

Testimony of Steven Farrar, President of License Plates of Texas (dba My Plates) and Sean Kennedy, Vice President of License Plates of Texas (dba My Plates) Before House Transportation Committee December 13, 2021

Good morning, Chairman Hennessey, Chairman Carroll, and members of the House Transportation Committee. Thank you for the opportunity to speak today and to provide background on a very successful private vendor license plate marketing and sales program that operates in Texas. I believe the committee may be considering legislation that would allow a similar type of program to exist here in Pennsylvania. Hopefully our testimony today will provide a strong level of comfort and positivity to pursue such a program.

Legislature Passes Bill for Private Vendor Program

In 2007, the Texas Legislature passed a bill that authorized a public/private program to design, market and sell specialty license plates to raise revenue for the state.

The Texas Department of Transportation published a public request for proposal (RFP), seeking to engage the services of a private vendor to; *implement and manage a new specialty license plate program on behalf of the state; a program designed to maximize revenues realized by the State of Texas through the sale of plates; to maintain the safety and legibility of license plate designs and to provide high quality customer service.*

Numerous companies submitted responses to the RFP. After a review process, our company License Plates of Texas was awarded the contract and we officially launched the MyPlates.com program to the market in 2009. Note: Post-award, a new state agency was established, the Texas Department of Motor Vehicles (TxDMV), who now oversees the private vendor My Plates contract.

Based on the success of the first five years, in 2014 My Plates were rewarded a 5-year extension of the contract. Due to the authorized contract period expiring, the TxDMV in 2019 were required to publish a public RFP for the management of the now established program, this time to manage ALL specialty plates in the state, including state charity plates and qualifying plates (i.e., military plates, disabled veterans plate etc). License Plates of Texas were again successful in this tender and were awarded a new 6-year term contract with the option for another 6-year renewal.



New Modern Services

Prior to the My Plates program launching, citizens wishing to purchase a Texas specialty license plate had to fill out paper forms and then mail in their request with payment to their local tax office. If they wanted a personalized plate, they could provide a selection of up to six messages and if one were available, their plate would be produced, and if none of their messages were available, their order form and check were returned. A very time consuming and frustrating process lacking in modern-day capabilities and falling short of customer expectation.

The design, launch and management of the My Plates program by our team brought about a new, innovative, state-of-the-art, user friendly e-commerce website that provides citizens the ease of ordering their desired license plates online. The system includes real-time check availability for all personalized messages with confirmation at time of purchase, all within a safe, highly secure and easily navigated modern website environment.

Our customers average a little over 3 minutes on our e-commerce site to find and purchase their desired specialty plate. The site exceeds customer expectations and achieves very positive exit surveys. The My Plates program, e-commerce site and technology systems are all securely integrated in "real-time" with state infrastructure: from ordering the plate online, to sending the order to manufacture, to utilizing the state payment processing provider for collection of funds.

These modern services are all developed on the vendor side, all produced and implemented by the vendor. To deliver the best result for the customer, there will be some points of integration required between the vendor's secure ecommerce platform and PennDOT's existing registration and titling systems. The integrations will allow the vendor's system to transmit sales data and information into PennDOT's system to allow new vendor orders to be processed through the existing PennDOT fulfillment pipeline. We believe the work effort to achieve these points of integration is minimal and straightforward to implement.

New Designs / Greater Choice

My Plates launched new, fresh, and desirable plate designs, moving away from the restrictive fixed plate design format the state had been using since 1990. This allowed My Plates to offer a new range of creative, fun, and unique specialty plate designs: state themes, desirable colors, universities and colleges, sports teams, charities and causes and more! My Plates delivered new designs and greater choice for the citizens, and citizens responded positively.



Please note: In Texas, all My Plates specialty license plate designs are manufactured through the Texas Department of Criminal Justice (i.e. through corrections). In Pennsylvania, our plan would be to have all plates manufactured through corrections as they currently are today. So, no change to where the plates are manufactured.

