside and primarily use
2 Interstate 35 to get to and from work each and every day.

3 So we're taking this pilot program and this trip
4 reduction initiative very seriously. And we've developed an
5 initiative to start working with one of our divisions down
6 at the Riverside complex to allow some of their employees
7 that are identified to be the right kind of employee with
8 the right kind of jobs to move forward with piloting this
9 program.

10 The intent is to make sure that we test our
11 organization's ability to implement these solutions and to
12 see if we are achieving the goals in the performance metrics
13 that will establish around it. The goal simply stated would
14 be to allow these eligible employees to not come to the
15 office at least two days a week, that they would work from
16 another remote office, from their home, some other place two
17 of the five work days during the week.

18 And we want to make sure that this is a
19 sustainable program, that we can build in the right
20 policies, guidelines and tools to make it a success as we
21 move forward with it at a greater scale.

22 So based on what we've already done and we want to
23 build on that teleworking pilot and we expect that as we do
24 that we'll get more extensive trip reduction benefits and
25 we'll be able to expand this program across the agency all

1 across the state, again, providing a menu of opportunities
2 for our employees to use to reduce their work related trips
3 to define some specific targets and performance metrics that
4 we want to accomplish as we focus on this program.

5 And we believe that in the not too distant future
6 we'll make this available to all of our employees that are
7 qualifying in the Austin area and in -- in the larger
8 metropolitan areas across the state as it matures. This is
9 just a schedule of where we are and where we are headed in
10 terms of developing this program, preparing the reports,
11 defining those performance metrics and then monitoring our
12 success as we move forward.

13 General Weber when we briefed him on this said
14 John, I know that you said that you're moving forward with
15 this quickly, but I want you to make it happen now. And so
16 he's empowered us and challenged us to identify individuals
17 that we are know are trustworthy, productive capable people
18 here at the Greer building and -- and some down in our
19 Riverside complex to move forward in August of September in
20 piloting in a smaller way that program, to help us spread
21 out those kinks if you will in our initial phase and to make
22 a strong statement that this is something the Texas
23 Department of Transportation is doing. This is an
24 initiative we believe we have to be a leader in.

25 And we'll define the program and we'll make sure

1 that all the processes, policies, performance metrics and
2 goals are established, monitored and success is realized as
3 we carry forward with our mission to provide a safe and
4 reliable transportation system for Texas.

5 This is again what this is all about. And with
6 all the great mobility solutions that we're providing, we
7 believe that to complete the package we have to look at our
8 internal workforce and create an environment that other
9 state agencies, private sector companies and government
10 groups can emulate in reducing work related trips with their
11 employees.

12 So this is where we are. The goal as I've said is
13 to move this forward quickly to advance our ability to have
14 a positive impact on reducing congestion all across the
15 state of Texas and we believe globally as more and more
16 people adopt and follow our lead. We'll be focusing here in
17 Austin immediately because it's a controlled environment
18 that we can monitor, measure and make sure that we're
19 getting success from.

20 We'll get a report out later this fall. Obviously
21 that will be shared with all of you and broadly. This is an
22 initiative that Senator Watson here in Austin has championed
23 and even discussed in the legislative session about
24 developing a program that could be brought forward for all
25 of State government. And we're excited about our next steps

1 forward. And hopefully rolling out a -- a more broad and
2 complete program next summer as we enter into the summer of
3 2015.

4 So I'll pause here. I'll be happy to answer any
5 questions you may have. And again, thank you for the
6 opportunity to share this exciting program that your Texas
7 Department of Transportation is leading to be a best in
8 class state agency.

9 MR. MOSELEY: Thank you, Chairman.

10 If Mr. Barton could go back to the slide that
11 shows all the tools --

12 MR. HOUGHTON: Could you pull the slides back up,
13 please?

14 MR. MOSELEY: All the tools -- there was one slide
15 that showed all the options or tools that are being
16 considered and it seems to me like there might be an
17 opportunity to -- and I think that's it right there -- there
18 might be an opportunity to open up a dialogue with the
19 freight-haul community and municipal government and just to
20 have an open discussion about strategic corridors and times.
21 Because it seems like every time there's a shutdown of a
22 corridor, there typically is a freight hauler involved in
23 that and I'm not sure the freight-haul community is aware of
24 how moving goods to market during peak congestion -- maybe
25 that's not -- maybe there's better times to move freight

1 through strategic corridors and I'm just curious where the
2 Texas Municipal League would be on this discussion, Madam
3 Mayor, and also the shipping community. I think everybody
4 needs to be at the table to have an open discussion about
5 that. I didn't see that on the slide as an option, but I
6 think it might be a useful tool to help resolve the question
7 of managing capacity. And that's really the only value a
8 roadway has, is its capacity, and I think in our state,
9 historically, we built a roadway and then let the roadway
10 typically manage itself and we're probably moving into an
11 era where we need to think more about how to open this
12 dialogue with freight-haul community and with the city
13 leadership about the local control that they have to help us
14 with this discussion on how to best move freight and how to
15 keep the roadways more efficient in their operation.

16 MR. BARTON: Commissioner Mosley, those are all
17 critical parts of the broader congestion conversation and it
18 involves technology where we may be able to have more trucks
19 being driven by a single driver instead of by multiple
20 drivers so that they can operate at different hours of the
21 day. This was focused on employees that are coming from
22 their home to an office to work and that's a piece of the
23 conversation, but it does bear that the same conversation
24 around peak shifts and mode shifts relate to freight. And
25 everything that you said is exactly spot-on and we will

1 continue to, through our Freight Advisory Committee and the
2 studies that we're doing there, our congestion conversations
3 with planning organizations and communities across the
4 state, not only this employee-based side, but in the grander
5 picture, think about those things that you've just
6 challenged us to do, because those are important parts of
7 the global solution.

8 MR. MOSELEY: I just -- I just want to basically
9 maybe state the obvious, but when there's a significant
10 shutdown of a corridor, typically, it's during peak hour
11 when the workforces are moving to their work destinations
12 and typically a freight hauler is involved. I don't have
13 any science to back me up on that, I'm just saying it seems
14 like -- and so if that's not true we need to know that, but
15 if it is true, then maybe we need to start asking ourselves
16 is there a better time to move freight than during peak hour
17 when the workforce is trying to get to their office?

18 MR. BARTON: Very good points.

19 MR. AUSTIN: Commissioner, this may be an LAR
20 action, but we had the Truck Incentive Program to use
21 alternate roadways, if we can get them off of 35, you know,
22 to use 130, and that's, I think, a very important piece of
23 that. I don't know if that's going to be addressed in the
24 LAR, but I think that's critical for that area.

25 MR. BARTON: I believe that the director of our

1 Finance Division, Brian Ragland, will be addressing that,
2 but it is, as you mentioned, Commissioner Austin, one of the
3 exceptional items that we've requested in our latest
4 appropriation request, to continue that program.

5 MR. HOUGHTON: We have one speaker, Glenn Gadbois
6 -- Glenn?

7 MR. GADBOIS: Gadbois.

8 MR. HOUGHTON: Yeah, sorry about that. Movability
9 Austin. I tried.

10 MR. GADBOIS: Good day, Commissioners, Chairman
11 Houghton, General Weber. Chairman, it is great to see you.

12 MR. HOUGHTON: If you can stand up, we can hear
13 you. There you go.

14 MR. GADBOIS: It will work, okay? Thank you.

15 It is great to see you sticking with
16 Transportation for as long as you have. I greatly
17 appreciate that.

18 Let me start with the distinction I didn't even
19 think I would make. Commissioner Moseley, there is a whole
20 kind of business of traffic demand management and you will
21 see that in freight management studies and all that sort of
22 thing and those are happening, and so I encourage you to
23 keep asking that question. But we're talking about
24 something slightly different today, so I'm going to get you
25 to recall your experiences in downtown Houston.

1 Movability Austin is an association of employers
2 in the downtown Austin area. Houston has several of our
3 kind of organizations, as does the Dallas/Fort Worth area.
4 We are joined by a common interest. Our employers, private
5 sector, Seton Hospital, nonprofit sector, public sector,
6 Travis County, City of Austin, all have the same problem:
7 They need to get their employees in here and then generally
8 speaking, when all of their employees are driving alone,
9 they also need to then park those cars someplace and that
10 creates a number of problems that are very unique to an
11 urban area. It's a man-use issue. It's a real-estate
12 issue. It's a price-control issue. It's an employment-
13 retention issue and an attraction-of-employees issue. Those
14 are the reasons that the private sector companies, the
15 nonprofits, and all the other employers are joining our
16 effort.

17 And as a consequence, what we do are two real
18 basic things. One is we consult with employees to do what
19 you all have just done: Think through how you arrange your
20 benefits to offer employees a way to travel other than
21 driving alone during peak hours. That can be changing
22 hours; letting -- coming in earlier or coming in later; that
23 can be telecommuting; that can be using transit. There are
24 a lot of tools and figuring out how to offer those to your
25 employees is a big step.

1 And the other thing we do is act as an concierge.
2 We help employees to not just go out and visit the, you
3 know, web world and decide, okay, I want to look at how
4 transit might work for me and have to figure it out for
5 themselves, we help them understand what their travel needs
6 are and help them understand what the options available to
7 them are because the bottom line on this is, this is about
8 choice. It is about providing benefits to your employees
9 that also work for the interests of the organization.

10 As a consequence -- and Deputy Director Barton,
11 I've almost got it right, was at our meeting -- we invited
12 our largest employers to come together to make a pledge of
13 reducing their drive-alone behavior by 20 percent and we
14 actually had five of our largest employers signing up the
15 morning of that breakfast. We are working with the Chamber
16 of the City and others to do that.

17 And so I'm here basically for three things. One,
18 congratulations for ya'll for taking this important step.
19 We need all of the state agencies doing that downtown. We
20 really appreciate that and we're here to help however we
21 can, number one. Number two, I want to encourage you to
22 think about -- as you're thinking about this, think about a
23 couple of lessons that we've learned that are very
24 important. Allow for flexibility because locations will be
25 very different, even in the same metro area. Offering this

1 benefit to your folks on I-35 and the local district needs -
2 - may need to be patterned very differently than the offer
3 to the Greer Building, than the offer to Riverside. The
4 services will be different. The circumstances will be
5 different. So allow staff to have the flexibility to play
6 and adjust and experiment with what will work by site.

7 And the other thing is this really is an employee
8 benefit. You are not forcing anybody to do it. You will
9 have 10 percent, maybe 15 percent of your workforce that is
10 already using options. Treating them fairly and helping
11 them to continue doing that is a benefit to them. You will
12 have another 20 percent of your employees who are
13 interested. They're interested in saving costs. They're
14 interested in getting out of the frustration of traffic.
15 Providing services for them will be a benefit as well, and
16 so I encourage you to frame it, not just as an employee-trip
17 reduction, you know, why the enterprise might be interested
18 in it, but also to make sure that you understand that you
19 are also offering them a benefit that they will appreciate.
20 Thank you.

