



## House Transportation

**Info** **News** **Audio**

AUSTIN (10/25/10, E2.014, 9:00 AM)

**Committee(s):** House Committee on Transportation's Subcommittee on the Environmental

**Meeting type:** Public Hearing

**Subject:** Streamlining the environmental review process for transportation projects and evaluate the outsourcing, engineering services at the Texas Department of Transportation

**Bills discussed:** (N/A)

**Testimony:** John Barton, TxDOT / Carter Smith, Texas Parks and Wildlife Department (TPWD) / David Brymer, TCEQ's Air Quality Division / Katherine Nelson, TCEQ's Water Quality Planning Division / Mark Wolfe, Texas Historical Commission / Sheri Land, the General Land Office's Coastal Resources Division / Steve Stanger, Texas Council, Engineering Companies / Kari Banta, The Lone Star Chapter of the Sierra Club

The House Committee on Transportation's Subcommittee on the Environmental Review Process, under the direction of Chairman Wayne Smith, met today in the Capitol Extension for testimony on streamlining the environmental review process for transportation projects. Additionally, the Subcommittee will also evaluate the outsourcing of engineering services at the Texas Department of Transportation.

The committee convened at 9:00 a.m.

(9:01) John Barton of TxDOT discussed the agency's environmental review process and the coordination of federal and state agencies.

(9:06) Mr. Barton testified to the development of initiatives in uniform standards, "compliance action plans," a tracking database, staffing in other agencies to expedite projects, regional centers, and training.

(9:12) Rep. McClendon inquired about project delays. Mr. Barton stated the US Fish and Wildlife Service has only 1 staff member to review state projects for endangered species issues and this 1 staff member has 23 other duties, which results in delays of 6 months or longer. He told the members TxDOT would like to fund a specialist at US Fish and Wildlife Service but it would require \$150,000. Mr. Barton said a 1- year delay in construction adds 4% to the total cost of a

project. Responding to Rep. McClendon, Mr. Barton said the agency would need \$1 million per year to fund 1 or 2 positions respectively at US Fish and Wildlife Service, Army Corps of Engineers, Federal Highway Administration, Texas Historical Commission, Parks and Wildlife Department, and TCEQ.

☐ (9:20) Chairman Wayne Smith and Rep. Pickett engaged Mr. Barton in a dialogue about federal and state funding, the approval process, MOUs, "standards of uniformity," agency coordination, and other parts of his testimony.

☐ (9:55) Mr. Barton testified on the outsourcing of engineering services at TxDOT and the savings related to it.

☐ (10:10) Rep. Pickett inquired about 60% expended of \$2.2 billion and "indefinite deliverables." Mr. Barton said the agency has become "more dependent" on outside engineering firms and its internal engineering staff has been reduced by 2,000 through attrition and reassignment. Discussion ensued.

☐ (10:26) Chairman Wayne Smith asked about regional entities/authorities and their role in the environmental review process. Discussion ensued about the "hiring chill," retirement age, the 30% reduction in area offices, use of outside consultants, local partnerships, MOUs, etc.

☐ (10:43) Chairman Wayne Smith inquired about TCEQ and water pollution. Mr. Barton discussed TCEQ's role in stormwater prevention.

☐ (10:49) Carter Smith of Texas Parks and Wildlife Department (TPWD) said the agency provides "biological information" for TxDOT projects and provides recommendations to "minimize" environmental impacts. He stated its 6 wildlife biologists review 1,200-1,500 projects yearly, of which 25%-33% are transportation projects. Further, 3 of the wildlife biologists are "exclusively reviewing" CREZ projects. Mr. Smith discussed its MOU with TxDOT.

☐ (10:54) Rep. Pickett and Mr. Smith discussed the review process, the length of time a review takes, CREZ, available resources, and needed resources.

☐ (11:00) Rep. Pickett inquired about the review process and how projects are prioritized.

☐ (11:07) Mr. Smith recommended "advanced cooperation" in the planning process and utilization of its Natural Diversity Database. The members and Mr. Smith discussed the database.

