



Talking Points – Senate Transportation Hearing

October 13, 2010

(All sales figures reported are effective to October 6, 2010)

Background:

- In 2007, AAMVA (American Association of Motor Vehicle Administrators) conducted a survey of Personalized License Plate Market Penetration in the U.S. All States across the U.S were included. Texas was ranked the lowest in the nation for personalized plate market penetration at only .56%.
- Texas is the first state in the U.S. to contract with a private vendor to create, market, and sell new specialty license plate designs as a way to raise revenue for the state.
- The program guarantees millions of dollars for the state and offers all Texans a fun choice in customizing their cars. **A minimum of \$25M over the first 5 years has been guaranteed by the vendor. No state funds are used or at risk, the state is held harmless and the vendor is responsible for the costs of operating the program.**
- In August 2009, the state awarded the contract to operate the MyPlates program to a joint venture between Etech, Inc. of Nacogdoches (www.etechinc.com) and Pinnacle Technical Resources of Dallas (www.pinnacle1.com). Both Etech and Pinnacle are HUB certified minority owned companies.
- My Plates' goal is to create a long-term, mutually beneficial relationship designed to maximize revenues for the state through the sale of My Plates specialty plates. My Plates is dedicated to providing Texans with greater choices in specialty plate designs, a unique way to add personality to your vehicle, and unmatched customer service.

Highlights

- Program launched 19th November, 2009
- The State collects the full retail price of new and renewal plates and associated fees, if any, through Texas online. Upon funding, the share owed to the Vendor is then remitted by the State. Hence, the private vendor does not collect the funds.
- Trading for just over 10 months the program has already delivered:
 - Over 25,000 plate sales (Estimate over 29,000 after 12 months)
 - Over \$5,500,000 in total sales revenue
 - Over \$1,900,000 to General Revenue Fund (Estimate \$2.1M+ after 12 months)
 - Over \$600,000 to TxDMV for cost recovery
- Program operation is fully funded by the Private Vendor including:



- Customer Service Center open M-F, 8am to 6pm (Bilingual – English/Spanish)
- Online Click to Chat services, 8am to 10pm (M-F)
- New plate implementation fees paid by private vendor to TxDMV:
 - Over \$300,000 paid/invoiced for new plate development
 - Another \$50,000+ estimated for new plate fees first quarter 2011
- Transaction credit card fees for online purchases, over \$130,000.
- Marketing, Advertising, Public Relations all paid by the private vendor
- To date in total, the Private Vendor has invested over \$3.0M to fund the MyPlates program/operation.
- Market Facts
 - 91% of sales are processed through the website: www.myplates.com
 - 9% of sales are processed through the customer service center
- Sales by Market (TV viewing footprint)
 - DFW 8,500+ sales 34.11%
 - Houston 8,000+ sales 31.62%
 - Austin 2,500+ sales 10.38%
 - San Antonio 2,100+ sales 8.26%
 - Other 4,100+ sales 15.62%

My Plates: Plate Inventory

- Currently MyPlates has 50+ plates approved to market.
 - Top 5 include:
 - LS Black plate (5,200+ sales) – Over \$1.2M in sales for this one plate
 - T-For Texas Black plate (4000+ sales)
 - White plate (3,500+ sales)
 - T-For Texas Red plate (1,700+ sales)
 - UT Longhorns & T-plate (since Jan'10 – 1200+ sales)
- Some recent plates released in September also include:
 - Texas A&M University of Houston
 - Carroll ISD Sam Houston University
 - Ft Worth Zoo SMU
 - Alabama University Georgia University
 - Arkansas Nebraska
- TxDMV has approved another 22 plates with a release date planned for early November 2010. Some of the plates approved include the following:
 - Dallas Cowboys Houston Texans
 - NASCAR Houston Dynamo
 - Longview Lobos Liberty Christian



Texas Trophy Hunters Texas Tech
Oklahoma University Baylor University
UTSA Tennessee
Sunflower Recycle Texas

• **My Plates Great Plate Auction – January 13, 2011**

- My Plates will be holding the first ever license plate auction in Texas featuring 33 unique one of a kind plate messages.
- The event will be held at Cowboys Stadium, Arlington, TX.
- 29 of the messages featured are 7 character
- All auction plates are fully transferable with 25yr terms & the first right of renewal
- Auction is open and free to the public to attend
- Proceeds from the Auction will benefit the State’s General Revenue Fund, My Plates and Selected Charities.
 - State royalties start from 30% and extend to as high as 90% paid as the price passes various thresholds.
- My Plates will also support a number of charities on the night including:
 - NBCF
 - Cystic Fibrosis
 - Happy Hill Farm Academy
 - Gridiron Heroes
 - Children’s Miracle Network
- People wishing to bid at the auction will need to register either prior to or on the night to receive a bidding card to be able to access the bidding area and for an official bid to be accepted.
- Some unique messages include:

COWBOYS	RANGERS	MUSTANG
FERRARI	PORSCHE	AGGIES 1
GO HORNS	RAIDERS	MAVS FAN
MICHAEL	HUNTING	MY TEXAS
FT WORTH	AMERICA	FREEDOM

Support Information to have on hand:

- Sales by County report
- Plate ranking report