

**Louisiana Transportation Authority  
Meeting**

Louisiana State Capitol  
House Committee Room 1  
Baton Rouge, Louisiana  
Wednesday, August 12, 2009

**MINUTES**

**I CALL TO ORDER**

Secretary Ankner welcomed everyone and called the meeting to order at 8:45 a.m.

**II ROLL CALL**

**Board Members Present:**

William D. Ankner, Ph.D., Chairman  
Jackie Adcock  
Representative James Morris, designee of House Speaker Tucker  
Representative Karen St. Germain, designee for Representative Nita Hutter  
Christopher Gillott for Camille Conaway  
Senator Dale Erdey, designee for Senate President Joel Chaisson  
Paul Sawyer, designee for Secretary Stephen Moret, DED  
Senator Joe McPherson

**Board Members Absent:**

Camille Conaway, Secretary-Treasurer  
Kevin Davis

**Speakers Present:**

Michael Bridges, Undersecretary LADOTD  
Connie Standige, Assistant Secretary LADOTD  
Cheryl Duvieilh, Executive Counsel LADOTD  
Meredith Hathorn, Bond Attorney

**III Remarks by William D. Ankner, Ph.D., Chairman**

Secretary Ankner thanked everyone for attending and advised that the critical aspect for today is to finalize the LTA Public-Private Partnership Guidelines that were circulated last fall and discussed in March. It is important to have these Guidelines in place because before the financial crisis, we had several organizations that were interested in submitting unsolicited proposals. I believe once the economy levels off they will be coming back to propose working for us. Having the guidelines in place

will be important and we will walk through those again. We will also discuss the opening of the LA 1 Open Road Tolling Facility and address any potential issues. We will move to Item number 4, reading and approval of minutes from November 19, 2008 and March 31, 2009.

#### **IV Reading and approval of November 19, 2008 meeting and March 31, 2009 scheduled meeting**

Representative Karen St. Germain offered a motion to accept the minutes; seconded by Paul Sawyer. The minutes of the November 19, 2008 meeting and March 31, 2009 were approved unanimously.

#### **V Old Business**

##### **1. LTA Public-Private Partnership Guidelines**

Upon Dr. Ankner's request, Cheryl Duvieilh and Michael Bridges introduced themselves.

Cheryl Duvieilh, Executive Counsel for LADOTD: At the meeting on November 19, 2008, Draft of the PPP Guidelines was submitted to the Board. Members requested the draft be submitted to the industry and municipalities for input. In response, DOTD forwarded the draft to the Association of General Contractors who posted the Guidelines on their website and listed the Department of Transportation and Development, and specifically myself as a contact person. We received no comments or questions with regard to that posting. We asked the Louisiana Municipal Association to dispense the guidelines to all their members, well over 100 different municipalities and organizations. I did receive one phone call from a Representative in Jefferson Parish who had a question regarding notice. I explained that the law stated that any PPP that affects a jurisdiction would have 60 days to voice their responses, complaints, concerns and to take part. That was the only question I received. With regards to the previous PPP guidelines that were reviewed, there have been a few changes that I would like to direct your attention to. On page 10, we created a transparency provision. We thought it important to have the LTA be able to designate for a particular consideration a Transparency Board consisting of people from industry or newspaper, other people to observe and be part of the PPP consideration. They would of course have to sign confidentiality agreements until it was over, and also agree to participate at every meeting. We did provide for that in the PPP Guidelines so the Board would have the authority to appoint transparency representatives. Also page 14, we originally suggested that the LTA collect a \$50,000 fee from a proposer who submits to the board to consider their public private partnership. We decided it was best to change that to a simple sentence to read "The Board shall set different proposal fees" and not start off with a

\$50,000 fee. That would give the Board authority to set the fee depending on how much time and effort it was to review the proposal instead of setting it at \$50,000. Remember the Board has not taken a proposal from a public private partnership yet and we were not comfortable going with the highest fee at this time. Page 16 the law requires that if someone submits an unsolicited proposal for a public private partnership that there will be 90 days for competitors to respond. We did have it in the guidelines and we changed that provision to read "90 days or as provided for by law." We did consider we might want to go to the legislature and request longer than 90 days to review and have people send in their proposals. We did not think that the 90 days was a very fair period for competition. These are the only three changes that were made from the original guidelines that you reviewed in March.

Secretary Ankner: One of the major issues facing public private partnerships countrywide is the issue of transparency and accountability. What we are trying to do with the discretionary transparency team, is to have a group at each meeting to observe and take notes. They will not participate in any conversation or decision making. Their role is just to observe. At the end of the time they are free to say anything publicly. For example if we wanted to have a member of the Attorney General's office as a member on the team, hopefully they would report that the process went according to law. We want to ensure that we have the trust of the public, the governor and the legislators in the final decision.