11:14 (11:14) David Brymer of TCEQ's Air Quality Division testified on its MOU with TxDOT and its review process - 54 each month. The members inquired if additional resources are necessary and about the agency's role in air quality in Texas.

11:27 (11:27) Responding to Rep. Pickett, Mr. Brymer said it currently has "sufficient FTEs" but future "challenges" may require additional resources.

11:30 (11:30) Katherine Nelson of TCEQ's Water Quality Planning Division discussed water quality issues with the subcommittee.

11:39 (11:39) Mark Wolfe of the Texas Historical Commission stated its MOU with TxDOT funds on position and "half" of all projects do not require consultation with TxDOT. Discussion ensued about online database, turnaround, LAR, and Washington-on-the-Brazos State Park.

11:57 (11:57) Sheri Land of the General Land Office's Coastal Resources Division testified on its Coastal Management Program and the 18-county coastal zone.

12:05 (12:05) Steve Stanger of the Texas Council of Engineering Companies testified on the "endless" comments and re-comments of the environmental review process, "standards of uniformity," and other issues of the industry. Discussion ensued.

12:29 (12:29) Kari Banta of the Lone Star Chapter of the Sierra Club testified on protection of natural resources and public health. She stated the process must maintain public input. She offered recommendations to the members.

There was no public testimony.

The House Committee on Transportation's Subcommittee on the Environmental Review Process adjourned at 12:43 p.m.

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**Committee Members:** Pickett (D) - CHAIR / Phillips (R) - VICE CHAIR / Callegari (R) / Davis, Yvonne (D) / Dunnam (D) / Guillen (D) / Harper-Brown (R) / McClendon (D) / Merritt (R) / Smith, Todd (R) / Smith, Wayne (R)



## House Select Committee on Transportation Funding \*

[Info](#) [News](#) [Audio](#)

AUSTIN (10/13/10, E2.036, 9:00 AM)

**Committee(s):** House Select Committee on Transportation Funding's Subcommittee on Funding

**Meeting type:** Public Hearing

**Subject:** Invited and Public Testimony

**Bills discussed:** (N/A)

**Testimony:** Dr. David Ellis, Texas Transportation Institute / Dr. Tim Lomax, Texas Transportation Institute / Dr. Ginger Goodin, Texas Transportation Institute / Trey Baker, Texas Transportation Institute / Ken Allen, senior vice president of supply chain and logistics, HEB

The House Select Committee on Transportation Funding's Subcommittee on Funding, under the direction of Chairman Darby, met today in the Capitol Extension for invited and public testimony.

The committee convened at 9:05 a.m.

(9:07) Dr. David Ellis of the Texas Transportation Institute testified on the costs of congestion, stating that maintained lane miles have not kept pace with growth of population, registered vehicles and miles driven. Dr. Ellis said despite logistic costs declining, the cost of transportation has increased due to congestion. Congestion "shrinks" the pool of job candidates for employers, who must then offer higher wages so that such candidates will commute on congested roads. Further, congestion results in economic costs which "devolve" into quality of life issues for employees.

(9:30) Dr. Tim Lomax of the Texas Transportation Institute discussed alternatives to current transportation trends to a household. He stated the average yearly cost to a household is \$220, but the average yearly "penalty"/burden of current congestion (from 2010-35) to the household is \$5,400, which results in an yearly average of 38 hours lost to congestion and will grow to 135 hours by 2035. Dr. Lomax said the "lowest revenue" alternative scenario would use oil and gas revenue tax and the household cost would be \$240 and the "penalty"/burden would be \$5,000. Utilizing TERP funding would cost \$280 and the "penalty"/burden would be \$4,800. Recapturing the gas tax diversions would cost \$300 and the "penalty"/burden would be \$4,200. Combining TERP and diversions would cost \$360, the "penalty"/burden would be

\$3,500, and the average commuter delay would be 84 hours. Finally, an annualized \$4 billion in construction would cost \$570, the "penalty"/burden would be \$2,000, and the average commuter delay would be 48 hours.