21 MR. HOUGHTON: Thank you, Glenn.

22 Any other questions? I think that's the end of
23 that discussion item.

24 Moving on, General.

25 MR. WEBER: John, you are back up with item 4C,

1 discussion and development of our 2015 UTP and potential
2 distribution of our Prop 1 funds if we get them. Thank you.

3 MR. BARTON: Yeah, thank you, General Weber. I'm
4 going to pass the mic over to Marc Williams, the director of
5 planning for the Department in just a moment, but I want to
6 tee this presentation or discussion item up for him.

7 We heard clearly from the Commission that you
8 wanted us to be developing practices, processes, and
9 procedures that would enable more transparency in the
10 process of our Unified Transportation Plan and Marc will be
11 talking about that, and also that we need to start getting
12 prepared for the possibility of the Proposition 1
13 Constitutional Amendment passing in November and if we were
14 to do that, how would we advance that initiative. I think
15 we also heard very clear from your leadership, all
16 commissioners, and as I had conversations directly with
17 Commissioner Vandergriff that this needed to be a bottom-up,
18 grassroots initiative in terms of how we would distribute
19 those funds should they become available to us.

20 So I wanted to share with you that taking that
21 feedback, that input, that advice, and direction, we have
22 worked to develop a work group of leaders from across the
23 state to help us think about the formulas that should be
24 used for the Proposition 1 Program should it become
25 available and how that would meet the needs that our state

1 faces in terms of transportation challenges. And I wanted
2 to announce to you those work group members because they are
3 excited about this opportunity. It's a broad spectrum of
4 professionals and leaders in the transportation space and
5 we're excited that they're going to be working on this
6 initiative for us and hopefully will bring back to the
7 Commission in September, an opportunity for you to consider
8 an approach that they will recommend.

9 First, Judge Cascos from Cameron County, I think
10 most of you know him, others that are here today and
11 listening know that Judge Cascos in Cameron County, down on
12 that Texas-Mexico border, has been a leader of that Regional
13 Mobility Authority. There's certainly the port activities
14 associated with the ports in Cameron County, as well as
15 understanding the challenges of international trade traffic
16 along the Texas-Mexico border.

17 In addition to Judge Cascos, Judy Holly, with the
18 Port of Corpus Christi, has agreed to serve on this work
19 group. She's been integrally involved in measured
20 connectivity programs across the state, most specifically in
21 leading the development of plans for the Interstate 69
22 corridor. Former state representative and well-respected
23 across the transportation community and a great leader in
24 this space.

25 Jungus Jordan, the president of the Texas

1 Municipal League, has agreed to serve to bring that
2 understanding, the needs, the thoughts of the greater
3 communities, incorporated cities that are members of the
4 Texas Municipal League to the table. A city councilman, a
5 well-respected leader, a huge expert in this space and a
6 genuine gentleman.

7 Judge Bradford from Midland County has also agreed
8 to serve representing the Permian Basin as well as just
9 maybe the small, urban, growing communities within our oil
10 and gas areas where much of the state's activity is
11 blossoming. He has been actively engaged in the
12 Metropolitan Planning Organization, understands how the
13 Department's funding works, and we think is going to be
14 incredibly valuable as a member of this work group.

15 Judge Woody Gossom is from Wichita County, a rural
16 county, if you will, in North Texas. Worked very well with
17 a group to form one of the first and most successful rural
18 planning organizations that we have here in the state of
19 Texas. A strong leader in that area, understanding the
20 challenges of these vast rural areas of Texas and we're
21 excited about the opinions and thoughts that he'll bring to
22 the table from that constituency.

23 Michael Morris from the Texas Association of
24 Metropolitan Planning Organizations, the leader of the North
25 Central Texas MPO, Regional Transportation Council, a well-

1 respected transportation planning professional. All of you
2 know them, a name that many recognize, and we're excited
3 about the thoughts that he'll bring in on behalf of the
4 Metropolitan Planning Organizations across this state.

5 Judge Emmett from Harris County, another leader in
6 transportation, former member of our Legislature, very
7 involved in leading our freight advisory work groups and
8 committees, involved in our study of the Panama Canal, and
9 certainly understands the challenges of a growing
10 metropolitan region, as well as being a part of our work
11 group that looked at our Unified Transportation Program in
12 the past and the rules that we now have in place to govern
13 that process.

14 And to wrap all of that together, we wanted to
15 have someone with a broad understanding of the state's
16 transportation challenges that would have that point of view
17 from where you sit today to help influence and guide that
18 consensus building around it, and so we've asked former
19 Texas Transportation Commission Chairman Johnny Johnson to
20 serve as the chairman of this work group. He has graciously
21 agreed to give his time and energy to this and we're excited
22 about the work that this work group will be doing.

23 So I wanted to tee that up for you and let you
24 know that this is a work group we formed, as you've asked us
25 to do from this bottom-up, grassroots effort, and we're

1 excited about it. And so with that, I'm going to turn it
2 over to Marc and let him share with you some of the things
3 that he and his team have been working on in response to
4 your request.

5 MR. VANDERGRIFF: Can I ask you a question, if you
6 don't mind --

7 MR. BARTON: Yes, sir?

8 MR. VANDERGRIFF: -- while you're up -- and Marc
9 may be the better person -- I know you're going to do the
10 bottom-up which is great and this is blue ribbon group of
11 people. They're very knowledgeable, great. Former Chairman
12 Johnson, a terrific leader.

13 The question is how are you going to -- and
14 perhaps Marc is going to get into this -- but the details of
15 how you are really going to bottom it up because these eight
16 need to bottom up from the communities and the Legislature
17 and listen to them. So I'm anxious to hear that, as well.

18 MR. BARTON: Yeah, I think Marc may be touching on
19 that in his presentation and we'll certainly make sure that
20 we address it as we go through these presentations, okay?

21 MR. WILLIAMS: Thank you, John, Commissioners,
22 General Weber.

23 For the record, my name is Marc Williams, I'm the
24 director of planning with the Texas Department of
25 Transportation and as John introduced to you, my

1 presentation this morning is a discussion item on the
2 development of the 2015 Unified Transportation Program and
3 also talking about the potential distribution and strategy
4 for the distribution of funds under Proposition 1.

5 Most of you all are very familiar with the UTP
6 process. Coming up in August, we are going to be presenting
7 the Texas Transportation Commission with our new annual
8 update to the Unified Transportation Program, and the UTP is
9 very much an on-going continuous process as we work with the
10 Commission and stakeholders around the state to continue to
11 update the -- that document, and 2015 will be the rollout of
12 the new UTP.

13 But each UTP update, whether we're talking about
14 the annual update or the rollout, kind of really begins at
15 about 11:00 on the diagram up there. In fact, we build off
16 of the previous document that was approved by the Texas
17 Transportation Commission. We work with Finance Divisions
18 to update our cash flow forecast based upon their latest
19 projections and then that information goes through our
20 Transportation, Planning and Programming Divisions into the
21 Unified Transportation Program itself and we begin the
22 process of working with districts and local partners to
23 identify funding opportunities and to program those
24 opportunities into a draft UTP document, subject to review
25 and comment, further adjustments, and then present it to the

1 Texas Transportation Commission for approval, and the cycle
2 would begin again.

3 There's actually -- we wanted to actually kind of
4 show a different diagram of the process, particularly as it
5 relates to public development, and as I alluded to on the
6 chart previously, a lot of information that goes into an
7 update for the UTP begins with our MPOs and TxDOT districts
8 and other entities around the state, be it cities, or
9 counties, or regional mobility authorities, or transit
10 districts, to help identify project funding requests to
11 address local needs and priorities, and those requests can
12 then really take two avenues.

13 The one to the far left largely deals with
14 administrative revisions and category program changes and
15 really most of the program categories in the Unified
16 Transportation Program and the majority of funding in the
17 Unified Transportation Program are administrative revisions,
18 which means they are not subject to a project-by-project
19 approval by the Commission. They are handled by our
20 Maintenance Divisions based upon an outline prioritization
21 process of bridge divisions. A large amount is handled by
22 our MPOs, as the MPOs set priorities in Categories 5 and 7
23 for example, those are administrative revisions to the UTP.

24 An area that does get a lot of attention are those
25 program categories that are subject to Commission approval

1 and one of the things that you are aware that we have been
2 working on is the process for supplemental program
3 authorization, supplemental program authority, where we look
4 at evaluating and developing process to provide a more
5 performance-based set of metrics to look at needs around the
6 state, but those projects then go into Categories 3 and 12,
7 which are really the two categories within the UTP that the
8 Texas Transportation Commission has direct project approval
9 responsibility.

10 So based upon those project funding requests and
11 conversations with the administration, when we get ready to
12 move forward with a revision to the UTP it really takes
13 about an eight-week process that begins with the public
14 notice that there's going to be a revision to the UTP and
15 will conclude with, in two months, a Commission action to
16 approve that document.

17 Based upon the revisions that we have, we publish
18 an initial draft exhibit shortly after the public notice and
19 then we initiate our public involvement and comment period
20 with a WebEx public meeting that occurs, that is broadcast
21 and available to really anybody who would like to take part
22 of it. In addition, each of our districts around the state
23 hosts that WebEx public meeting, and so if you have
24 individuals that for whatever reason are not able to join by
25 Internet or are not comfortable with that, they can actually

1 join the districts there in the district offices to
2 participate, as well.

3 At the conclusion of that public involvement
4 process and based upon input that we've received, there
5 continues to be revisions to that document, but at the time
6 of the public hearing, we produce a final draft UTP exhibit,
7 which is then the subject to Commission action to approve.
8 One of the things -- and that, in turn, produces the final
9 UTP -- one of the things we would like to introduce as part
10 of this process -- it's not changing the process
11 necessarily, but it's really to do what we're kind of doing
12 here today -- and that is in the middle of this, about week
13 four, we have a Commission meeting like we have today and we
14 feel like it would be an enhancement to this process to come
15 to you all at this point in time with a briefing on what the
16 upcoming UTP will have, and it will be an opportunity to
17 brief you all and to highlight key changes proposed for
18 consideration, so that there's an additional emphasis made
19 on what those proposed changes may be and the Commission and
20 the public still has an opportunity, within the public
21 involvement period, to weigh in on those potential changes.
22 And so this is a slight revision to the process that we
23 followed in the past, but a process that we're recommending
24 that we incorporate as we go forward on future UTP
25 revisions.

1 MR. VANDERGRIFF: Marc, can I ask you a quick
2 question on this?

3 MR. WILLIAMS: Yes, sir.

4 MR. VANDERGRIFF: So, do you think this slight
5 revision will ensure or better ensure that we have public
6 hearings on process or projects or potential projects and
7 full engagement by the communities before the Commission
8 takes an action on any item?

9 MR. WILLIAMS: We believe this is going to help to
10 highlight that, and highlight those potential changes. So,
11 yes, sir.

12 We will evaluate. One of the things we certainly
13 want to compare is we've got a lot of information on the
14 level of public comments that we've received through the old
15 process and we want to compare that to what is generated out
16 of this new process. And if there's an opportunity to
17 refine it going forward, we'll certainly do that.