Important: My Plates worked very closely with the TxDMV and the Department of Public Safety to develop a plate design specifications/guidelines document to ensure all introduced plates meet state legibility and reflectivity standards. Additionally, the TxDMV retains full approval rights over each submitted new plate design application.

Exemplary Customer Service

Through our program, we provide a high level of service to our customers via our customer care center, which is staffed with full-time dedicated professional agents. We serve customers via phone, email and click-to-chat online services, all in both English and Spanish. In Texas, we engage in over 35,000 calls and 30,000 chats a year, while also servicing an additional 15,000 email inquiries. Our service metrics and ratings consistently excel.

An important fact about how we manage the Texas program, is that our customer service team all live in Texas, so our customers are greeted and serviced by Texas residents. In Pennsylvania, if this effort were to proceed, our plan is to set up and staff our customer care team in Pennsylvania, staffed by Pennsylvanians, servicing Pennsylvanians.

You Can't Sell a Secret!

Implementing a great program, streamlining the process, providing exemplary customer service, and launching desirable license plate designs is all great, but if no one knows about it, then who is going to take part? That's where an outsourced plate marketing and sales program to a private vendor really delivers benefits. In Texas, My Plates has invested millions of dollars to launch, market, advertise and educate Texans about this program. Building awareness and interest, and creating the desire to purchase.

Each year My Plates provides our client, the TxDMV, with an annual marketing plan for their review and approval, prior to the implementation of that plan. All advertising campaigns, from TV, radio, online, billboard messaging to media plans etc. are all approved by the TxDMV prior to execution. We also host regular meetings with the TxDMV reviewing our post analysis of the marketing campaign, i.e., previous months/quarter results and looking ahead at the coming months/quarter etc. Through our marketing efforts, we have taken an obscure, awkward and poorly understood program into the forefront of customer awareness and e-commerce performance.



No Cost!

The private vendor program in Texas is <u>100% funded by the private vendor and the</u> <u>program earnings</u>. The vendor pays for and provides all program services, marketing, website services, customer service, implementation fees, licensing, royalties etc. The aim is to create a similar no-cost program for Pennsylvania. In short: the commonwealth enjoys the new revenue, the citizens enjoy the new program benefits, the private vendor foots the bill.

Success

Since launching the program in Texas, the My Plates program has proven to be very successful:

- Over \$115,000,000 in new revenue generated directly to the state
- Over \$18,000,000 to TxDMV for their cost recovery
- Over \$3,000,000 to charities/scholarships
- Over 580,000 specialty plates sold
- In 2021, the program will drive more than \$20,000,000 to the state
- In 2022, we project earning \$25,000,000 for the state

Summary

As a vendor with expertise and experience in this category, having worked on the Texas program for 12+ years and other successful programs around the world, in Australia and New Zealand, it is our professional opinion that a similar type of program would prove to be as successful here in Pennsylvania.

Accompanying this written testimony are additional support materials in the packet, including some highlights of the program and some written references from some of our plate partner organizations, and very importantly, our client the Texas Department of Motor Vehicles.

Thank you all for your time and consideration of this effort. We are available to answer any questions you all may have.

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My PAplates

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Over \$115,000,000 Raised in Texas!

PENNSYLVANIA

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Pennsylvania Private Vendor Specialty License Plate Program

- Create vendor program to maximize revenues for the Commonwealth of Pennsylvania.
- Pass bill to allow PennDot to contract with private vendor for marketing and sale of vendor-designed registration plates.
- Modernize the specialty plate ordering system, enhance customer service and choice.