☒ (9:39) Rep. Pickett opined about educating the public, the present debt of \$10.4 billion, the total debt (including debt service) of \$19.6 billion, the \$7.54 in monthly cost of the current fuel tax to a consumer, the declining registration fees, the increasing number of fuel efficient vehicles, the \$17 billion in debt capacity and the \$31 billion needed to "pay it off," the "off the books" debt of counties which is "backed by the state," pass-through financing, TxDOT's current biennial debt service of \$1.64 billion, TxDOT's current biennial maintenance budget of \$5.64 billion, TxDOT's biennial "cash for new construction" of only \$700 million. Dr. Lomax stated the average annual fees, taxes and cost of a vehicle is \$155.10 which is 46th or 47th in the nation.

☒ (10:11) Chairman Darby inquired about the overall cost of transportation for the average Texan.

☒ (10:20) Dr. Ginger Goodin of the Texas Transportation Institute discussed the preliminary findings of a TxDOT study about vehicle mileage fees as an alternative to the fuel tax. Due to increasing fuel efficiency, the fuel tax will "become less sustainable and equitable." So, the institute conducted focus groups to ascertain public opinion of using vehicle mileages fees as an alternative. The conclusion of their focus group study was mileage fees would be a "logical replacement" to the fuel tax but there would be "significant public resistance" to them due to a "lack of a compelling argument or rationale."

☒ (10:39) Rep. Hunter offered "practical" questions regarding odometer readings, costs, savings, his concern of the impact on rural drivers, out-of-state drivers, tourism, and electric vehicles. Rep. Rodriguez stated the public perception of mileage fees would be it is additional tax.

☒ (10:55) Rep. Harless said inaccurate odometer readings are a common occurrence in databases. Rep. Pickett also expressed concern about out- of-state drivers and inquired about other states which use mileage fees.

☒ (11:03) Trey Baker of the Texas Transportation Institute spoke of the difficulties of determining "future policy assumptions." Rep. Pickett addressed non-automotive fuel usage, e.g. lawnmowers.

☒ (11:11) Ken Allen, senior vice president of supply chain and logistics for HEB, discussed his company's efforts to address congestion and efficiency. He said HEB supports heavier trucks to reduce trips. Mr. Allen and the members discussed specific time deliveries, its Temple warehouse, registration fees, "scary" hidden costs, need for better roads, SH130, its Houston toll costs of \$35,000 per month, etc.



## Senate Transportation and Homeland Security

[Info](#) [News](#) [Audio](#)

AUSTIN (10/13/2010, 8:00 AM, E1.016) 📄

**Committee(s):** Senate Transportation and Homeland Security Committee

**Meeting type:** Public Hearing

**Subject:** Interim Charges 2, 10 and 11 as well as Quarterly Updates

**Bills discussed:** (N/A)

**Testimony:** Jay Kimbrough, Member. TXDOT Restructuring Council / Amadeo Saenz, Executive Director. TXDOT / James Bass, Chief Financial Officer / Steven McCraw, Director. Department of Public Safety / Victor Vandergriff, Chairman. Texas Department of Motor Vehicles / Ed Cerna, Executive Director, DMV / Steve Farrar, President, My Plates / John Barton, Assistant Executive Director of Engineering Operations, TXDOT / Dan Kessler, Executive Director, Association of Texas Metropolitan Planning Organization / Brian Cassidy, law firm Locke Lord Bissell and Liddell / Dr. Carlos Brown, Texas Hospital Association / Steven McCraw, Director, Department of Public Safety / The Honorable Mark Atkinson, Texas Center of Judiciary / Meredith Melecki, LBB / The Honorable Terry Simpson, Texas Association of Counties / Victor Vandegriff, Chairman, North Texas Tollway Authority / Robert Collie, Harris County Toll Road Authority/ Amadeo Saenz, Executive Director, TXDOT / Peter Rahn, Senior Vice President, HNTB / Michael Morris, Director. Transportation at the North Central Texas Conference of Governments / Alan Clark, Houston Galveston Area Council / Brian Cassidy, Locke Lord Bissell and Liddell / Terri Hall, representing TURF / Bill Lewis, Mother's Against Drunk Driving / Jorie Klein, Trauma Nurse at Parkland Hospital / Mel Borel, TURF member

The Senate Transportation and Homeland Security Committee met this morning.