18 MR. VANDERGRIFF: So this is a new and extra step
19 to, again, continue to ensure participation involvement up
20 front before we take action?

21 MR. WILLIAMS: Yes, sir.

22 MR. VANDERGRIFF: Thank you.

23 MR. WILLIAMS: I want to touch a little bit on the
24 2015 UTP. The new UTP and the distribution of funding in
25 that plan is -- the overall distribution of funding is

1 largely similar to what you all have seen before. Nearly 50
2 percent of our funds in the UTP itself are reserved for
3 preservation-related activities. Those are the hot -- the
4 side of the pie chart that's largely on the right there,
5 preservation, maintenance, and rehabilitation. That funding
6 goes exclusively to that area and those needs around the
7 state.

8 The remaining quarter of that goes to what we
9 generally refer to as mobility projects. As we have
10 testified and talked to you all before, the -- many of those
11 mobility projects have within them, rehabilitation-related
12 elements as we reconstruct many of those roads that are
13 being improved.

14 The remaining quarter is a mix of different types
15 of projects, are bond-funded, non-traditionally funded
16 transportation projects, are a large 20-percent slice there.
17 That includes a lot of local contributions of funding the
18 projects from RMAs and our toll authorities. That's
19 reflected in that chart and we have really worked very
20 carefully over the past year with those entities to do a
21 good job of identifying the amount of funding that's been
22 committed in that area and this version of the UTP has a
23 slight increase in that amount of funding that's being shown
24 in that category, largely because we have tried to work very
25 closely to do a better job of identifying that going

1 forward.

2 So our funding adjustments in the UTP, I just
3 wanted to kind of highlight a couple of things. First, and
4 very importantly, it does not assume any increase in
5 obligation authority for either MAP-21, an extension of MAP-
6 21 or additional state funds for Proposition 1. It does
7 include additional state funds, utilized savings from
8 Proposition 14 debt service. It includes some additional
9 transportation Mobility Fund bond proceeds, and an
10 additional year of program funding, as we roll from year '14
11 to '15, we pick up the next year in the UTP and that's 2024
12 and that represents a slight increase in our overall funding
13 throughout the ten-year program.

14 I mentioned a little bit about the MAP-21
15 extension. As I'm sitting here today, we still do not have
16 action by Congress on a common bill to extend MAP-21. Our
17 federal team has been tracking this very closely. We have
18 two competing bills right now. The House passed about a
19 month ago, an \$11 billion extension to May of 2015. The
20 Senate, a couple of days ago, passed an extension that would
21 only go to December 19th of 2014. There were some
22 differences, some significant differences between the two.
23 The House and Senate must reconcile those differences by
24 close of business today. The House is expected to take up
25 their bill again. It's our understanding that they're going

1 to reject the Senate version of the bill. The Congressional
2 Budget Office came out that there was clerical error or an
3 administrative error in the calculations of the Senate Bill,
4 and so that sort of gave the House a little bit more
5 ammunition, if you will, to stand on their bill and
6 hopefully, by the end of today going into tomorrow with the
7 Senate action, we hope to have a bill passed by Congress.

8 The USDOT has been very clear that starting
9 tomorrow, they will have solvency problems in our highway
10 trust funds and they have advised the states that as a
11 result of that, we should expect to see our reimbursements
12 delayed or decreased by about 28 percent during the month of
13 August if Congress does not act. So we are staying attuned
14 to that, and we will certainly be updating you all and the
15 Commission based on any actions that occur with Congress
16 today and tomorrow.

17 Some of the key changes that I did want to
18 highlight in terms of projects in the 2015 UTP, we will be
19 continuing to fund allocations for many of the priorities
20 that were announced in June by this Commission that were
21 identified in the minute order. There are additional
22 safety, maintenance, and energy sector projects, many of
23 them multimodal projects and the strategic corridor projects
24 that were identified as priorities by this Commission. Over
25 the past month, we have been working very closely with our

1 districts and the transit agencies on the multimodal
2 projects to better define the schedule and the timing and
3 the scope of those projects which is necessary in order to
4 incorporate those in the UTP, and so that is part of the
5 process that is going to be part of the 2015 version.

6 In addition, we wanted to highlight the only
7 additional new funding that's under consideration is up to
8 \$400,000 of federal STP flex funding for a potential
9 partnership with the NET RMA to obtain an abandoned right of
10 way to preserve that south of the Tyler area. What we are
11 proposing is that there would be a six-month funding window
12 for the Union Pacific and the NET RMA to negotiate on the
13 acquisition of that right of way and these funds would be
14 made available for that period of time. The NET RMA would
15 provide the local funding match and the Commission will
16 review and approve the final funding agreement if they are
17 able to successfully come forward with an agreement between
18 Union Pacific and NET RMA.

19 As I mentioned, and we want to continue to
20 emphasize this, the public comment period will continue
21 through August 19th at 4:00 p.m. Citizens have an
22 opportunity to view the draft document or updates to that
23 documents online. There's a nice big long HTML website
24 that's shown up there. The easiest way to do it is just to
25 go to Google and type in "TxDOT UTP" and it will take you

1 straight to the site. You do have a 1-800 number that you
2 can call. It takes you straight to our UTP team, and we
3 will have a public hearing at 12:00 -- at 10:00 a.m. at
4 Riverside and then we plan on coming to the Commission with
5 the proposed final adoption next month at our hearing in
6 Dallas.

7 I wanted to change gears from the UTP itself to
8 touch on three slides that touch about -- that talk on the
9 upcoming Proposition 1 ballot proposition. As you know,
10 Texas voters will vote on the proposed amendment on November
11 4 of 2014. The Proposition will read and it's presented up
12 there, "Constitutional amendment providing for the use and
13 dedication of certain monies transferred to the State
14 Highway Fund to assist in the completion of transportation
15 construction, maintenance and rehabilitation projects, not
16 to include toll roads. If Proposition 1 is passed, the
17 funds, when appropriated --" and this is outlined in House
18 Bill 1 "-- must be used and allocated throughout the state
19 by the Texas Department of Transportation, consistent with
20 existing formulas adopted by the Texas Transportation
21 Commission."

22 And as John introduced, we want to begin the
23 process of developing this in more detail and working with
24 the Commission and stakeholders to come up with a bottom-up
25 approach for how this would be executed and recommend that

1 to the Commission for consideration. First of all, we feel
2 that the funds should be used to address our state's four
3 goals of safety, congestion, connecting communities, and
4 being the best-in-class state agencies.

5 We felt that as a starting point for how to
6 distribute these funds, we have been pretty consistent over
7 the past 18 months, if not longer, in outlining that there's
8 a \$5 billion unmet need for addressing our transportation
9 needs throughout the state and that \$5 billion is
10 represented by \$3 billion in congestion and connectivity; \$1
11 billion for addressing our critical maintenance needs, both
12 highways and bridges; and an additional billion dollars for
13 addressing our energy sector impasse and that's the funding
14 that needed just to maintain our existing conditions as they
15 are today. And so that 3-1-1 distribution that we have been
16 talking about represents really, in our mind, about 60
17 percent, 20 percent, and 20 percent for those two -- three
18 different program category areas.

19 We also feel that it's important, based upon input
20 from the Legislature and others, that we really work hard to
21 target initial projects that can proceed and be put to work
22 in 2015. So moving ahead, we want to work with -- work
23 within this context to develop a distribution approach and
24 evaluate existing formulas for potential distribution. We
25 would look, primarily, to our Category 2 and Category 11

1 formulas to address the congestion and connectivity portion
2 of that. That's that 60-percent portion I mentioned before.

3 Category 1, as you know, is our maintenance
4 formula that is published in the UTP by our Maintenance
5 Division. That, we feel would be a good candidate for the
6 20 percent directed towards maintenance.

7 And then last year, in response to House Bill
8 1025, our -- the Department came to the Commission with a
9 proposed distribution of funds for energy-related needs with
10 the funding out of House Bill 1025, and that itself also
11 included a formula distribution that was more focused on the
12 needs of our energy areas throughout the state and we're
13 initially proposing that as a consideration.

14 What we want to do, as John mentioned, is begin
15 the process of working with our -- a stakeholder group to
16 review this strategy, to get their input on this strategy,
17 and to really engage them further on other and further
18 outreach that we made need to do to ensure that it is a
19 bottom-up approach. We will update the Commission on the
20 progress in those discussions as we come back to you all in
21 August and then our expectation and desires to provide a
22 recommendation to the commission in September for your
23 consideration and approval.

24 With that, that concludes the presentation that I
25 have today. I would be happy to answer any questions.

1 MR. HOUGHTON: Questions?

2 MR. VANDERGRIFF: Yeah, I have a couple.

3 We're assuming kind of at the moment -- this is
4 just a working assumption of 202060. This Commission will
5 have an opportunity, as well as this group and other
6 stakeholders to weigh in on the merits of that?

7 MR. WILLIAMS: Yes, sir.

8 MR. VANDERGRIFF: And so that -- that's not --
9 you're not asking us -- we're not voting on anything today,
10 obviously, and we're not setting anything in stone there.

11 And the second is energy, when you say energy
12 impacts to me, that indicates it's all in the energy sector,
13 energy roads, and yet I'm not sure that's exactly the case.

14 So how are we going to define energy impacts? I'm
15 not saying that you have to do that today, but I'd like -- I
16 think that's -- we need to be really clear because I think
17 there's a missed perception at times -- and the devil is
18 always in the details -- that energy doesn't necessarily
19 mean it's out in the Eagle Ford Shale, for example. There
20 may be other areas that are connected to that, that are
21 being impacted that you're proposing to potentially spend
22 money there.

23 And maintenance, I think we also need to outline
24 exactly what maintenance is because there are things that
25 others might perceive as not maintenance projects, but big

1 projects.

2 And will you also be looking at -- I mean \$1.4
3 billion -- since it's a statewide vote, if that's what we
4 end up with -- since it's a statewide vote, everybody is
5 going to expect some piece of it to go to their particular
6 area because they're voting for something. So this is -- to
7 me, it is going to appear like -- this is not going to be
8 some big, large connectivity project or large projects are
9 going to be addressed, particularly, if they're also
10 supposed to be addressed in fiscal year '15 or '16. We're
11 talking about a lot of small sprinkles across the state is
12 what this appears to be boiling down to.

13 MR. WILLIAMS: Yes, sir. I think that's going to
14 be probably the biggest challenge that we have. You know,
15 \$1.4 billion is a large sum of money, clearly, but when we
16 start talking about our highway system and 254 counties and
17 25 districts and the same number of MPOs, as you begin to
18 distribute that by formula, that \$1.4 billion starts to get
19 distributed pretty fast, and I think it just --

20 MR. HOUGHTON: What's the 635 Project costing?

21 MR. WILLIAMS: The 635 Project costing, the one up
22 at the LBJ Project?

23 MR. HOUGHTON: What's that cost?

24 MR. WILLIAMS: \$2.9 billion total project costs on
25 that.

1 MR. VANDERGRIFF: Well, I mean using the DFW as an
2 example, there's probably 30 projects up there that are on
3 the statewide connectivity list and I'm not sure that any of
4 them could be funded by this project because most of them
5 exceed this number in their totals for an individual
6 project. So that's part of the expectation that has to be
7 out there.