Secretary Ankner: Does the board and public have any comments about these Guidelines? There were no comments.

Representative Morris: Motioned to adopt the Guidelines, seconded by Christopher Gillott. Secretary Ankner asked for a record vote. A roll call vote was taken. The Guidelines were adopted unanimously.

**2. Act 39 R.S. 2009 – Removes requirements that LTA reimburse DOTD for certain project costs.**

Secretary Anker: This Act has already passed and wanted to inform the Board of its passage. Michael Bridges, Undersecretary for LADOTD was asked to take the floor.

Mr. Bridges: Informed the Board that there was a provision in the original LTA legislation and also several of the Cooperative Endeavor Agreements that said the LTA had to reimburse the DOTD for preliminary engineering. We felt that this was a provision that was not necessary, for instance the LA 1 project. The Bonds paid for about a third of the project, the rest was funded through our Highway Priority Program. It was in our Transportation Plan. It was a State Project and so basically, the LTA was reimbursing DOTD out of Bond proceeds. Then, the DOTD took those monies and put the monies right back into the project. It was an accounting exercise which we did in order to comply with the law and the Legislative Auditor's directions.

That was accomplished this year, but going forward for future projects at the last meeting Oct 22<sup>nd</sup> 08 you authorized us to move forward with filing some legislation to get it removed from the law. We were successful and this is just to inform you that this has been done and it is no longer a provision in the law.

### **3. LA 1 CEA Supplement 1**

Secretary Ankner asked Meredith Hathorn, Bond Attorney with Foley & Judell to take the floor.

Ms. Hathorn: The very technical supplement was already approved at the October 22<sup>nd</sup> 08 meeting by the LTA Board. We thought we had to go to the Joint Legislative Committee on the Budget and get a BA7 in order to make the reimbursement to DOTD as required by the Legislative Auditor. What happened was we did not need a BA7 we did not need Joint Legislative Committee on the Budget approval, so what we want to you to do is ratify the transfer that was made, the \$6.3 million in Supplement 1 to the Cooperative Endeavor Agreement, ratify approval and provide that the DOTD will in fact put that money back into the project and continue to use it for LA 1 purposes.

Secretary Ankner: Are there any questions? There were none. I would entertain a motion to ratify the Supplement 1 to the Cooperative Endeavor Agreement. Representative Morris motioned to ratify Supplement 1 to the LA 1 Cooperative Endeavor Agreement; seconded by Representative St. Germain; a record vote was taken; the motion passed unanimously.

### **4. LA 1 Status Report**

Secretary Ankner: Since we last met the new LA 1 Toll Facility was opened in early July. We started collecting tolls July 27<sup>th</sup>, after the Tarpon Rodeo to obviate any unnecessary confusion for the visitors to Grand Isle, and suspended toll collections the same day for a week to resolve several technical issues, mainly the computers and phones which did not work as efficiently as they had in the trials. We will give an overview on finance and operational activities of the new LA 1 Toll Facility. Open road tolling, with no toll booths is a new concept for this state and for most of the country. It works electronically with either transponders or passes. There is an overhead antenna/camera which reads the transponder/license plate, the correct toll due is calculated and the toll is automatically deducted from the prepaid toll account. Initially, we had long lines because residents were unfamiliar with the concept, but once the technical issues were resolved, it is much better. We were not prepared initially for the number of people who wanted to pay cash, particularly the commercial side who had multiple license plates, but that has also now been resolved. Residents of Grand Isle, the Mayor and Council feel strongly that they should not have to pay tolls. The City of Grand Isle, Council and Mayor decided that

the first contribution they received from the offshore oil revenues in the amount of \$100,000 should go towards helping residents to finance the tolls. In order to buy a transponder and open an account, residents have to prove their permanent residency by producing their driver's license; then, residents pay 50 cents round trip resident rate, rather than \$2.50. The City of Grand Isle, the Mayor and Council will make the decision relative to how to allocate and distribute the \$100,000, whether to use the money for transponders, trucks, or just resident vehicles. The decision is pending, and is expected by the end of the month. We will give you a progress report as soon as we know.

Senator: Question concerning how the system distinguishes between resident and non resident.

Secretary Ankner: If they can show they are residents and have an account, they only have to pay the 50 cents round trip. That is where they are looking to have the \$100,000 applied. If they don't have an account and a transponder, we have no way to determine if they are residents or not, and they will be expected to pay \$2.50. For them to benefit from the 50 cent resident rate and get the maximum value out of the \$100,000, they need to have a transponder and an account. We don't know how Grand Isle wants to apply the \$100,000. I don't know the answer at this point.