(8:03 a.m.) Chairman Williams opened the hearing stating a quorum was not present, however since the committee recessed last time it met it can meet with a quorum according to Senate rules.

Quarterly Updates:

📄 (8:05) Jay Kimbrough, Member of the TXDOT Restructuring Council, provided testimony on an update of activities. He stated the best way to move forward with improvements was to conduct a comprehensive review of the various reports and recommendations of the last 2-3 years. He highlighted the Grant Thornton recommendation categories, and actions taken in relation to that report including agency personnel that has recently been hired.

(8:11) Chairman Williams asked if the council intended to continue to work in the interim on implementation follow through, and the administrative requirements including any legislative implementation.

(8:12) Mr. Kimbrough assured the Senator he would work diligently to assure the follow up process was thorough, and stated the legislative policy wasn't something he was involved in unless directed.

(8:13) Senator Shapleigh asked whether the report would focus on policy choices with respect to resources, to which Mr. Kimbrough replied they would.

Senator Shapiro asked about the other organizations which are involved other than the council, and are they being monitored. Mr. Kimbrough replied that he is monitoring and auditing those entities.

(8:15) Senator Nichols asked if the council would have a separate list of recommendations specific to the Sunset Commission. Mr. Kimbrough said he did not, but would be happy to coordinate as directed.

(8:16) Amadeo Saenz, Executive Director of TXDOT, provided a review of the agency's quarterly report. He covered the implementation of recommendations that the Sunset Commission contained. He explained the "Share Point" system of best practices, an online portal the agency can view. He mentioned improvements in the agency's professional services contract process.

(8:24) Senator Shapiro asked about the money from 121 being held up, and asked why that was happening. Mr. Saenz explained the structure of the account statutorily and the process. He explained that he will work on providing the committee with a review of those projects that have been identified.

(8:27) Mr. Saenz explained general appropriation bonds, and various projects including \$1 billion appropriated for the current biennium. The state rail plan was also discussed, as well as the agency legislative appropriations request, which was \$7.4 billion. Exceptional items for rail were included. All stimulus money was obligated within the required deadline.

(8:33) James Bass, Chief Financial Officer, was called forward by Senator Shapleigh to answer questions.

(8:34) Senator Shapleigh asked about there being no money for new projects in 2012, and the status of that forecast.

Mr. Bass stated that the agency chose to reduce the level of dollars allocated for maintenance, and use that funding for certain mobility projects.

Senator Shapleigh asked if projects would be awarded after 2010, to which Mr. Bass replied there would be projects awarded, but they would be commitments for specific projects.

1-4 (8:39) Senator Wentworth asked for clarification on whether construction costs were going up or down. Mr. Saenz replied that certain project costs were going up, which is why monies had to be moved from maintenance. However in 2009-2010, there were some decreases.

1-4 (8:40) Senator Nichols asked about the tier 1-4 road category system, and who the winners and losers are, as well as how low a quality roads will be allowed to get to before maintenance.

Mr. Saenz explained the tier system, with tier 1 being the higher volume roads. The study hasn't been completed, and he is concerned about some of the key roads. The commission has yet to adopt any policies. A decision will probably not be made until the beginning of next year.

1-4 (8:43) Chairman Williams discussed the Prop 12 bonds, and whether the debt service that is not being appropriated for the bonds would mean the legislature would be going backwards, to which Mr. Saenz replied yes.

1-4 (8:46) Chairman Williams asked about how much money it would take to maintain roads at our current level, to which Mr. Saenz replied \$3.5 - \$4 billion per year.

1-4 (8:52) Chairman Williams asked about whether any federal enhancement dollars might be available, to which Mr. Bass provided an example of funds that were likely ineligible under federal requirements.

1-4 (8:54) Senator Williams asked the agency to compile a list of the total balances on such federal funds, and if any of these funds might be unencumbered C-MAC funds that are non-attainment areas that are used to help improve air quality.

1-4 (8:55) Senator Shapiro asked about recent status of projects from President Obama's announcement. Mr. Saenz explained that a reauthorization of the federal bill is required, and he did not know the source of the funds.