Key Benefits of a Private Vendor Program

- No cost and No risk: fully funded by the sales and renewals of vendor plates.
- New Revenue: additional source of revenue without new taxes or mandatory fees.
- Generates Millions: vendor program in Texas (www.myplates.com) has generated in past 11 years:
 - » Over \$115,000,000 to the State's General Revenue Fund
 - » Over \$18,000,000 to the TxDMV for cost recovery
 - » Over \$2,500,000 to charities and scholarships
 - » In 2020 alone, the program delivered over \$15,800,000
 - » In 2021 on track to deliver over \$20,000,000

How It Works

- No Cost: Vendor pays for and provides all program services: marketing, website services, customer service, implementation fees, licensing, royalties, etc.
- No Risk: Vendor created funds are in addition to those PA is already receiving from existing specialty plate program.
 - » Minimal risk to existing specialty plates: vendor promotion of specialty plates in Texas created a lift in exposure and sales for existing state plates.
- Modern Services: PA citizens will benefit from modern convenience of real-time online ordering via a dedicated and secure website, and exemplary customer service via phone, email and Click-to-Chat services.
- New Plate Options: Vendor introduces new and exciting design options for Pennsylvanians to enjoy: background colors, themes, sports, charities, historical, collegiate, etc.
 - » PennDot will retain final approval and oversight over the vendor program. No authority is taken away from the department.
- Safety: Vendor produces plate designs to PA safety and legibility standards which also work with all tollway, police department and other automated plate reader technologies.
- Job Impact: No government agency jobs lost; some subsidized through cost recovery funds paid by the Vendor to PennDOT, others benefiting from reduced staff time spent on plates.









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No Risk

No Cost



December 1, 2021

Commonwealth of Pennsylvania House Transportation Committee 1723 Commonwealth Avenue Harrisburg, Pennsylvania 17120

Re: License Plates of Texas LLC

To whom it may concern,

License Plates of Texas LLC (LPOT) has been delivering license plate marketing, sales, and management services for the state of Texas since 2009.

LPOT was first awarded a five-year contract in August 2009, officially launching the My Plates-branded license plate program in November of that year that featured an exciting range of new specialty plate designs for the Texas public. LPOT provided ongoing support for the program with customer service, a sales center, and execution of an approved annual marketing/advertising plan to promote the program.

In 2014, the Texas Department of Motor Vehicles (TxDMV) renewed the contract with LPOT for another five-year term.

In 2019, TxDMV published a request for proposals to find a vendor to manage the current license plate program and to design, build, and manage a new public-facing, state-of-the-art website store to host all specialty license plates in the state of Texas. TxDMV awarded the contract to LPOT, which launched a new license plate platform supported by a major marketing campaign to promote approximately 500 specialty license plates for the state.

Texans have bought more than 560,000 plates from LPOT since November 2009, adding more than \$115 million to the state's general revenue fund.

Sincerely,

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Roland D. Luna, Sr. Director, Vehicle Titles and Registration Division

INTERCOLLEGIATE ATHLETICS



THE UNIVERSITY OF TEXAS AT AUSTIN

P.O. Box 7399 • Austin, Texas 78713-7399 • (512) 471-4602 • fax (512) 471-2378 • www.TexasSports.com

To whom it may concern,

Re: License Plates of Texas LLC (dba My Plates)

The University of Texas has been working with License Plates of Texas LLC (My Plates) since 2009 when we first launched an official University of Texas branded affinity license plate within the My Plates program. In fact, our Texas Longhorns plate was the very first approved trademark licensed, and Collegiate plate offered by My Plates.

Since that time, we've added two further University of Texas branded plates to our offering to provide even greater choice for our many alumni, fans and supporters across Texas.

My Plates continue to support and promote the University of Texas plates as part of their annual marketing campaign each year. We are very pleased with the results and the ongoing relationship we enjoy with the team at My Plates.

My Plates are a terrific partner to work with and have consistently met and exceeded our expectations over this past decade. We look forward to working with them for many years to come.

Yours sincerely,

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Craig Westemeier Senior Associate Athletics Director for Business Development University of Texas Athletics





1333 N. Stemmons Fwy. Suite 105, Dallas, Texas 75207

Dallas Mavericks 1333 N Stemmons Fwy Suite 105 Dallas, TX 75207

To whom it may concern,

Re: License Plates of Texas LLC (dba My Plates)

The Dallas Mavericks have been working with License Plates of Texas LLC (My Plates) since 2011 when we first launched an official Dallas Mavericks affinity license plate within the My Plates program.

Since that time, we've enjoyed a very positive working relationship with My Plates to promote the Dallas Mavericks license plate to the many fans and supporters across Texas.