Senator: Question regarding the effects on tolls in light of resident charge.

Secretary Ankner: That was part of the financial modeling for the tolls and part of public outreach and acceptance by Grand Isle residents for having a toll facility when we held the public hearings. This was always upfront. What was not upfront was the reaction once the tolls came into being and they had to pay for the tolls which they view as an undue burden on the citizens of Grand Isle despite the public record information from the public hearings. While nobody was happy about tolls, the bridge was important to have; therefore, they supported tolls as long as there was a significant discount for the local residents of Grand Isle. We provided the significant discount in the toll structure, which they knew ahead of time, and now the community has decided that their first largesse of compensation for the \$100,000 in offshore revenues will be applied so that the residents don't pay any tolls for a period of time. How they are going to do that, how they are going to apply it to the community, I don't have the answer to that yet.

Secretary Ankner: Are there any other questions?

Senator: Question regarding applying the non resident funds.

Secretary Ankner: Yes that may indeed be the case but that is something that the community of Grand Isle will have to resolve for themselves.

Senator Erdey: If the resident fee applied to those who live there or those who own property and live somewhere else?

Secretary Ankner: It is an important distinction, and it only applies to the residents who live there. When they get a transponder, they verify residency usually with a driver's license stating they are residents of Grand Isle. So those who just have camps on Grand Isle are not eligible for the 50 cent round trip.

Senator Erdey: If a resident property owner hauling a boat trailer had to pay the full toll.

Secretary Ankner: Yes, that was correct. Mr. Bridges please address the toll schedule.

Mr. Bridges: There is a toll schedule in the board packet. Toll Schedule was part of the original study completed in 2004 and was presented to the communities during the two public hearings, one in Galliano and one in Grand Isle conducted in the summer of 2004. To be eligible for the 50 cent toll, you have to set up an account and provide a drivers license and motor vehicle registration that has your permanent address as south of the Leeville Bridge, in either Lafourche or Jefferson Parish. If you are a resident, the 50 cents toll only applies to a 2-axle/4-tire vehicle. If you're a resident towing a trailer, you will pay the 3-axle vehicle rate which is \$3.75. The 50 cents resident toll only applies to a 2-axle/4-tire vehicle. This Toll Schedule was in all the documents and is part of the public record. Those people who are frequent travelers are afforded a commuter toll rate. If you have a transponder and make 20 southbound trips within a 60 day period your toll is \$1.50 for a 2-axle/4-tire vehicle. We also have a cash toll that would be \$2.50. Everybody who is not a resident pays \$2.50 for a 2-axle/4-tire vehicle. There is no commuter rate for a 3-axle vehicle; the toll rate would be \$3.75.

Senator Erdey: Should there be a commuter rate for a 3-axle vehicle as so many people go back and forth?

Mr. Bridges: You bring up a good point but advised that the LTA is the only entity that can consider changes to the Toll Schedule. They were the ones who approved it in 2004 and any changes have to come before this board. We also have to keep in mind that there are other things that have to happen because all of this is in the bond documents and in the covenants. You have bond holders; you have the insurers on the bonds who all have to weigh in on whether or not they agree on changing it, and also we have a "TIFIA" loan with a federal highways group who also have to agree to changes of the Toll Schedule. The bottom line is you have to meet debt service. My suggestion to the Secretary was that we don't consider any changes to the Toll Schedule until we have some history on actual collections. I would not try to do anything for 6 months to 1 year.

Ms. Hathorn: There are several things under discussion. The first thing is the tolls have just been put on, we are going to make sure that all the assumptions that we made when we had that original Toll Schedule that those in fact produce amounts sufficient to pay the Bonds and there are some coverage tests. The Toll Schedule produced by URS and approved by LTA on May 26 was the basis for all investors to buy these bonds and for TIFIA to make the loan. It was the subject of all the public hearings. As you can see there are some graduated automatic toll increases coming in future years. This schedule was disbursed throughout. You have an obligation to maintain tolls at a level over 120 times your debt service on senior lien bonds and 110 on all your bonds. You have some senior liens and some subordinate bonds. If you have a \$1.00 of debt service, you need to produce \$1.20 to pay those senior lien bonds because you need some excess monies. My recommendation would be to make sure we have enough money to start paying the bonds off generally from these tolls, much less whether we can change anything. Our first order is to make sure that these tolls produce the right amount of revenues.

Senator Erdey: What period of time is needed to evaluate?