1-4 (8:56) Senator Shapleigh asked about DPS diversions, and Senator Williams and Mr. Bass clarified that about \$1.2 billion in diversions remain.

1-4 (9:00) Senator Ellis asked if funds related to bicycle riding were still in tact to which Mr. Saenz replied he believed they were.

1-4 (9:01) Steven McCraw, Director of the Department of Public Safety, came forward to testify. He provided his agency's overview of the biggest threat to transportation, which he considered to be the drug cartel activity in recent months. Gang activity and their use in the cartel system was discussed. The use of cartel technology to achieve a more structured organization was also discussed. He discussed the statewide report on the Mexican gangs and cartels his agency just completed and provided to the legislature, emphasizing the need to approach the problem from a multi-jurisdictional, multi-team strategy.

1-4 (9:09) Senator Shapleigh discussed the serious nature of the situation, and the goal of making the DPS the 21st century crime fighting agency it needs to be. Specifically he asked about the forfeiture of assets, including dollar amounts from 2006, 2007, 2008, 2009 and 2010.

1-4 (9:11) Mr. McCraw stated the cash was bulk cash primarily seized at ports, and cash amounted to \$134,944,000 cumulative back to 2006. Year to date it is \$29 million.

1-4 (9:16) Senator Shapleigh stressed the importance of the reorganizing of the agency in order to bring it up to the needs of fighting this violence and crime in the 21st century. Both Senator Shapleigh and Williams commented on the virtuous work the state troopers and rangers are doing across the state.

1-4 (9:22) Victor Vandergriff, Chairman of the Texas Department of Motor Vehicles, provided testimony on the revenue generated from the registration fees and other programs. He gave a synopsis of the first year of the agencies operations, including the fact that the agency's aligned board was a success. He stated that the retail oriented approach is what his agency is going to try to be best at. He mentioned the Vision 21 program, which is aimed at making the registration process more efficient and more high tech.

1-4 (9:34) Senator Davis stated she would like to get a more detailed discussion later on the possibilities for combining resources, and Senator Wentworth echoed Senator Davis's praise of the agency's approach.

1-4 (9:36) Ed Cerna, Executive Director of the DMV, provided testimony on the specialty plate program including the simplification of the registration process.

1-4 (9:43) Senator Davis asked to clarify a description of the trucks over 80,000 pounds that seek registration from the agency. Mr. Cerna explained these are the regular semis seen on the road. A discussion ensued on the options for the agency to address the registration of these trucks in a way that might make the renewal process more efficient.

1-4 (9:50) Steve Farrar, President of the company My Plates, provided testimony on the aspects of the specialty plates program and his company's relationship

with the DMV. He mentioned that Texas has grown as a market for the plates, from 2007 when it was the lowest among states. He discussed the revenue the program has raised for the state, using no state dollars and holding the state harmless. The vendors are also HUB certified.

Charge 10: Evaluate outsourcing at the Texas Department of Transportation, including, but not limited to, engineering services and aerial mapping.

(10:02) John Barton, Assistant Executive Director of Engineering Operations at TXDOT provided brief oral testimony on outsourced activities of the agency. The dollar volumes associated to these construction bids averages \$267 million per month of outsourced services over the last two years. Administrative services are also outsourced, as well as legal services and technical expertise. Engineering design services also are contracts which are outsourced. (10:10) Senator Davis stated she would like to work with the agency to refine the rules in order to maximize opportunities to outsource.

(10:12) Chairman Williams asked how many FTE's are at TXDOT, to which Mr. Barton replied there were 12,000 currently. And the number of licensed professional and licensed engineers is 1,300-1,400. The number of employees directly supporting engineers was, as of August 31st, 2010, was roughly 3,500.

(10:14) Senator Williams asked how Texas compared to other states in the number of engineering support staff, to which Mr. Barton gave California and Florida as examples, stating we are somewhat in between those states. He stated he would provide the details to the committee in the near future.

Charge 2: Review and make recommendations relating to the Texas Department of Transportation's organizational structure and working relationship with local governments, Metropolitan Planning Organizations, Regional Tolling Authorities and Regional Mobility Authorities.