8 And, again, this Commission was charged -- you put
9 it on your slide in Section 316 of 049, the exact section in
10 HB 1, House Bill 1, and that was that this Commission does
11 establish the formulas, so this will come back to us to
12 establish those formulas.

13 MR. WILLIAMS: Yes, sir.

14 MR. VANDERGRIFF: Okay.

15 MR. AUSTIN: Martin [sic], just a couple of
16 questions, and I want to follow-up on Commissioner
17 Vandergriff's comments, I think as we look back at the
18 magnitude of one project that this is not going to solve our
19 issue of funding. This is merely maybe 20 percent.

20 And as you go back to the distribution that we're
21 looking at, you know, the 60-20-20, you know, the energy
22 impact is something that we're blessed to have that revenue,
23 because this is also going to help fix -- hopefully fix part
24 of our funding issues, but this may not last forever, and I
25 think in the next few years as we look at our LAR requests,

1 as we begin looking at this right now, funds to address the
2 energy impact, we need to take care of what's taking care of
3 us, and this is something that's there.

4 Back to Commissioner Vandergriff's -- you know,
5 you made a comment, I think, right before you came on the
6 Commission -- Commissioner Underwood led an effort with the
7 energy task force and there were detailed -- there were very
8 detailed lists of roadways and projects, whether it was
9 shoulders or expansion, that really went statewide, you
10 know, a lot up in the Barnett Shale, the Hazel Shale, South
11 Texas. I mean we can go on and on, but there was a very
12 detailed list --

13 MR. VANDERGRIFF: Wind energy.

14 MR. AUSTIN: Yeah, the wind energy.

15 So I hope that some of that is going to be
16 incorporated and brought back out, not scrapping the work
17 that was already done. As we look at the process, kind of
18 going back to your first slide -- and Victor, you kind of
19 hit on this also -- well, there's a list of 30 projects in
20 the DFW area. This shows me -- and you validated it -- that
21 listening to the communities has already been taking place
22 because a lot of these projects are already identified.
23 They may change and shift because of new industry, new
24 population growths and trends, and I hope that we can pull a
25 lot of the stuff that has been done and continue to listen

1 that we are.

2 One concern I do have and it's more of a question
3 is, as you begin looking at category -- you put in your last
4 slide, 2 and 11, really go to the urban and metro. Let's
5 don't forget connectivity, whether it's a trunk system on
6 the Interstate, because I know when we did the Rural
7 Transportation Program, we had that update a year ago, you
8 had things in there like Interstate 20, Interstate 30, a lot
9 of the U.S. trunk system. These are routes that when they
10 leave the Metroplex or the Houston-Austin area, it's a
11 source and destination of traffic, we use it for connecting
12 points, as well. Other than that, I think you did a very
13 good job of bringing this forward.

14 MR. MOSELEY: Chairman, I'm just curious if Marc
15 could describe where did the UTP or what are the genesis of
16 this plan? When did it start?

17 MR. WILLIAMS: The UTP itself, it's been around
18 for about ten years. It was not as always as public a
19 document as it is today. It has been a document that has
20 evolved over time with guidance and input from this
21 Commission, as well as guidance from the Legislature. The
22 UTP was not updated as frequently as we do now in the past,
23 and so it's become a much more dynamic document and I think
24 a lot of that is really driven by a lot of the uncertainty
25 that we have right now with funding. You know, we don't

1 know when MAP-21 is going to be extended, what Congress --
2 Congressional action is going to be.

3 MR. HOUGHTON: I was on the Commission when we
4 rolled out the first UTP. It was a funding guideline more
5 than anything else and the uncertainty in funding.

6 MR. WILLIAMS: Yes, sir. So it has been a
7 document that has evolved over the past ten years and it's
8 been an effort of the Department to make it a more
9 transparent document really in response to input from the
10 public and the Legislature and others and we're continuing
11 to work in that direction.

12 MR. MOSELEY: So it's about ten years old, but
13 it's also a document that looks ten years into the future.

14 MR. WILLIAMS: Yes, sir.

15 MR. MOSELEY: And that's part of the fun, I guess,
16 of putting a document like this together and it gets back to
17 our original discussion about understanding where the
18 state's headed over the next decades.

19 MR. WILLIAMS: Yes, sir.

20 MR. MOSELEY: And then as you pointed out to the
21 federal money, you really don't include it in this document
22 because it's just not a certain funding source; is that
23 correct?

24 MR. WILLIAMS: Yes, sir. The additional money
25 that would come from the funding extension, the funds that

1 need to come in above the highway trust fund levels and that
2 we really need congressional action to allow it to occur,
3 are not current included in this level. So depending on
4 what Congress may do, that could, either through December of
5 this year or going into May of next year, because those are
6 the two competing options that they have, could afford us
7 somewhere between \$200 million and \$400 million of
8 additional funds that would be distributed in through the
9 UTP and then we will be kind of still having that
10 uncertainty as we look forward because we don't have an
11 extension beyond there.

12 MR. MOSELEY: So, perhaps, I would explain from
13 time to time, this document would be more conservative and
14 then there would be a new tranche of funds that would be
15 approved --

16 MR. WILLIAMS: Yes, sir.

17 MR. MOSELEY: -- that would come to this agency,
18 and then all of sudden people would say, well, I thought you
19 said you only had this amount of money, but now you're
20 saying that you have this much more money and it's because
21 we're not able to plan for federal funding.

22 Is that --

23 MR. WILLIAMS: Yes, sir.

24 MR. HOUGHTON: And other situations that may
25 arise, and one of those situations we'll talk about here,

1 Bryan is the Border Highway Project in El Paso, where, in
2 the UTP you had a reserve of \$800 million, when, in fact,
3 that project came in --

4 MR. WILLIAMS: About \$600 million; is that right?

5 MR. HOUGHTON: -- \$600 million, yes.

6 So there's \$200 million now that you have that's
7 been freed up to then allocate to other projects. So it
8 does continue to evolve. It's not something that I would be
9 a Bible. It's -- unfortunately, it's not, because of the
10 uncertainty and the cost underruns -- when we have cost
11 underruns, those underruns, money comes back in, changes,
12 then, the dynamics of the funding cycle.

13 MR. MOSELEY: So the, I guess the beautiful part
14 of what we're doing, we're looking -- we're kind of like the
15 Apostle Paul looking through a glass darkly. I mean we're
16 getting a sense of what the future looks like and this leads
17 to our LAR process which is the two-year, so we identified
18 from the public input from all of the different tools that
19 we use to gather our priorities, we start looking ten years
20 out, and then as we come closer in, then we come into our
21 LAR which actually talks about how we fund those priorities
22 as they tend to focus, is that it, sir?

23 MR. VANDERGRIFF: Well, making sure I interject
24 something though because the LAR is a two-year process, but
25 the UTP, we're taking money from ten years out and we're

1 programming -- so like when we awarded the money last month,
2 I think a timeline would show that a significant portion of
3 that is actually beyond a two-year LAR period, and then we
4 obviously have to get the appropriation from the Legislature
5 when it comes to it at that point in time, but there's also
6 that other misnomer of we're out there saying we're going to
7 give out \$2.2 billion, but it's not today that it's coming
8 out.

9 MR. HOUGHTON: In some cases, over a ten-year
10 period of time.

11 MR. MOSELEY: I think that's a great point to
12 make, is that this is a planning document --

13 MR. WILLIAMS: Yes, sir.

14 MR. MOSELEY: -- and it's a useful tool. We must
15 have it to start shaping the priorities from mobility and
16 it's going to change. It's a work in process.

17 MR. HOUGHTON: It is an absolute work in progress.

18 MR. MOSELEY: Thank you.

19 MR. VANDERGRIFF: But yet we need to, a point that
20 we made before and I continue says this, is that because we
21 always, quote, have this found money, it's not found money;
22 it comes in either from -- we didn't say this, but bond
23 refinancings or the things we did say -- that it still needs
24 to be some sort of asterisk item somewhere, in my belief, in
25 this document so that people understand that the historical

1 averages that have come in is X amount of dollars with a
2 high and a low, so that I think we do not get accused of
3 finding money periodically, as we do, or manufacturing
4 money.

5 MR. HOUGHTON: Well, I don't think that I takes a
6 finance degree to understand that. I think if you sit on
7 this long enough and you delve into it, you understand that
8 we see it every month and the documents that we'll see again
9 here today in the awards of contracts, it will be over or
10 under. That is another source of that revenue. Most of you
11 got visited yesterday by Bank of America that did our refi
12 of our mobility money, Texas Mobility Fund, and had in
13 excess of a hundred million dollars of present value
14 savings. That's another -- and these things keep, keep,
15 keep evolving, and to say, you know, we're finding money,
16 that's somebody else's description and not ours. It's an
17 on-going business and it evolves and it moves and it
18 breathes, and it's not fixed, and that is the -- I won't say
19 it's a dilemma; that's a beautiful thing when we have
20 additional revenues to allocate to other projects that are
21 not in the chute ready to go, we add new projects in that
22 chute because of these circumstances.

23 So I applaud you, Marc, for the document that you
24 put together, that additional step to explain what the UTP
25 is, and I think the staff has done a heck of a job over --

1 when we started this, and I think Fred, you had just come on
2 the Commission when we started this -- to tell our
3 stakeholders, here what is what we got, and if you look out,
4 this is what we think we can build over that time knowing
5 the dynamics today.

6 Now, tomorrow, they may change and that happens.

7 MR. WILLIAMS: Yes, sir.

8 MR. HOUGHTON: And that happens, I mean they just
9 every day changes in this business and that's -- that's
10 something that we deal with that we have to explain to our
11 stakeholders that it's not new-found money or, you know,
12 fell out of the sky. We have a finite amount of resources
13 and those resources whether it's -- again, I'm repeating
14 myself -- through bond savings, or underruns or whatever
15 they may be, we get to add new projects as we go through the
16 process.

17 So, again, I want to -- Marc, you've done an
18 excellent job of taking this on since you've come into this
19 agency and added a new dynamic to it and I applaud that.
20 And it's something that this UTP was not thrust upon us. It
21 was not required of us, but we had to get our hands around
22 trying to tell people out here we think we'll have this
23 amount of money and we think these are the projects that you
24 can do.

25 And I think it's that, as you would say

1 Commissioner Mosley, looking through the -- in the crystal
2 ball, you polish up a little bit and say we think we can do
3 this based upon the revenues, but I do want to applaud
4 staff. Outstanding work. Outstanding work.