Ms. Hathorn: Seriously I do not know if the six months Mr. Bridges mentioned is sufficient. You have to show a trend because what we also did is provide for the tolls to be paid off as fast as possible. What we did was a unusual arrangement where every excess dollar on the tolls goes to repay the debt. We told the bond holders, not only do we have enough money to pay off the debt, but we also expect to have a lot of excess money that will be used to pay off the bonds faster. We call it a 'super sinker' so that we can start taking them off the market as fast as we can. We have to see how close we are to doing that. I think we need at least a year or a year and a half. If you reduce something, you have to make sure you increase it somewhere else unless you are certain that your numbers are the same. You would have to do a study, have another traffic engineer come in like URS did and look at where population was and economics.

Senator Erdey: Would we be doing that any way?

Ms. Hathorn: Yes, we are tracking on a monthly basis and assured the Senator that if in three or four months we don't think we will be producing enough revenue; we will be back to you for an increase. The good news is that when we did the financing, we capitalized interest so we have bond proceeds that are set aside that can be used to pay the interest. We really delayed the time period for when the tolls have to start paying off the bonds. That is coming in June; and, we will be tracking it every month to see where we are.

Senator Erdey: Can we see the reports?

Secretary Ankner: Yes, certainly they would and so would the public, it will be totally transparent in terms of what is producing the revenues. The other thing that is unique from my experience and the Federal TIFIA loan program, was the dependence primary on the commercial trucking industry because of Port Fourchon being the major producer of revenues. If we were looking at primarily the residential visitors or campers as a primary participant for paying off this debt, we would not be looking at these levels of tolls which are very modest compared with the debt which is outstanding. We would be looking at \$10.00 to \$15.00 for residents if we had to rely on that primary group of people. The commercial industry serving Port Fourchon is picking up the lion's share of the cost; and, this is unique as a primary funding source.

Mr. Bridges: Ms. Hathorn and I were in all the meetings with the Rating Agencies back in 2004 and had to do quite a selling job to get them to agree to this bond issue. Keep in mind that this is probably the only toll road in the entire country with only 8000 cars per day; most have 100,000 or more cars per day. We had to prove the viability of the oil industry out into the future. This is a commodity based bond issue, the only one in the country that I know of. Basically, they looked at a commodity to determine the viability of the tolls.

Secretary Ankner: It is this body that can make the decision on what the toll rates are. We have to do it within the context of the bond covenants, but ultimately it is up to this body to make that determination.

Ms. Hathorn: As update, when this deal had a senior subordinate type of lien on the bonds; the TIFIA loan was the subordinate loan which meant that TIFIA again funded about \$66M for this project. We did bond anticipation notes to pay for the project, then the TIFIA loan comes into existence this month. We will substitute the bond anticipation notes which were a short maturity with the longer maturity bond. The interest rate is 4.45% which rate is not attainable in today's market so we are extremely happy with the rate on the toll road. TIFIA will be visiting the Department to make sure that everything is being done appropriately, but we expect about the 17<sup>th</sup> of August, 2009, to be funded with the \$66M which fulfills their obligation to the State.

Mr. Bridges: TIFIA is a program with the Federal Government; it was in Safe-Tea Lu, the Federal Highway Bill, and stands for Transportation Infrastructure Finance and Innovation Act. We are one of the few states in the country to receive one of these loans in the amount of \$66M. Another feature of it is that we didn't have to activate it right away. We were able to use lower interest on anticipation notes during construction, so we will activate TIFIA later this month. We don't start paying back the TIFIA loan until about 2013, so it allows us a chance to ramp up the project and defer the initial payment.



Secretary Ankner: I apologize for my ego, but have to advise that TIFIA was created in 1996 during TEA-21 and that he was one of the co-authors of the legislation. It is very nice to be in a State that actually used something that you helped create at the Federal level. It will be interesting to see how it plays out. A key advantage is that we won't have to start paying off the loan until 2013. One of the purposes of TIFIA was intended to be (no pun intended) a bridge loan to enable the toll authority to get up and running with sufficient revenues and to be able to pay off the loan with the risk being absorbed by the Federal Government during that time. This is the reason we have a grace period with respect to the TIFIA provisions.

Ms. Hathorn: In the packet the board would find the TIFIA bond and the attachment showing the amortization schedule for the loan. The owner of the bond is the Department of Transportation & Development; and, it is clear that the bond is payable solely from the tolls, payable after the senior lien bonds that are out in the open market and insured by AMBAC. It does allow for a prepayment at any time so we could refund it if we were able to achieve some savings. The last page is a schedule, on the right hand side, with fiscal year total TIFIA loan payments. There is a small fee we have to pay TIFIA. The first payment is due June 1<sup>st</sup>, 2014. Secretary Ankner asked if there were any more questions.