(10:16) John Barton, Assistant Executive Director of Engineering Operations at TXDOT provided testimony on the agency's adoption a long range transportation plan, and how the metropolitan planning organizations fit into that plan. He also discussed the agency's collaboration with tolling agencies in urbanized areas.

(10:24) Dan Kessler, Executive Director of the Association of Texas Metropolitan Planning Organization, provided testimony on the structure of his organization and provided a brief overview of relationship between his association and TXDOT.

(10:34) Brian Cassidy, with the law firm Locke Lord Bissell and Liddell, provided testimony on the background of Regional Mobility Authorities.

He also provided many aspects of status of the RMA's working with the agency presently, with an emphasis on the vision of local control.

☐ (10:42) Senator Shapleigh asked about the conflict created from the disparity between institutional capacity and the money needed to get the biggest bang for the buck.

Mr. Barton responded that it takes a collaborative effort, and encouraging maximum flexibility of funds, to best meet those challenges.

☐ (10:47) Senator Watson engaged in a discussion of the toll equity participation requirements, and the process of the MPO funds and how that process might be better fixed.

☐ (10:57) Chairman Williams followed up on project delays, and expressed concern about what the state might be able to solve at the state level. Mr. Barton stated there is a federal review process that can contribute to the delays, as well as other processes at the local level. He also mentioned the environmental review process.

☐ (11:02) Chairman Williams and Mr. Barton took several minutes to discuss the final review and approval process, clarifying whether there is a way to expedite the review process before it heads to the federal level. Senator Nichols provided insight as to a recent panel in Amarillo in which similar issues were discussed.

Charge 11: Review the possible increase in number of unlicensed and uninsured drivers resulting from license suspensions or indigence resulting drivers' inability to pay Driver Responsibility surcharges in light of new Department of Public Safety rules.

☐ (11:14) Dr. Carlos Brown, with the Texas Hospital Association, testified on the Driver Responsibility Program. He provided statistics and information about vehicular crash victims, and the trauma system in relation to the Driver Responsibility Program.

☐ (11:19) Senators Shapleigh and Watson discussed the problems with the program, in terms of collection of funding, and the dollars not going to the trauma centers.

☐ (11:21) Steven McCraw, Director of the Department of Public Safety, testified on the Driver Responsibility Program. He provided a background on the number of surcharges, and the fines which have been assessed. Upcoming agency rule changes were also discussed.

11:25) Senator Shapleigh asked about those who go into default, and their ability to get to work, and what solutions are being addressed with respect to the reducing the punitive aspects preventing people from getting to work. Mr. Crawford explained that the agency can only reduce the amount by rule, otherwise they will implement the program as instructed by the legislature.

11:29) The Honorable Mark Atkinson, Texas Center for the Judiciary, provided testimony regarding his experience with driving while intoxicated cases, and it's relation to the program. He discussed the problem of the program encouraging citizens to drive without a license, as they look for any way possible to get out of getting a DWI.

11:36) Senator Williams asked why the in car breathalyzers aren't being used more, since he feels they work well. Judge Atkinson explained that they are widely used.

11:38) Senator Shapleigh stated his concern for the economic side of the fines, and whether Mr. Atkinson could provide the average fine for those in default currently.

11:39) Meredith Melecki with the LBB provided testimony about the numbers of compliance rates, for persons driving without a license. To date, \$373.4 million has been distributed to 281 hospitals.

11:44) Chairman Williams returned to Interim Charge #2.

11:45) The Honorable Terry Simpson, Texas Association of Counties, provided testimony on the ability of counties to create certain transportation entities to help finance projects.

11:51) Senator Watson and Chairman Williams expressed interest in discussing how the Judge's vision of county authority would differ from using current RMA's.

11:52) Chairman Williams and Judge Simpson engaged in a conversation of the importance of preventing the balkanization of county transportation authorities as counties grow in population and urbanize.

11:58) Victor Vandegriff, Chairman of the North Texas Tollway Authority, testified at length on his insight into the best ways transportation planning should be structured in the state of Texas, including the aspects of TXDOT's involvement which he supports.