5 MR. WILLIAMS: It's a team effort.

6 MR. HOUGHTON: Thank you very much.

7 MR. AUSTIN: Chairman, before we leave that, you
8 hit on something beginning -- looking ahead and having
9 projects ready to go. A year ago when we did have some -- I
10 will call it found money, but it was really through savings,
11 efficiency, underruns. I know Ben Asher, James Bass, did an
12 outstanding job in helping refinance some of our -- better
13 manage our debt. That brought some one-time savings that we
14 might not see again because it's a function of interest
15 rates. But what happened, when we went back out, I remember
16 hearing this, I was visiting with two MPOs, you have
17 projects ready to go, there were a lot of projects that were
18 not ready from an engineering perspective and planning to be
19 ready to go.

20 So I think that's something with a document like
21 this that we can allow -- I wish we had more consistent
22 funding -- where the MPOs, the planning agencies around the
23 state are ready to go and have these projects identified,
24 they're engineered, their right of ways are identified, and
25 they're ready to roll when we have funding because we need

1 to address the congestion in the state and that's --

2 MR. WILLIAMS: Yeah, that's a big focus of what
3 we're trying to accomplish with the supplemental program
4 authorities. What are those additional project priorities
5 that we really need to be concentrating our efforts on and
6 we're working to engage our districts and MPOs on that, and
7 the 2015 UTP actually has a link to candidate projects that
8 are part of that authority, so, again, trying to be more
9 transparent in letting people know these are kind of some of
10 the priorities that we are working on and trying to be
11 process-driven in how we evaluate and select and score those
12 projects that are candidates for future consideration.

13 MR. AUSTIN: One thing I do want us to maintain a
14 focus on is the discretionary aspect because we may have a -
15 - I'm going to use something in East Texas -- a large
16 facility came in, we needed to have some funds available for
17 turn lanes, and as we talk about the economic impact of new
18 businesses coming in and generating new jobs, we need to
19 maintain a little discretionary so we can fix and address
20 those businesses coming in and to retain the ones that we
21 have. I think that's extremely important. Also, I
22 mentioned the freight aspects of finding alternate and
23 alternative ways of moving goods and services, back from the
24 conversation that we talked about earlier.

25 MR. VANDERGRIFF: Chairman, one last thing I want

1 to echo, and I appreciate your sentiments because I totally
2 agree with them and I think it's not so much that we are
3 playing to you or me or this Commission or people in this
4 audience because they understand the UTP as best as it can
5 be understood and what it is. I hope we can get the very
6 detailed, but yet simplistic approach that you outlined
7 about what the UTP is really understood by folks out there
8 in the Legislature and in the public and I think that will
9 go a long way.

10 And that's one reason why I know the money is not
11 found, it comes up through a normal process and just needs
12 to be explained a little bit better because we also say
13 we're out of money, and technically we are in the sense of
14 all the way that we have programmed the funds, but because
15 it's a fluid document, they don't quite get that. And the
16 last thing I would say is -- and I said this last summer --
17 that it's hard to believe that I would applaud the effort of
18 something that went from a 500-page document to a 1200-page
19 document and became better and more transparent, but I did
20 say that, and I believe that.

21 And then since that point in time, I think Marc
22 and his team, specifically, and others that have been
23 engaged on it have built a process that I think is just
24 potentially terrific in its future application of really
25 grading, scoring, and understanding projects and what they

1 deliver in terms of connectivity and safety, and I love the
2 best in class thing, but really that's the little harder one
3 to judge. But economic development impact, for example, is
4 very important, and we think we can do that, and I think
5 this Commission's role is not really to pick winners and
6 losers in projects; our role is to ensure that staff has the
7 right processes in place that the projects, as they bubble
8 up ready to go get picked based upon their merit and what
9 they deliver for the state, and I think this tool is an
10 exceptional item that can get us to that level and gets us
11 out of the politics into the process of managing the
12 governance of the agency, not the specifics of projects. So
13 I appreciate that.

14 MR. UNDERWOOD: Marc, thank you for your
15 professionalism. Be sure and share that with staff.

16 MR. WILLIAMS: I will.

17 MR. UNDERWOOD: Thank you.

18 MR. WILLIAMS: We have a great staff. They work
19 very hard, both in TPP and finance and our districts, as
20 well, and so this is testament to their hard work. Good
21 job, Marc. Thank you.

22 MR. AUSTIN: Thank you, Marc.

23 Onward, General.

24 MR. WEBER: Moving along, awarding federal, state
25 grant funding for airport improvement projects to be

1 presented by one of the finest naval aviators our country
2 has produced and we continue to remain privileged to have
3 Captain Dave Fulton, U.S. Navy, retired, to present.

4 MR. FULTON: General Weber, thank you. I don't
5 know how to follow that.

6 Commissioners, for the record, my name is Dave
7 Fulton, director of TxDOT Aviation. This minute order
8 contains a request for grant funding approval for four
9 airport improvement projects. The total estimated costs of
10 all requests, as shown in Exhibit A is approximately \$3.9
11 million; approximately two million in federal funds, a
12 million and a half in state funds, and \$400,000 in local
13 funding. A public hearing was held on June 20th. No
14 comments were received.

15 We would recommend approval of this minute order.

16 MR. HOUGHTON: Questions of Dave?

17 MR. WEBER: I'll second Mr. Underwood's motion to
18 approve, Chairman.

19 MR. HOUGHTON: All right. All in favor?

20 (Chorus of "Ayes")

21 MR. HOUGHTON: Thank you.

22 MR. WEBER: Agendas 6A through 6F are the public
23 transportation items. The director of Public Transportation
24 Division, Eric Gleason, will present these items
25 sequentially, and then request Commission approval.

1 Eric, thank you.

2 MR. GLEASON: Thank you. For the record, my name
3 is Eric Gleason, TxDOT director of Public Transportation.
4 Agenda Items 6A through 6F recommend approval of federal and
5 state grant program funds and transportation development
6 credits for a variety of public transportation purposes.
7 Agenda Item 6A awards approximately \$400,000 in state and
8 federal funds to support ongoing efforts to plan and
9 coordinate regional public transportation services for
10 clients of health and human services programs, including
11 workforce and veterans services.

12 Following a call for project proposals, 17 of the
13 24 established planning regions in Texas are recommended to
14 receive an award in the minute order. Item 6B awards
15 \$19,000 in federal Rural Transportation Assistance Program
16 funds to the Capital Area Rural Transportation System, also
17 known as CARTS, for updating their operations and vehicle
18 maintenance staff training and training materials.

19 Item 6C rescinds a previous minute order passed by
20 the Commission in May due to inaccuracies in award amounts.
21 Item 6D corrects those inaccuracies, re-awards
22 transportation development credits to those same agencies
23 listed in the original minute order and adds three agencies,
24 Colorado Valley Transit, Fort Bend County, and the City of
25 Odessa receiving transportation development credits for a

1 variety of capital program purposes consistent with previous
2 commission actions.

3 Item 6E recommends award of approximately \$380,000
4 of Federal Transit Administration Section 5316, Job Access
5 and Reverse Commute funds, and approximately 44,000
6 transportation development credits to the Central Texas
7 Rural Transit District to support a mobility and congestion
8 relief project and partnership with Tarleton State
9 University in Stephenville, Texas. A rapidly growing campus
10 of 12,000 students with significant amounts of off-campus
11 housing, the University is providing the entire local match
12 amount, approximately \$105,000 for the first year of
13 service. Recommended amount -- recommended award amounts
14 will go towards purchasing fleet and the provision of
15 service.

16 And, finally, Item 6F transfers remaining grant
17 balances previously awarded to Jim Wells County to the Rural
18 Economic Assistance League, otherwise known as REAL, at the
19 request of Jim Wells County and with the agreement of REAL,
20 the Rural Transit District serving seven counties in South
21 Texas, including Jim Wells.

22 Staff recommends your approval of these minute
23 orders.

24 MR. MOSELEY: Chairman, do you need one motion for
25 all of Mr. Gleason's recommendations or --

1 MR. HOUGHTON: No. One motion for all.

2 MR. MOSELEY: So moved, Chairman.

3 UNIDENTIFIED MALE SPEAKER: Second.

4 MR. HOUGHTON: All in favor?

5 (Chorus of "Ayes")

6 MR. HOUGHTON: I haven't heard general counsel
7 jumping on me so I guess it's okay.

8 UNIDENTIFIED MALE SPEAKER: Good job.

9 MR. HOUGHTON: Onward.

10 MR. WEBER: Item 7A-1 is the proposed adoption of
11 amendments to Chapter 26. This item will be presented by
12 our Director of Planning, Marc Williams.

13 MR. WILLIAMS: Good morning, again, Commissioners,
14 General Weber.

15 Item 7 is a promulgation of administrative rules
16 for proposed changes to Chapter 26, dealing with regional
17 mobility authorities here in Texas. This is a draft set of
18 rules that were prepared in response to Senate Bill 1489
19 from the 83rd legislative regular session that expanded the
20 definition of a transportation project of regional mobility
21 authority and authorized RMAs to work with other regions of
22 the state to acquire, plan, design, construct, maintain,
23 repair, operate transportation projects.

24 Essentially, what this rule does is it sets forth
25 procedures for the -- in response to Senate Bill 1489, that

1 bill required that for those actions to occur, the RMAs had
2 to come to the Texas Department of Transportation Commission
3 and outline their proposed agreement with these other
4 entities and it requires that the Texas Department of
5 Transportation review those proposals and approve those
6 proposals before that can proceed. And so this set of
7 rules, draft rules, will be posted and issued in the --
8 published in the Texas Register. Written comments will be
9 received and accepted until 5:00 p.m. on September 15th,
10 2014, and a public hearing on this will be held at 9:00 a.m.
11 on August 26th, 2014.

12 So, staff recommends approval of this minute
13 order.

14 MR. HOUGHTON: Questions? Motion?

15 UNIDENTIFIED MALE SPEAKER: So moved.

16 MR. HOUGHTON: All in favor?

17 (Chorus of "Ayes")

18 MR. WEBER: Thanks, Marc.

19 Item 8 is the Legislative Appropriations Request.
20 This item will be presented by our Director of Finance,
21 Brian Ragland.

22 Brian?

23 MR. RAGLAND: Thank you.

24 For the record, my name is Brian Ragland, I'm the
25 director of the Finance Division. I am here today to

1 deliver to the Commission a draft of the 2016/2017
2 Legislative Appropriations Request, or LAR, in compliance
3 with the statutory requirement that says we get to a draft a
4 month ahead of the final submission that's due to the LBB
5 and the governor's office in late August. There is no vote
6 today on this item. At your August meeting we will ask that
7 you approve the final LAR final prior to submission.

8 MR. HOUGHTON: So, in other words, we should do
9 our homework before that vote, right?

10 MR. RAGLAND: Lots of homework and we welcome our
11 input.

12 MR. HOUGHTON: All right.

13 MR. RAGLAND: The draft of the LAR should be
14 contained in your -- in your -- in your electronic books
15 there. I have a brief four-page slideshow here that
16 summarizes the LAR. The draft takes these summarized
17 amounts and slices and dices them into various strategies,
18 various line items, various methods of finance and et
19 cetera. There's also contained in there an executive
20 summary which is officially termed an administrator
21 statement.