Representative Gisclair: We have some concerns; some people were not aware of the escalating toll schedule. The other big concern is what if there is a down turn in the oil industry. From what has been said, we are relying on the commercial trucking industry to pay the biggest portion of the debt. In the oil bust of the 80's, trucking in Port Fourchon came down to halt. What will happen if we have an oil bust and 18 wheeler traffic is down from what is it today? What kind of burden is going to be put on the normal people who are trying to go to work?

Ms. Hathorn: In that case we will evaluate the tolls, see who is paying what, and see what the issues are. The board will decide what to do. There are two things I would like to point out with respect to the tolls. One is that if there is a shortfall, the immediate answer to the problem is that there is a reserve fund. We do have a time period where we could draw on a reserve fund while we figure out what the problem is and where we are going. Secondly, the State of Louisiana itself is obligated to replenish the reserve fund, so if we get into a prolonged period where the state has decided to make payments, we have that alternative. When we made our presentations to the Rating Agencies, it was not just us saying that the oil and gas business is going to be great. We had experts from Minerals Management Services, oil company representatives and other interested parties who actually came with us to the Rating Agencies to talk about the projections. In the toll report there is no assumption that the oil industry will exponentially increase. It is a very conservative toll report; and, it is public record. I would like everyone to look at it so they can see the assumptions and see where we are. We did not put all of our eggs in one basket. It was a conservative approach.

Representative Gisclair: If 18 wheeler traffic goes down and the pressure is put on the common people, what are the tolls going to jump up to? Before the tolls were implemented life was nice, now we have to pay to go to work, some having to make several trips in one day. It has affected businesses in Leeville and Port Fourchon in a negative way.

Secretary Ankner: In terms of the escalation with respect to the toll schedule, we have a resident fee; and, there will be no escalation. Hopefully the residents of Leeville and Port Fourchon will get a transponder and avail themselves of the commuter rate. While it will go up it, it is forecasted to go up slower than the rate of inflation.

Representative Gisclair: Our radio station gets calls every day from people asking "Why does a 'dually' have to pay a lot more than a two axle vehicle"? I'm trying to figure out the logic. We have a lot of welders who do service work on the vessels; they commute daily. They are asking me who came up with this number for the extra tires on my pick-up truck that still has two axles?

Mr. Bridges: In 2003/2004 a firm was hired with a national reputation to do a toll revenue study; this firm provided this schedule to us. This was something that we were required to do by the Federal government because we were using federal money on this project. We held two public hearings, one in Galliano and one in Grand Isle; I was at both of them. Nobody, until this year, until we started doing the tolls, questioned the two axles, six tires. I think this question is something that this board might want to consider when it reevaluates the tolls once we have some data. I have had conversations with LA 1 Coalition Director Henri Boulet. He has expressed this concern to me. This is the way the toll schedule was set up; it was adopted by this board.

Representative Gisclair: I understand you had public hearings, but I can promise you if you had a public hearing next week on this topic to discuss future changes, the attendance would probably be 20 fold compared to what was there before. If you had 30 to 50 people in the audience, that's a lot. But on this particular topic right now, now that it has affected the people, if you did have a public hearing today, I promise you would have a packed house. I know you guys did your open meetings, you gave everybody the information but I don't think enough outreach was done because if you are relying on the 20 or 30 people that showed up for these meetings, we are not getting an accurate feel from the public.

Mr. Bridges: I was at both meetings; and, they were both packed houses. In fact, it was my first week at work. I am from Houma; and, I am very familiar with the area. I have been in this business for a while and been to a lot of public meetings. I was not looking forward to going to these two meetings because we were basically

talking about tolling the only route to somebody's home. I was amazed at the reception that we had; it was overwhelming support. They all realized that they were not going to get this project unless they were agreeable to funding some of it themselves. I venture to say that if we had gone down there and there had not been public support, it would not have happened.

Representative Gisclair: Well, I'm hearing a different story, but I believe you.

Mr. Bridge: Because of the federal guidelines a public record is kept; we have a transcript of both of those meetings. We have provided about a dozen copies and have already handed them out. It is very eye opening; you would be surprised. It details who was making the supporting comments.

Representative Gisclair: I would venture to say that seven out of ten people thought the Leeville Bridge was still going to be there and not be removed and thought they would have an alternate route. They were told before that it was coming down, but not having the alternative route, they feel is an injustice, but they were told.