(12:10 p.m.) Chairman Williams asked how factionalism could be alleviated, and Mr. Vandegriff responded that disclosure in advance, and reducing the problem of too many competitors in one space are what he feels to be the best ways.

(12:12) Robert Collie, Harris County Toll Road Authority, provided an overview of his agency's background and jurisdiction, as well as projects completed and underway. He provided many recommendations on how to meet transportation needs, in regard to toll roads and his suggestions on their viability, and TXDOT's role.

(12:23) At the request of Chairman Williams, Mr. Collie provided a broad overview of the Grand Parkway project in the various counties involved in that roadway's construction and management. He specifically mentioned the various litigation that has been resolved to get the project moving.

Charge 4: Examine the public policy implications of Comprehensive Development Agreements (CDAs) and recommend whether they should be reauthorized to construct specific roadways.

(12:28) Amadeo Saenz, Executive Director of TXDOT, provided testimony on CDA's. He provided a synopsis of the procurement method of CDA's and what the agency had been working on presently.

(12:36) Peter Rahn, Senior Vice President of HNTB, provided a snapshot of federal funding and reauthorization. He explained the differences between financing and funding when talking about transportation. He provided statistics and examples of revenue created from P3 concession models.

(12:42) Senator Williams asked for clarification on how CDA money is considered new revenue and not borrowing, to which Mr. Rahn replied that it is not borrowing because the P3 model is producing new revenues, even though they may not be fully funding.

(12:54) When asked by Senator Nichols. Mr. Rahn stated that he felt the more flexibility you give organizations, the more successful they will be,

(12:58) Senator Shapleigh asked about how transparency factors into selling the concept of CDA's to the public, to which Mr. Rahn replies he agrees that accountability is important.

(1:00) Michael Morris, Director of Transportation at the North Central Texas Conference of Governments, provided testimony on Prop 12 Bond commitments. He spoke on varied recommendations he had for public private partnerships moving forward in this legislative session, and his desire to be very strategic in that process.

(1:14) Chairman Williams and Mr. Morris discussed an issue specific to Collin county projects.

1:21 (1:21) Senator Davis asked for clarification on the primacy issue, and she and Mr. Morris discuss the concept in terms of future project funding.

1:28 (1:28) Alan Clark, with the Houston Galveston Area Council, testified on the importance of having the proper tools for local entities, and the 3P type projects would be best implemented locally with TXDOT coordination on the public private partnerships.

1:34 (1:34) Brian Cassidy, Locke Lord Bissell and Liddell, testified on aspects of the authority of local entities in terms of concession vs. design-build funding mechanisms.

1:38 (1:38) Chairman Williams and Mr. Cassidy discussed the history of the RMA's and CMA's in Texas, stating the case is strong for design build however the risk might be high.

#### Public Testimony:

1:47 (1:47) Terri Hall, representing TURF, testified on interim charges 2 and 4. Her testimony spoke to the problems the tax-paying public has had across the state with MPOs and CDA's.

1:56 (1:56) Bill Lewis, with Mother's Against Drunk Driving, testified on improvements and suggestions he had for the Driver Responsibility Program.

2:04 (2:04) Jorie Klein, Trauma Nurse at Parkland Hospital, testified on improvements and suggestions she had to the Driver's Responsibility Program.

2:06 (2:06) Mel Borel, TURF member, testified against CDA's and public- private partnerships.

2:16 (2:16) The committee stood in recess subject to the call of the chair.

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**Committee Members:** Carona, Chair (R) (removed 7/14/10) / Watson, Vice Chair (D) / Davis (D) / Ellis (D) / Huffman (R) / Nichols (R) / Shapiro (R) / Shapleigh (D) / Wentworth (R) / Williams, Chair (R) (added 7/14/10)

**NOTICE OF PUBLIC HEARING**

COMMITTEE: Transportation & Homeland Security  
TIME & DATE: 9:00 AM, Monday, November 08, 2010  
PLACE: E1.016 (Hearing Room)  
CHAIR: Senator Tommy Williams

The Senate Committee on Transportation and Homeland Security will receive testimony from DPS and other agencies.

The Committee will hear testimony on homeland security and border security issues.

Invited and public testimony will be heard.