My Plates are also a sponsor of the Dallas Mavericks and execute a tailored marketing campaign each year to continue to build awareness and drive sales for the product.

We are very pleased with the results and the ongoing relationship with My Plates. The Dallas Mavericks now boast two branded affinity plates within the My Plates program that allow Texas to express their pride for their team 24/7.

My Plates are a great partner to work with and have consistently met and exceeded our expectations over this past decade. We look forward to working with them for many years to come.

Sinterely

Clay Christopher I Senior Director of Corporate Sponsorships Dallas Mavericks

DIVISION OF MARKETING & COMMUNICATIONS

Brand Development

Kyle Pope Director, Collegiate Licensing & Brand Development

October 26, 2021

Re: License Plates of Texas LLC (dba My Plates)

Texas A&M University first launched an affinity branded license plate in the state of Texas in 1990. Our plate soon became the number one selling collegiate plate in the state.

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In 2010, we executed a licensing agreement with License Plates of Texas LLC (dba My Plates) to also carry a branded Texas A&M license plate within their program. Once again, the Texas A&M plate became the number one selling collegiate plate in their program.

We have maintained a very positive working relationship with My Plates since 2010 and have crossed over the original plate within the state program to be marketed and sold by My Plates. Over \$3M in new plate sales have been generated over the years, providing much needed revenue to support scholarships at our university.

The team at My Plates is very professional and represents our brand and product well. We look forward to working with My Plates to continue the success of our affinity license plate program for years to come.

Sincerely,

Kyle Pope

Jack K. Williams Administration Building, Suite 009 Mail Stop 1137 College Station, TX 77843-1137

Tel. 979.862.3366 Fax 979.845.1203 Kyle.Pope@tamu.edu www.trademarks.tamu.edu





October 28, 2021

Dallas Cowboys Football Club One Cowboys Way, Frisco, TX 75034

To whom it may concern,

Re: License Plates of Texas LLC (dba My Plates)

The Dallas Cowboys has been working with License Plates of Texas LLC (My Plates) since 2010 when we first launched an official Dallas Cowboys affinity license plate within the My Plates program.

Since that time, we've enjoyed a very positive working relationship with My Plates to promote the Dallas Cowboys license plate to the many fans and supporters across Texas.

My Plates are also a sponsor of the Dallas Cowboys and execute a tailored marketing campaign with our organization each year to continue to build awareness and drive sales for the product.

We are very pleased with the results and the relationship with My Plates. The Dallas Cowboys now boast three branded affinity plates within the My Plates program and we continue to be the most popular pro-sports license plate in Texas.

My Plates are a great partner to work with and have consistently met and exceeded our expectations over this past decade. We look forward to working with them for many years to come.

Sincerely,

Brad Burlingame

Brad Burlingame Senior Director, Corporate Partnership Sales (972) 497-4387 | <u>bburlingame@dallascowboys.net</u>

Dallas Cowboys Football Club | One Cowboys Way, Frisco, TX 75034





Helping Women Now™

Partner Reference Letter

National Breast Cancer Foundation 7460 Warren Parkway, Suite 150 Frisco, TX 75034

To whom it may concern,

Re: License Plates of Texas LLC (dba My Plates)

The National Breast Cancer Foundation is a U.S. breast cancer organization that promotes breast cancer awareness and education, providing free screening services, and supports breast cancer patients and survivors.

In 2010, License Plates of Texas LLC (dba My Plates) approached our organization about launching the first ever Breast Cancer Awareness affinity branded license plate in the state of Texas. Our organization was excited about this opportunity and worked closely with the team at My Plates to successfully launch this plate.

Today, our organization has two plates within the My Plates program that drive awareness and just as important, proceeds to provide life-changing support in need across the country.

We are very pleased and thankful for the relationship our organization has with My Plates and truly appreciate their ongoing support.

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Mandy O'Neill Sr. VP of Development

SIGNATURE REQUIRED: My Plates Reference letter NBCF

Final Audit Report

2021-10-25

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