Secretary Ankner: Yes they were. I have read the transcripts of those meetings. We would never have been able to build the bridge if we had kept the old Leeville Bridge. The opportunity for a way to avoid paying the tolls would have not allowed the financial forecast to work and that was one of the consequences if we wanted to finance the project using bonds, supported by tolls. This would not allow the financial forecast to work. Removal of the old bridge was one of the consequences of financing. It is clear from my reading that this facility would never have happened under the normal way of financing transportation projects in this State. The only way this could have happened was through tolls. Based on the transcripts, which I am happy to provide to all the members of the committee, tolling was realized and accepted. Secretary Ankner asked Mr. Bridges to provide copies of the transcripts to members. Having is not equal to wanting. When one wanted something, you might change your attitude once you have it. I think that is part of what we are dealing with here. We believe we have conservative forecasts as far as the oil industry is concerned; and, we believe that we will make our schedules; and, we hope that will continue to allow us to keep the tolls for the residents at a reasonable rate. 25 cents each way is a very modest amount, in fact it doesn't come anywhere near to covering the cost of providing that facility and this bridge. Are there any other comments or questions?

Representative Gisclair: The only other comment I have is that it is called 'The Gateway to the Gulf of Mexico' and the feeling in the area is that the Gulf of Mexico should pay for the gateway. The people never had an opportunity to vote for this road. I commend the LA 1 Coalition for the job they did in obtaining the TIFIA loan and getting the project online, but the residents are in after shock. They never had

the opportunity to vote for the construction of this road. If it is the 'Gateway to the Gulf of Mexico', then the Gulf of Mexico should pay for the gateway.

Secretary Ankner: I would agree that there was no referendum on this by the citizens but as I tried to explain earlier, the oil industry is picking up the majority of the cost for this project. If we had tried to do it on the basis of residential and local business activities, we would never have been able to generate the dollars to allow this facility to have come to fruition. Maybe this is a lesson to be learned, and in the future when we are looking at tolls in any other community, perhaps we should be looking at a referendum as part of our decision making process elsewhere in the State.

Representative St. Germain: Addressing Representative Gisclair said she felt his pain. When you have constituents coming to you after everything is done, then it is hard to answer. But I was lucky enough to have been on the original LA 1 Coalition in the mid 90's that was discussed even before they did the public hearings. Because I am from a small town, you know if you happen be able to do a bypass road somewhere, I will hear what a wonderful thing it was first, all the problems wait to come out afterwards. But I suggest to you, for any of us that have to answer to our constituents, that you get those transcripts and you might be surprised. You may find some of the same people that are a little upset now, were there and were excited because of the way the Leeville Bridge used to not work. Everyday in our small areas, they know us; they will find us; and, they will tell us. But in the end, hopefully in time, they will see what they now have, instead of what they had before. 50 cents might not be too much. I am not sure what is happening about the \$100,000 issue. I hope we make sure it is done correctly so that it does not look like we are spending public funds. If it can help your citizens, I totally agree with that. Just let us know if we can help.

Senator McPherson: Addressing Representative St. Germain and particularly Representative Gisclair stated that he was sensitive to the position you find yourself in. This was a major, major issue that came up annually with the LA 1 Coalition; they were here lobbying; they were begging for this project. You mention radio; and, it is probably your local hate radio station. Luckily, you have a topic dujour that is pertinent. They don't have to talk about national healthcare when they have a toll to bust the government on. You have your call-ins every morning, hating something; and, this is what they have got now. Unfortunately, you are the front man. You will agree Karen, if you go back; there was not one in all the elected officials that was not an advocate for this project and begging for it and asking us to do it. Just look at the testimony from the hearings and what we were being lobbied on at the Capitol. If there had been a referendum, it would have overwhelmingly passed. From all the testimony, there were no negative comments at those meetings; nothing, nobody came to a committee in opposition concerned about tolls or anything else. Hind sight and buyers remorse happens in life, but at the time, I think everyone went for it

like motherhood and apple pie and it needed to happen. Everybody joined forces in a very collaborative way to make it happen. Now you have some folks who are disgruntled. Are any of the public officials down there unhappy?

Representative Gisclair: There are negative feelings, some people involved in the LA 1 coalition were also involved with the oil industry, in fact the figure of 95% oil related was mentioned. But I am sure everybody will be happy the first time we need to evacuate for a hurricane.

Secretary Ankner: I would like him to have a copy of the hearing transcripts. At the hearings at least, it wasn't just the coalition folks who had opportunities at other forums. There were people who would presumably be paying the tolls who came out as well as the local officials who came and gave a very positive public support for the facility because they felt it was a critical need not just for the oil and gas industry and their economy, which I think will be proven to be true, but also for their own mobility and for their security as you said in hurricanes and other weather related events. There is usually a shock value with people when something becomes a reality. As long we provide good service and the facility functions the way it is supposed to both as a road and bridge as well as a toll facility, the public will begrudgingly accept the fees and also understand and appreciate the asset that they indeed have. It may take a little time for that to happen. The facility itself is rather unique in this country. It is one of the few complete open road tolling facilities; and, it was done that way to make it much easier for the residents so they do not have to stop and pay a toll, do not have to deal with congestion, do not have to foul the beautiful air in that part of our State with queues at toll booths causing exhaust fumes. This was intended to be built in a way that was a lot more customer friendly than a lot of toll roads in the rest of the country. Also, by being open road tolling in our judgment, it is going to be lean on the operating cost side. We are not paying salaries for people to collect tolls on a 24/7 basis. We have that being done efficiently and effectively when the technology works.