22 The first slide here summarizes the goals that are
23 contained in the appropriations act. These are broad
24 categories of activities the Department performs. This is
25 all funds that we expect to be available to us in that two-

1 year period; therefore, it's termed a "baseline request."
2 All funds means not only state sources that come into the
3 State Highway Fund, but also federal funds, bond proceeds,
4 funds that are in the 121 RTR subaccount, et cetera. And
5 so, you can see the total request is about \$20.7 billion.

6 The second slide is a laundry list --

7 MR. VANDERGRIFF: Can I ask a question?

8 MR. RAGLAND: Sure.

9 MR. VANDERGRIFF: Because, you know, this doesn't
10 -- it's hard for me -- I'm a spreadsheet type of guy where I
11 look at a bunch of years, and so I went back and looked
12 online at some things and, you know, we had a pretty
13 significant jump a couple of years ago when we went in for
14 an LAR request and this is kind of consistent with that
15 particular jump. But we did have some categories that
16 changed a little bit and I just wanted to ask you a question
17 about it.

18 And, really, two -- one, is -- this is a very
19 small category -- it didn't change at all, actually -- the
20 enhanced rail transportation support, I know we talk about
21 multimodal loss, but this is a pretty small number here.
22 And I'm not asking you, because you're just putting numbers
23 down, but I am really more directing that to the general as
24 I am assuming that we are going to have some conversation
25 about how the desire for multimodal actually fits in our LAR

1 request.

2 MR. RAGLAND: One comment I would make is, as you
3 know, rail is not a legitimate use of funds.

4 MR. VANDERGRIFF: No, I understand that. You'd
5 have to have legislative approval to change the -- I get
6 that.

7 MR. RAGLAND: And so we will be --

8 MR. HOUGHTON: No, no, wait a minute. Guys, Fund
9 6 is constitutionally dedicated.

10 MR. RAGLAND: Correct.

11 MR. VANDERGRIFF: Right.

12 MR. HOUGHTON: It's not legislative, so it would
13 be constitutional approval to do so. That is probably the
14 biggest restriction that we have on rail.

15 MR. RAGLAND: There are small amounts of
16 nondedicated funds in Fund 6, but nowhere close to the needs
17 of those particular non-highway activities.

18 MR. HOUGHTON: We battle that year after year
19 after year after year where we have members of the
20 Legislature that have an interest in rail, as well as some
21 commissioners have an interest in rail, and we are capped
22 and restricted by the use of those funds which handcuffs us
23 in things that we can do.

24 MR. VANDERGRIFF: The second question I have is I
25 know we've got a -- we've privatized the technology and

1 we're doing all that, and I think the expenditures in the
2 indirect administration are what we want to do with
3 technology, but I'm not sure. So -- but that individual
4 item, have we increased the budget there?

5 MR. RAGLAND: Yes, contained in the indirect
6 administration line item are additional dollars dedicated
7 towards --

8 MR. VANDERGRIFF: Okay.

9 MR. RAGLAND: I term -- I may be wrong, because
10 I'm not involved -- but I would term it "catching up" in the
11 IT arena.

12 MR. VANDERGRIFF: So at some point during the
13 process, between now and the end of the month, we will get a
14 chance to understand that more fully?

15 MR. RAGLAND: Sure.

16 MR. VANDERGRIFF: Okay.

17 MR. RAGLAND: And we have all sorts of detail on
18 those kinds of activities.

19 MR. VANDERGRIFF: Okay. Thank you.

20 MR. RAGLAND: The second slide, as I mentioned, is
21 a laundry list of proposed exceptional items. I will not
22 read this to you, but I will highlight a few. The first
23 three items total the \$5 billion need that we talk about.
24 The fourth item is the request if State Highway Fund dollars
25 that are appropriated elsewhere to other agencies. Down

1 towards the bottom is the Proposition 1 funding, \$1.4
2 billion per year. That essentially is a placeholder because
3 of the instructions for preparing an LAR. The same with the
4 item after that, the MAP-21, that's if the federal
5 government were to come through with additional funding,
6 then we have that placeholder there for those funds.

7 Per the conversation this morning, the fifth line
8 item is \$25 million per year to explore those emerging
9 technologies in the transportation arena, and then also per
10 a conversation this morning, are dollars to get the trucks
11 back over to State Highway 130 and there's a recognition
12 that we need more dollars for rail, ports, and waterways
13 which goes back to the fact that we cannot spend dedicated
14 State Highway Fund on those activities.

15 This third slide summarizes a few big changes in
16 riders that we're requesting. In our capital budget rider,
17 we are requesting that we be able to make a business
18 decision as to whether we buy or lease equipment. Currently
19 we have to go and ask for the LBB's approval to lease
20 equipment. We are asking for additional flexibility with
21 regard to our ability to transfer money between strategies,
22 which is granted to almost all other agencies, and then
23 we're also asking for the ability to have, in effect, an
24 automatic appropriation of any funds that are realized from
25 selling real property.

1 MR. AUSTIN: Does that include part of the fleet
2 forward, those assets, or is this just real estate?

3 MR. RAGLAND: The third line item is just real
4 estate.

5 MR. AUSTIN: Just real estate, okay.

6 MR. RAGLAND: But it's contained in the same rider
7 that deals with all surplus property.

8 And then the last slide is just a mention that we
9 are going to be requesting 11,900 FTEs to operate the
10 Department.

11 That's all I have. I'd be happy to answer any
12 questions.

13 MR. HOUGHTON: We have somebody who would like to
14 speak, let me do that first.

15 Don Dixon?

16 MR. DIXON: Thank you, Commissioners, and General
17 Weber. My name is Don Dixon. I want to say first off, I
18 certainly do support the passage of Prop 1. This agency
19 hadn't been treated properly by a long time by the people of
20 Texas in funding this agency properly. The way we have been
21 doing it since 2000 is basically with debt and with tolls,
22 and I don't think that's the best way to go for the state of
23 Texas.

24 I want to show you a graph that Texas
25 Transportation Alliance put together showing us what

1 happened with our debt for transportation for our roads in
2 Texas. In 2000, it was almost zero, but the last figure
3 they show is 2013, \$33 billion of debt. I don't think debt
4 is the way to fund our roads in Texas and I don't think that
5 tolls is the way to fund it in Texas. I think this agency
6 needs the five billion, personally, that you have in your
7 supplemental, but, personally, I will not support that as
8 long as we're are going to put money into this agency and it
9 goes to putting tolls on our Texas roads. They're too
10 expensive. They're too restrictive. This is just not the
11 Texas way. We need to do better. We've got to work with
12 the leadership and the Legislature to get this problem
13 solved.

14 We've been working on this too long, all of us
15 have, so we've got to solve this problem. But it's going to
16 take the help of all of us, the elected leadership, the
17 people -- and there's enough blame to go around in the
18 failures, I'll assure you of that. The public went to sleep
19 at the wheel. Some of the decisions the leadership made
20 were wrong. Some of the allocations made by the Legislature
21 were wrong. So these all need to be corrected, but we're
22 going to have to work together in order to get these
23 problems solved.

24 I can't comment on the details too much because
25 it's just been presented today, but I wanted to give you

1 this overview, Commissioners. We have problems in this area
2 and they need to be solved and we all need to work together
3 to fix them.

4 MR. HOUGHTON: Thank you, Commissioner Dixon.

5 Okay. Ask the question. Come back up, Brian, I
6 think you had a couple of questions from a couple of the
7 commissioners.

8 MR. AUSTIN: Now, Brian, one thing. I know we had
9 a chance to visit and go over this yesterday. I did want to
10 continue my discussion to help lead efforts to digitize a
11 lot of our items, because as we begin to looking at
12 potential relocation when leases expire, consolidation.
13 Again, I use my example in the banking industry. We don't
14 need our big buildings like we used to because we used to
15 process checks and we had big filing cabinets. Now we can
16 do it through digitization once -- and allow more access,
17 have safer, and protection, in the event of a fire or
18 anything else.

19 But I would like to continue our efforts to
20 digitize our critical records, but I also want to highlight
21 -- I know that you have been doing something in the Finance
22 Division. Maybe if you could share what you've done as a
23 best practice that we can go back out and begin to help
24 share that as well.

25 MR. RAGLAND: Well, for as long as --

1 MR. AUSTIN: And this isn't going to happen
2 overnight.

3 MR. RAGLAND: Yeah, for as long as I can remember,
4 everything we basically do is digitized and a lot of that
5 never even is in paper form. We get bills in from vendors
6 in electronic files and PDFs and we automatically convert
7 those into a piece of software that indexes them, slaps a
8 bar code on them, indexes them, makes them searchable by
9 those who have the access to those files.

10 So it's probably a pretty small effort, compared
11 to what we're talking about agency-wide, but I think we can
12 leverage that same technology, that same equipment, and that
13 software and maybe scale it a little bit or a lot a bit and
14 address your concerns.

15 MR. AUSTIN: And with this, do we have the staff
16 to do this or would this be an effort -- you know, I'm
17 looking at right of way, you know, those are our real
18 assets, our maps, our deeds, our planning documents, our
19 contracts -- do we have the staff or is this something that
20 we're going to have to outsource over a period of years and
21 how would that impact this LAR?

22 MR. RAGLAND: I think you would put together some
23 sort of a plan, but it would almost have to include doing
24 some staff augmentation for the actual work of -- because
25 those are in paper form, it's my understanding, so you would

1 have to have somebody actually feed -- and there are
2 companies that do that, too, it's their entire business --
3 but we understand -- we understand the initiative and I
4 think that everyone agrees that it's something we need to do
5 and we'll figure out a way to get it done. It's not
6 technically an LAR item. We need to make that a priority
7 internally. Thank you.

8 MR. MOSELEY: Brian, is this the largest LAR the
9 agency has submitted?

10 MR. RAGLAND: I believe it is. I haven't done an
11 in-depth analysis, but I believe so.

12 MR. MOSELEY: I guess also, though --

13 MR. RAGLAND: Including the exceptional items.

14 MR. MOSELEY: Including the exceptional items.

15 The agency, having gone through sunset, do you
16 believe the LAR embraces the spirit of sunset given to us?

17 MR. RAGLAND: I do and I can't speak to direct
18 alignment between line items in the LAR and sunset
19 requirements, but the fact that -- and I obtained a good
20 summary of all the sunset requirements -- and the fact that
21 we're doing all of those things and we have completed all of
22 those things means that they are baked into the LAR.

23 MR. MOSELEY: We -- I believe I heard one fact
24 about TxDOT that we have about a million acres of right of
25 way -- it's a large number if that's not quite right, but I

1 think that's what I heard -- and along with that right of
2 way we have acquired mineral rights. Are we able to accrue
3 any revenues from mineral rights off right of way that we
4 are in control of?

5 MR. RAGLAND: It's my understanding that we do
6 receive limited amounts from some very old -- again, not
7 necessarily my area -- but some very old right of way
8 acquisitions. There's a statute that prohibits us acquiring
9 mineral rights through the condemnation process so we no
10 longer acquire mineral rights, but there are some old ones
11 out there and the General Land Office handles those for us.

12 MR. MOSELEY: Okay.

13 MR. UNDERWOOD: Does that include water?

14 MR. RAGLAND: I'm not sure if it includes water.
15 I did see a line item for wind, a very, very small amount, a
16 few thousand dollars for wind energy, interestingly enough.

17 MR. MOSELEY: Well, in the spirit of Mr. Dixon's
18 point, I think we should, you know, if there are revenues
19 that can be accrued from the right of way that we control,
20 it would be good to at least go back and take a look and see
21 if there's some new revenue streams.

22 MR. RAGLAND: Yeah, and I'll mention that our Real
23 Estate Division is working with the GLO to dig in to exactly
24 what's happening with those things.

25 MR. MOSELEY: We're doing it -- okay.

1 MR. HOUGHTON: Any other questions of Brian?

2 MR. MOSELEY: Thank you very much.

3 MR. HOUGHTON: This is not an action item, so
4 onward.

5 MR. RAGLAND: Thank you.

6 MR. HOUGHTON: Thank you.

7 MR. WEBER: Item 9 will be presented by Suzanne
8 Latimer, our director of the Office of Compliance, Ethics
9 and Investigations. She'll make the Department's monthly
10 compliance, ethics and investigations report.

11 Suzanne?

12 MR. LATIMER: I can officially say good afternoon,
13 now. Good afternoon. For the record, I am Suzanne Latimer,
14 director of the Office of Compliance, Ethics and
15 Investigations for TxDOT. The purpose of this report is to
16 provide a summary of information related to allegations and
17 investigations for the month of June, 2014, in accordance
18 with Transportation Code 201.452 and 201.454.

19 There were 20 allegations received and 29
20 allegations were closed during June. Seven of those were
21 substantiated and no further action is needed. Thank you.

22 MR. HOUGHTON: Thank you, Suzanne.

23 Item 10, a total equity loan conversion request
24 from NET RMA will be presented by our Innovative Finance and
25 Debt Management Officer, Ben Asher.

1 MR. ASHER: Thanks, General, Chairman,
2 Commissioners.

3 For the record, I'm Ben Asher, I'm the innovative
4 financing/debt management officer here at TxDOT. This item
5 is to consider final approval to convert a \$55 million toll
6 equity loan to the Northeast Texas Regional Mobility
7 Authority to a grant for project costs primarily related to
8 segment 3B of Loop 49. As you may recall, preliminary
9 approval was given at last month's Commission meeting.

10 Staff recommends approval and I'd be happy to
11 answer any questions.

12 MR. AUSTIN: Mr. Chairman, for the record, I need
13 to abstain from this because I was involved with this was
14 originally negotiated.

15 MR. VANDERGRIFF: Can I ask a couple of questions
16 -- it's not really on this one -- but did we, last month,
17 have a NET RMA request and how much was that and what was
18 the difference between those and this?

19 MR. ASHER: No, this is --

20 MR. VANDERGRIFF: Oh, this is the one from last
21 month?

22 MR. ASHER: There was, sir. There was a small
23 grant for \$3 million dollars for --

24 MR. VANDERGRIFF: Equipment?

25 MR. ASHER: -- toll equipment.

1 MR. VANDERGRIFF: Okay.

2 MR. AUSTIN: This was done -- it's a two-reading
3 process.

4 MR. VANDERGRIFF: Okay.

5 MR. ASHER: This is a -- this is required because
6 of the size of it; it's a two-step process, as Commissioner
7 Austin said.

8 MR. VANDERGRIFF: Okay. And how many grants -- do
9 you have any idea what we have out?

10 MR. ASHER: I --

11 MR. VANDERGRIFF: How many loans to do we have
12 outstanding to toll authorities, not specifically to one,
13 just any of them?

14 MR. ASHER: I can get you that information. I
15 mean between grants and loans and including the SIB, it's a
16 fairly large number, but I can get you the specific number
17 for RMA, specifically.

18 MR. VANDERGRIFF: And have we -- loans in the
19 past, have we turned loans into grants in the past?

20 MR. ASHER: I don't know the answer to that
21 question. It may have preceded my approval. I can also
22 find that out, Commissioner.

23 MR. VANDERGRIFF: All right. Thank you.

24 MR. ASHER: Thank you, sir.

25 UNIDENTIFIED MALE SPEAKER: I approve it,

1 Chairman.

2 UNIDENTIFIED MALE SPEAKER: Second.

3 MR. HOUGHTON: All in favor?

4 (Chorus of "Ayes")

5 MR. HOUGHTON: For the record, Commissioner Austin
6 abstains from the vote.

7 Let's move on.

8 MR. WEBER: Next is Item 11. Ben, you continue
9 with a SIB application from the West Delta Water Supply
10 Corporation.

11 MR. ASHER: Sure. Thank you, General.

12 This item is to consider final approval of an
13 application from the West Delta Water Supply Corporation for
14 up to \$1.2 million SIB loan to provide waterline relocation
15 necessary for the widening of SH 24 in Delta County.

16 Staff recommends approval and I'd be happy to
17 answer any questions.

18 MR. HOUGHTON: Motion?

19 UNIDENTIFIED MALE SPEAKER: So moved.

20 UNIDENTIFIED MALE SPEAKER: Second.

21 MR. HOUGHTON: All in favor?

22 (Chorus of "Ayes")

23 MR. HOUGHTON: Onward.

24 MR. ASHER: Okay. Thanks.

25 Item 12, this item would approve or adopt --

1 MR. WEBER: I forgot to read it.

2 MR. ASHER: Sorry. Go ahead, General. My fault.

3 MR. HOUGHTON: I'm sorry, General.

4 MR. WEBER: Requests from the Camino Real Regional
5 Mobility Authority for a reduction in grant funding.

6 MR. ASHER: Okay. Let's start again.

7 Thanks, General.

8 This item would approve a reduction in the amount
9 of grant to the Camino Real Regional Mobility Authority for
10 the Border Highway West Extension Project. As a result of a
11 reduction in the project costs that were referenced earlier
12 today. The proceeds of the grant will be from the Texas
13 Mobility Fund.

14 The Commission already approved the original grant
15 at its January Commission meeting and staff recommends
16 approval. I would be happy to answer any questions.

17 MR. HOUGHTON: Questions? Motions?

18 UNIDENTIFIED MALE SPEAKER: So moved.

19 UNIDENTIFIED MALE SPEAKER: Second.

20 MR. HOUGHTON: All in favor?

21 (Chorus of "Ayes")

22 MR. WEBER: Thanks, Ben.

23 Item 13A is an order prohibiting certain vehicles
24 on the Department's toll projects. Director of Toll
25 Operations, Doug Woodall, will present this item.

1 MR. HOUGHTON: Is this -- is this a Jeff Austin --
2 Commissioner Austin initiative?

3 MR. WOODALL: Pardon, sir?

4 MR. HOUGHTON: Is this a Commissioner Austin
5 initiative?

6 MR. WOODALL: No, it's not.

7 MR. HOUGHTON: Oh, it's not? I thought you had
8 something on this?

9 MR. WOODALL: Thank you, General.

10 MR. WEBER: Onward, Doug. I'm sorry.

11 MR. WOODALL: Commission, for the record, Doug
12 Woodall, director of Toll Operations Division.

13 Item 13A reflects the Department's desire to
14 prohibit the operation of certain vehicles on TxDOT toll
15 projects. This is the second time a prohibition minute
16 order is being presented to the Commission with a new list
17 of 33 accounts, as attached to the minute order. TxDOT is
18 authorized under Transportation Code 370.110 to target
19 motorists with 100 or more unpaid tolls within a 12-month
20 period. The Department may prohibit operation of these
21 vehicles by order of the Commission.

22 If approved, the Department may report the
23 vehicles to the county assessor collectors for denial of
24 vehicle registration and report to law enforcement for
25 subsequent ticketing and ultimate impoundment of these

1 vehicles for continued use of the toll facilities without
2 payment.

3 I'd be glad to answer any questions you may have.
4 The staff recommends approval.

5 MR. AUSTIN: So this is for 100 transactions, not
6 \$100?

7 MR. WOODALL: Correct. Just 100 transactions
8 within a 12-month period of time.

9 MR. HOUGHTON: Motion?

10 UNIDENTIFIED MALE SPEAKER: So moved.

11 MR. HOUGHTON: All in favor?

12 (Chorus of "Ayes")

13 MR. HOUGHTON: I hope somebody is in favor.

14 Got it. It passes.

15 MR. AUSTIN: Thank you, Mr. Chairman. That is the
16 banker in me. These are our receivables that we need to
17 collect.

18 MR. HOUGHTON: I understand.

19 MR. WEBER: Item 13B is the designation of State
20 Highway 360 Project in Ellis, Tarrant, and Johnson Counties.
21 Director of Strategic Projects Division, Ed Pensock, will
22 present.

23 Thank you, Ed.

24 MR. PENSOCK: Good afternoon, Chairman,
25 Commissioners, General Weber. Again, for the record, my

1 name is Ed Pensock, director of the Strategic Projects
2 Division of TxDOT.

3 Item 13B authorizes the issuance of request of
4 proposals to develop, design, construct, and potentially
5 maintain the State Highway 360 Project in Ellis, Johnson,
6 and Tarrant Counties. This item also authorizes the
7 Department to pay each proposer who submits a responsive,
8 but unsuccessful proposal, an amount based upon the value of
9 the work product up to a maximum amount of the proposer of
10 .25 percent of the price of all work under the design-build
11 agreement.

12 In the event that procurement is cancelled prior
13 to the contract execution, this item also authorizes the
14 Department to pay a partial stipend based upon the value of
15 the work product up to a maximum amount per proposer of
16 \$223,000.

17 Finally, this item also designates the State
18 Highway 360 Project as a toll project on the State Highway
19 system. As a reminder, the Commission approved the terms of
20 a project development agreement on February 27th, 2014, for
21 this project, and the Department staff issued a request for
22 qualifications on March 11th, 2014.

23 That project development agreement defines our
24 partnership with the North Texas Tollway Authorities. TxDOT
25 will design and build the proximate ten-mile-long facility

1 and North Texas Tollway Authority will operate the facility.
2 As per the agreement, North Texas Tollway Authority will
3 repay TxDOT up to \$300 million over 35 years.

4 Five teams were shortlisted in June, 2014, for
5 this project based on the RFQ. Those were Lane Abrams,
6 number one; number two, Zachry-Parsons design builders;
7 number three, Balfour Beatty infrastructure; number four,
8 State Highway 360 now developers with Walsh infrastructure;
9 and number five, State Highway 360 partners with Kiewit.

10 With approval of this minute order, the next steps
11 include publishing the final RFP which is anticipated to be
12 released later this year, later this summer and this fall,
13 and conditional contract award in early 2015.

14 Staff is here to answer any questions and
15 recommends your acceptance of this minute order.

16 MR. VANDERGRIFF: Chairman, I have to abstain on
17 this, as I've abstained on previous votes, because this came
18 up when I was a member of NTTA's Board.