Representative Gisclair: One last comment, the residents of Grand Isle are concerned that the toll bridge will stop people from coming into the area, but only time will tell.

Secretary Ankner: This board and my department remain open to the concerns of the Grand Isle community and businesses within Leeville, and the general public who want access. We will take seriously any concerns or questions that they have. We are fortunate that you will bring them to our attention. Thank you for your comments.

Senator McPherson: I am trying to remember as we talk, but as I reflect back on the history, the whole development of the corridor, this was the lynchpin of it and unless we were able to do this all that other development that was planned would

not have been possible without it. It was kind of a selling point, big major expensive piece, not a lot of use doing all the rest of the elevation and highway work unless we had this.

Secretary Ankner: You are correct Senator; it was a lynchpin for the growth of Port Fourchon. The companies that are there now, and have come in over the last few years, based a good part of their decision on this facility for travel as opposed to the old Leeville Bridge.

Senator McPherson: The secretary is right; it is unique, in that it is the only way in and the only way out. Normally, when you have a toll road, it is a convenience. You are buying that convenience; and, if you don't want to or don't have the ability to pay a toll, you are not trapped by it. That part the citizens are right on.

Senator Erdey: Just one quick comment, Representative Gisclair. In the event that you do see a decline in the tourism in the area, be sure to compare it with other areas in the State. Remember we are in a down economy, that could be the reason and not just solely the tolls that are dragging the tourism down.

Secretary Ankner: Ms Standige please give a quick update.

Connie Standige, Assistant Secretary of Operations, DOTD: I think the Secretary has said mostly what we are doing as far as operations, but we are also operating our customers service center on a 24/7 basis. We have added additional personnel to process customers quickly. I have been down helping this week; I was a toll collector for a while. It seems to be going better. We had a glitch with the phones and computers initially, but we have not had any more major problems. We are having less cash customers. They are buying multiple passes on the computer or with credit cards. We are seeing more customers learning to go on line. We have been pushing the GeauxPass.com website which is very simple to use. We had a public outreach in June and went to a lot of locations to let people know how to get their passes and commuter discounts. We will continue to visit businesses and offshore companies to explain the advantage of having transponders. We will not be operating 24/7 forever and will start scaling back within the next few months. We have experienced large amounts of traffic at 4 am on Tuesday, Wednesday and Thursday. This is the shift change for offshore companies. We will probably staff up early in the morning for those shift changes. That is just a quick update. We are trying to service the customers as quickly and efficiently as possible.

Senator McPherson: How do you get through if you don't have it 24/7? I am in my car; and, I am going to Grand Isle.

Ms. Standige: There is a phone number you can call. It has voice recognition. You give your license plate number over the phone. There will be some kiosks. They

are being programmed right now. They will be in place at truck stops and convenience stores. We have signs telling you where to go. At the customer service center, there are cash kiosks, just like an ATM machine. You go in and put your credit card or cash and license plate number in; and, it prints out a receipt. You cross; and, it recognizes your license plate. We also have post pay. If you cross and didn't realize it was a toll, you have 48 hrs after you cross to pay. You can either go on line or call in and post pay or come to the customer service center and post pay. There is an option if you do accidentally cross. We are also looking at post billing.

Senator McPherson: Is there a Lafayette speed van that takes your license plate number?

Ms. Standige: There are cameras on the bridge that take a picture of every license plate that crosses. That is how you are identified if you set up for the transponder. It takes a picture of your license plate and gets an image that goes back to the computer; and, it matches the license plate up to your account, automatically deducts the toll out of your account even if there is a glitch and the transponder didn't work.

Senator McPherson: How unique is it not to have a 24/7 attendant?

Ms. Standige: There are other areas. I believe in Houston. I believe a few locations with complete open toll, no attendants at this point.

Senator McPherson: They are 100% transponder, aren't they?

Secretary Ankner: No sir, it is similar to us. There is a camera that takes a picture of the license plate, because there are individuals that go through without transponders. You can purchase a one day trip, the same as with our facility. The first open road tolling was in Toronto in North America on 407. We are going to be seeing a number of hot lanes with open road tolling starting with Virginia probably in a year and a half. This is preferable to having manned facilities, as long as you have customer service, provide kiosks, provide on-line and phone service. Post pay is something we are pioneering because we know people make mistakes. We don't want to be focused on violations and collections. We believe people are basically honest, want to do the right thing and provide the opportunity, if they have made a mistake, to rectify it without being further penalized. We are committed to monitor this. If there are issues or problems, we will try to resolve them to make this experience as painless as possible. It's important that we collect the correct amount of revenue we need to pay off the bonds.

Senator Erdey: Quick question. How many jobs has this toll created for the local economy?

Ms. Standige: We have hired four people at the customer service center in Golden Meadow who will be working full time and they are all people from the local area.

Senator Erdey: Does that include security? Do you need security?

Ms. Standige: We do not have security.

Secretary Ankner: That is one thing that an open road tolling helps us. On the CCC, where we do have toll collectors with cash transactions, we need the police escorting our collectors back to the money room or bringing their cash drawers out to the lanes. We need to have security. With this kind of open road tolling, you do not have to have toll collectors; you don't have to have the same kind of security.

Ms. Standige: We don't have security during the day. At the moment, we do have security at night because we are operating 24/7. We have security to transport the money at night. We don't have to have somebody sitting in the customer service center all day, but we do have them in at night right now.

Secretary Ankner: Does the public have any questions regarding the LA 1 Toll facility?

Representative Gisclair: Regarding the kiosks, Griffin's Exxon applied to have one of the kiosks and was turned down. He thinks it would help his business if people could get fuel, groceries and their pass at Griffin's Exxon. I don't know what a kiosk costs or what the policy is to have a kiosk. They are begging to stay in business. As their State Representative, I would appreciate any consideration.

Mr. Bridges: We would be glad to work with them. I have spoken to the owner several months ago. We had a consultant who put together a plan for the toll collection system. They recommended a certain number of kiosks. They did a study to find the ideal locations. Griffin's Exxon was not considered one of those ideal locations because you have to go out of your way to get to it. It is not on the route. We did say we would locate a kiosk in his location but he would have to pay for the kiosk himself. We can certainly open those discussions again. It is a drawing card to get people to come into your business. It is puzzling that one business said they didn't want it. We moved it to a location across the street. I think they are probably regretting that decision. The operations group would be the people to discuss it with him. We will see what we can work out.

Representative Gisclair: I would like the board to know about another small business man who has a grocery store, gas station and restaurant. Welders work across the bridge. They used to come eat three times a day but now they don't because of the tolls. I am just showing that the tolls have affected people negatively. Perhaps,



nobody looked at this before? Helping the business out would be deeply appreciated. What is the cost of a kiosk? I wish they had been in place before we started collecting tolls. In my opinion, the system would have run a lot smoother.

Secretary Ankner: You have a good point sir. We will find out the cost of a kiosk and let you know. I think that's it for the LA 1Toll update unless there are any other questions from members of the board? If there are none, I would like to move to the general public comment period. Are there any public comments?

## **VII Public comments**

Secretary Ankner: Hearing none, we will move to other business.

## **VI Other business**

Secretary Ankner: As there is no other business, we will move to set dates for our next meeting.

## **VIII Set date (s) for next meeting(s)**

Secretary Ankner: We have been having difficulties getting a date for our meetings. I am willing to entertain any strategy or ideas on how we can solidify some dates. By law, we should meet once a quarter.

Ms. Duvieilh: Some suggestions are possibly picking a certain day of the month, say the third Tuesday of each quarter, January, April, July and October. The hardest might be April with the session coming up.

Representative St. Germain: I am not officially on the committee except for today, but during session really isn't the worst time because everyone is here already. You might have to pick a little earlier time.

Ms. Duvieilh: We are open to suggestions, are Thursday's a better day? Is the second Thursday of the month starting in January better? We can send out the dates and everybody can put them on their calendars.

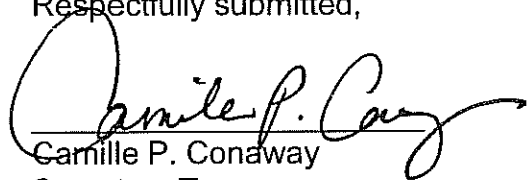
Secretary Ankner: Thank you. We plan to meet once a quarter, the 2nd Thursday in January, April, July and October; we will have that information sent to you.

## **IX ADJOURNMENT**

Secretary Ankner: If there are no other comments, I will entertain a motion to adjourn.

Senator McPherson motions to adjourn, seconded by Senator Erdey. Meeting adjourned at 10:15.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Camille P. Conway". The signature is written over a horizontal line.

Camille P. Conway  
Secretary-Treasurer

Date approved: 3/8/10