19 But there is a related question that I would like
20 to and Mr. Barton about it, if I can, and perhaps you were
21 going to cover this, but toll services agreement, I mean we
22 held this project back at the last meeting and where are we
23 with respect to that and NTTA and the Department having a
24 regional toll service agreement or at least on the
25 outstanding roads?

1 MR. BARTON: The staff at the NTTA, Texas
2 Department of Transportation, locally, and the North Central
3 Texas Council of Governments have met, developed an
4 understanding of the approach that we will be taking and
5 memorialized that in a memorandum, with the understanding
6 that it's been executed by myself, Gerry Carrigan, the
7 executive director at the NTTA, and Michael Morris on behalf
8 of the Regional Transportation Council. They are now in the
9 process of developing the formal agreements to be brought
10 before the NTTA Board of Directors in August, prior to the
11 Commission meeting that we'll have in the Metroplex, and we
12 will be bringing that forward for the Commission's approval
13 at the August Commission meeting that will be held in the
14 Metroplex.

15 It's progressing very, very well. Don't expect
16 and anticipate any challenges with that. We're excited
17 about this particular approach. It will apply to all
18 manage-laying projects that are TxDOT related, operated, if
19 you will, by the NTTA, for the entire region from this point
20 moving forward that aren't concession or debt-related. And
21 so it's a regional toll services agreement based on those
22 types of projects.

23 MR. VANDERGRIFF: So based upon your work with
24 NTTA, you're comfortable in being okay and recommending that
25 we go forward on this?

1 MR. BARTON: I do, and I recommend the Commission
2 approval of this action.

3 MR. HOUGHTON: And you assure us that we'll have
4 an agreement next month, right?

5 MR. BARTON: And when I was at --

6 MR. HOUGHTON: We'll actually be in Dallas.

7 MR. BARTON: We will be in Dallas to celebrate
8 that success and I said I'll either be there to celebrate
9 that success or I won't be there.

10 (Laughter)

11 UNIDENTIFIED MALE SPEAKER: So moved, Chairman.

12 UNIDENTIFIED MALE SPEAKER: Second.

13 MR. HOUGHTON: Who seconds?

14 Okay. All in favor?

15 (Chorus of "Ayes")

16 MR. HOUGHTON: And for the record, Commissioner
17 Vandergriff has abstained.

18 MR. WEBER: Thanks, Ed and John.

19 Item 14A consists of awarding of contracts for
20 maintenance and Department Building Construction and Highway
21 Construction contracts. Director of Construction, John Obr,
22 will present.

23 MR. OBR: Good afternoon, Commissioners, and
24 General Weber. For the record, I'm John Obr, director of
25 the Construction Division.

1 Item 14A is for consideration of the award or
2 rejection of Highway Maintenance and Department Building
3 Construction contracts bid on July 8th and 9th of 2014. We
4 present 32 projects today. The average number of bids per
5 project was 3.59. The low bid value was \$46,415,413.58. We
6 had an overall underrun of 5.03 percent. Staff recommends
7 award of all maintenance projects.

8 MR. HOUGHTON: Questions?

9 UNIDENTIFIED MALE SPEAKER: So moved.

10 MR. AUSTIN: Second.

11 MR. HOUGHTON: All in favor?

12 (Chorus of "Ayes")

13 MR. HOUGHTON: John, please proceed with Item 14B,
14 construction contracts. Thanks.

15 MR. OBR: Item 14B is for consideration of the
16 award or rejection of highway and transportation enhancement
17 building construction contracts bid on July 8th and 9th of
18 2014. We present 87 projects today. The average number of
19 bids per project was 3.92. The low-bid value was
20 \$496,678,737.19.

21 The awards are split as 11 projects on mobility
22 totaling \$195,402,883.40, and 76 projects in preservation,
23 totaling \$301,275,853.80.

24 We had an overall underrun of .28 percent. The
25 staff recommends award of all construction projects, with

1 the exception of the following projects, and that is the
2 Harris County Project, number C 912-71-3. We received three
3 bids for this project. The low bidder came in at 49.32
4 percent or \$4,359,575.55 over the engineer's estimate. This
5 project is for roadway reconstruction. The overrun is due
6 to the specialized and unique nature of many of the features
7 included in this project, in addition to a congested work
8 area.

9 Upon consulting with Houston's Midtown Management
10 District, they would like to redesign and rescope this
11 project and we concur with this action; therefore, we
12 recommend the project be rejected and relet at a later date.

13 MR. HOUGHTON: Questions?

14 Is there a motion?

15 UNIDENTIFIED MALE SPEAKER: So moved.

16 MR. HOUGHTON: All in favor?

17 (Chorus of "Ayes")

18 MR. HOUGHTON: Very good.

19 MR. OBR: Thank you.

20 MR. WEBER: Okay. This brings us to Item 15, the
21 eminent domain proceedings. Supervising attorney, Right of
22 Way Division, Randy Ward, will present. Thanks, Randy.

23 MR. WARD: Thank you.

24 Good afternoon. I present this item by which the
25 Commission my authorize the acquisition of 48 parcels of

1 land needed for State Highway purposes through the exercise
2 of the State's power of eminent domain. Of the 48 total, 26
3 are on not-controlled access parcels; 22 are controlled-
4 access parcels.

5 Staff recommends your approval of these minute
6 orders.

7 MR. HOUGHTON: Is there a second?

8 MR. VANDERGRIFF: I move that the Texas
9 Transportation Commission authorize the Texas Department of
10 Transportation to use the power of eminent domain to acquire
11 the properties described in the minute order set forth in
12 the agenda for the current month for construction,
13 reconstruction, maintenance, widening, straightening, or
14 extending the highway facilities listed in the minute order
15 as part of the State Highway system and that the first
16 record vote applies to all units of property to be
17 condemned.

18 MR. HOUGHTON: Is there a second?

19 UNIDENTIFIED MALE SPEAKER: Second.

20 MR. HOUGHTON: All in favor?

21 (Chorus of "Ayes")

22 MR. WARD: Thank you.

23 MR. HOUGHTON: Thank you.

24 MR. WEBER: Item 16 contains the routine minute
25 orders including donations to the Department, right of way

1 dispositions and donations, finance reports, highway and
2 access information, and speed zones.

3 MR. HOUGHTON: Is there a motion?

4 UNIDENTIFIED MALE SPEAKER: So moved.

5 UNIDENTIFIED MALE SPEAKER: Second.

6 MR. HOUGHTON: All in favor?

7 (Chorus of "Ayes")

8 MR. HOUGHTON: Any other items on the agenda,
9 General?

10 MR. WEBER: This concludes the action items on
11 today's agenda, Chairman.

12 MR. HOUGHTON: All right. We have one person that
13 has signed up in open session, Jack Sanford from BikeTexas.

14 MR. SANFORD: Thank you, Chairman, and
15 Commissioners. My name is Jack Sanford. I'm speaking today
16 on behalf of BikeTexas and I would like to talk about the
17 proposed rules for the Transportation Alternatives Program,
18 or TAP program, which was an agenda item on July's meeting.
19 Thank you for taking the time today.

20 As you know, TAP, as a program source, is
21 dedicated funding for bicycle and pedestrian infrastructure,
22 a total of about \$77 million available per year for at least
23 two years, depending on the Federal Transportation Bill.
24 There's no comparable state-funded program for such
25 infrastructure, but BikeTexas' comments will be submitted

1 about this before the August 11th deadline; however, I
2 wanted to speak to you for a few minutes today being the
3 last commission meeting before deadlines are due.

4 BikeTexas has a few major concerns with the
5 proposed rules. As you may know, half the funds are
6 available -- half the funds must go to MPOs, with large MPOs
7 doing their own call for projects and small MPOs submitting
8 projects through a call that TxDOT will manage.

9 The other half of the funds are available for a
10 statewide call for projects to help complete the bicycle and
11 pedestrian network; however, for the fiscal year 2013, \$29
12 million out of \$34 million available in those funds were
13 transferred out of this dedicated funding source and moved
14 into STP flex and no bike/ped projects have ever been funded
15 out of the STP flex category. So our concerns are that the
16 proposed rules allow for this and we would like to see that
17 those funds stay in the dedicated program source of
18 transportation alternatives.

19 We also have some other concerns such as
20 municipalities and counties are being forced to pay for
21 their own planning, designing, and engineering funding for
22 these projects, and as well, the proposed rules will not
23 allow non-physical in-kind resources and we'll be submitting
24 those in writing. Our main concern is the fact that very
25 likely, the program funding will be transferred out of this

1 and not spent on bicycling and pedestrian projects, as had
2 been intended.

3 The transportation modes in Texas that TxDOT works
4 to improve, the highway, railway, railroad, waterways,
5 general aviation, all of these are currently networked to
6 the extent that they function as a very effective system;
7 however, the glaring exception to this is the bicycle and
8 pedestrian system. The substantial economics of an
9 optimized bicycle and pedestrian system in terms of retail
10 activity, real estate values, motor vehicle operations
11 costs, employee productivity and healthcare costs, are all
12 very positively documented and the safety dividend for
13 bicycle and pedestrian infrastructure investment far out
14 exceeds the cost of the investment, especially at a time
15 within the last three years, bicycle and pedestrian
16 fatalities have been over 15 percent of all fatalities, and
17 yet, as the UTP showed, transportation enhancements being
18 only 2 percent of the funding category, this program,
19 getting half of it is less than 1 percent of the funding is
20 going to go towards -- dedicated to fixing this issue of 15
21 percent of our fatalities on the roadways.

22 BikeTexas does not view bicycle/pedestrian
23 activity as a frill or adjunct to the transportation
24 network. We believe that a great opportunity lies here to
25 reduce congestion and improve healthcare costs by capturing

1 the 28 percent of all motor vehicle trips that are short
2 trips, less than one mile. Those are easy to convert to
3 bicycle or walking trips if we build the right network,
4 which this funding could do. We believe the return on
5 investment in bicycle/pedestrian infrastructures presents a
6 great opportunity in the state that projects 11 million new
7 residents by 2040 with about 80 percent of those going to 16
8 Texas counties

9 Given the neglect of the bicycle and pedestrian
10 infrastructure over many past decades, we are a long way
11 from diminishing returns on this type of investment.

12 We look forward for submitting our comments in
13 writing and we look forward to working with your further and
14 your staff on this issue. Thank you.

15 MR. HOUGHTON: Thank you.

16 No other business coming before the Commission, I
17 entertain the most privileged motion.

18 MR. MOSELEY: Move to adjourn, Chairman.

19 UNIDENTIFIED MALE SPEAKER: I'll second.

20 MR. HOUGHTON: All in favor?

21 (Chorus of "Ayes")

22 MR. HOUGHTON: We are adjourned at 12:19.

23 (Proceedings concluded at 12:19 p.m.)

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C E R T I F I C A T E

I, KIMBERLY C. McCRIGHT, CET, certified electronic transcriber, do hereby certify that the foregoing pages 1 through 150 constitute a full, true, and accurate transcript from electronic recording of the proceedings had in the foregoing matter.

DATED this 15th day of August, 2014.



Kimberly C. McCright, CET

Certified Electronic Transcriber