



# Towards Self-Sustaining 511 Systems

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# Topics

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- The health of 511 systems in the US today
- 511 Revenue Generation as a solution to 511 O&M funding
- Experiences to date
- A strategy for 511 agencies



# What is the health of 511 systems in the US today?

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- 511 services in 46 states
- Over 40m calls expected to 511 systems this year
- General trends:
  - Steady or increasing telephone usage
  - Rapidly increasing access to web sites by smartphones
  - Mobile applications expand the user base by adding location-sensitive features
  - Increasing services from the private sector



# The Funding Issue

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- While Federal grants are available for system installation, O&M falls on the agency to support.
- The FCC ruling authorizing 511 requires it to be a free service to the public
- Victims of their own success:
  - The more users..... the more calls..... the higher the telephony costs
  - Additional costs are incurred in transferring calls (e.g. to transit or rideshare services)
- Typical 511 system O&M costs
  - Small systems: Up to \$300K
  - Medium sized systems: Up to \$750K
  - Large systems \$1m+



# The Funding Solution?

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- Generate revenue from 511 systems
- Sell traffic data and video
- Enable advertising on 511 assets:
  - Web
  - Phone
  - Other
- Fuelled by the success of advertising on freeway service patrol vehicles, expectations were high!



# The Early Approach

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- Provide a platform for the private sector to bid on the opportunity to raise revenue from 511 assets
- Two years ago, RFP's were appearing with a common theme of “**Free Everything**”:
  - System Build (Install)
  - O&M

**\$0.00**

# The Early Approach

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- Results:

- FL: 2-year procurement effort failed to result in a contract
- MO: Two unsuccessful procurement efforts; latest had no responses
- OH: Unable to contract
- TX: No Bids



# Why?

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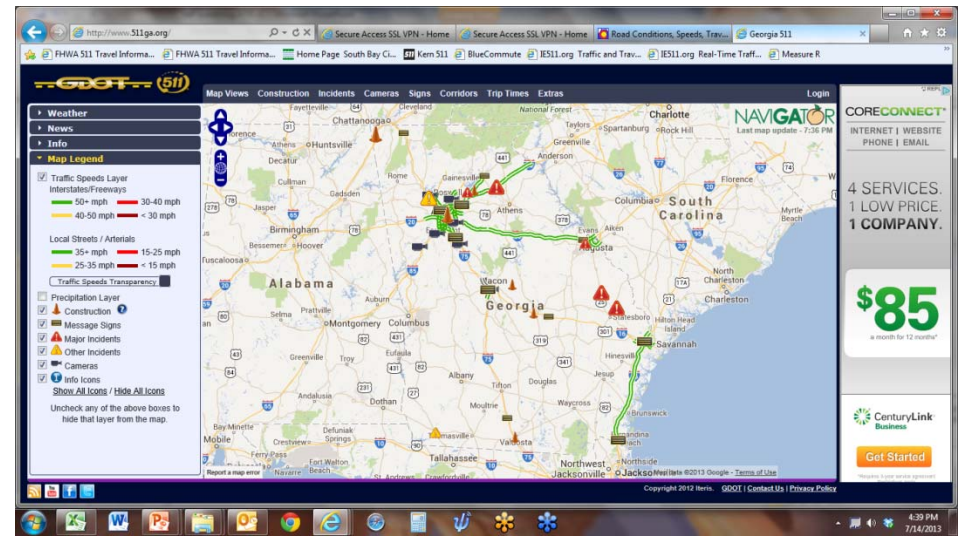
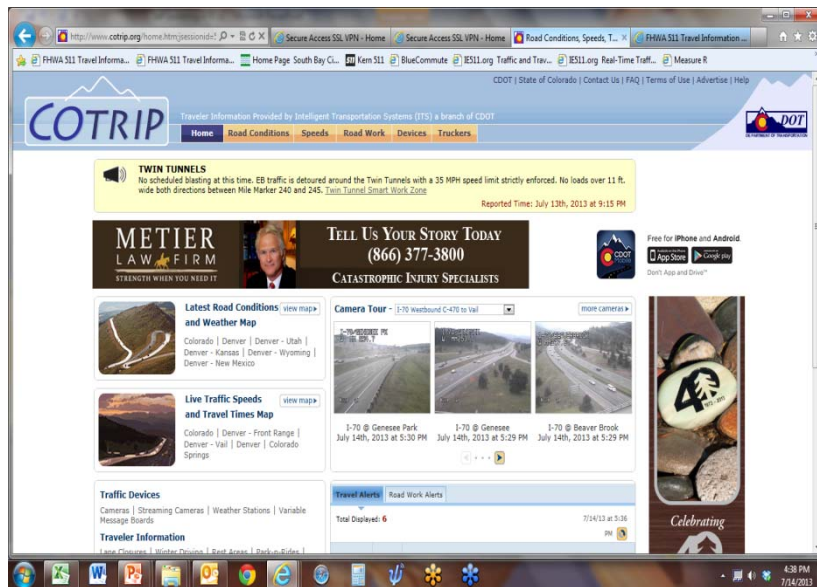
- Perceived value
  - Can't give data and video away and expect to sell it!
- Finely tuned advertising/sponsorship metrics for determining value:
  - “Eyes” and “clicks” and “uniques”
  - Low relative usage of phone and web site
- New market opportunity
  - Uncertainty
  - High Risk
- This approach required up-front funding and the private sector taking all the risk



# Are There Successes?

Yes!

## Colorado DOT's COTRIP



## Georgia DOT's Navigator

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# Georgia's Navigator

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- A successful Public-Private Partnership with shared risks and shared rewards:

- Mutually agreed to sponsorship plan
- GDOT pays telephony costs
- Iteris covers hosting and on-going systems maintenance costs
- Iteris must market the assets at no cost to GDOT
- Profits are shared



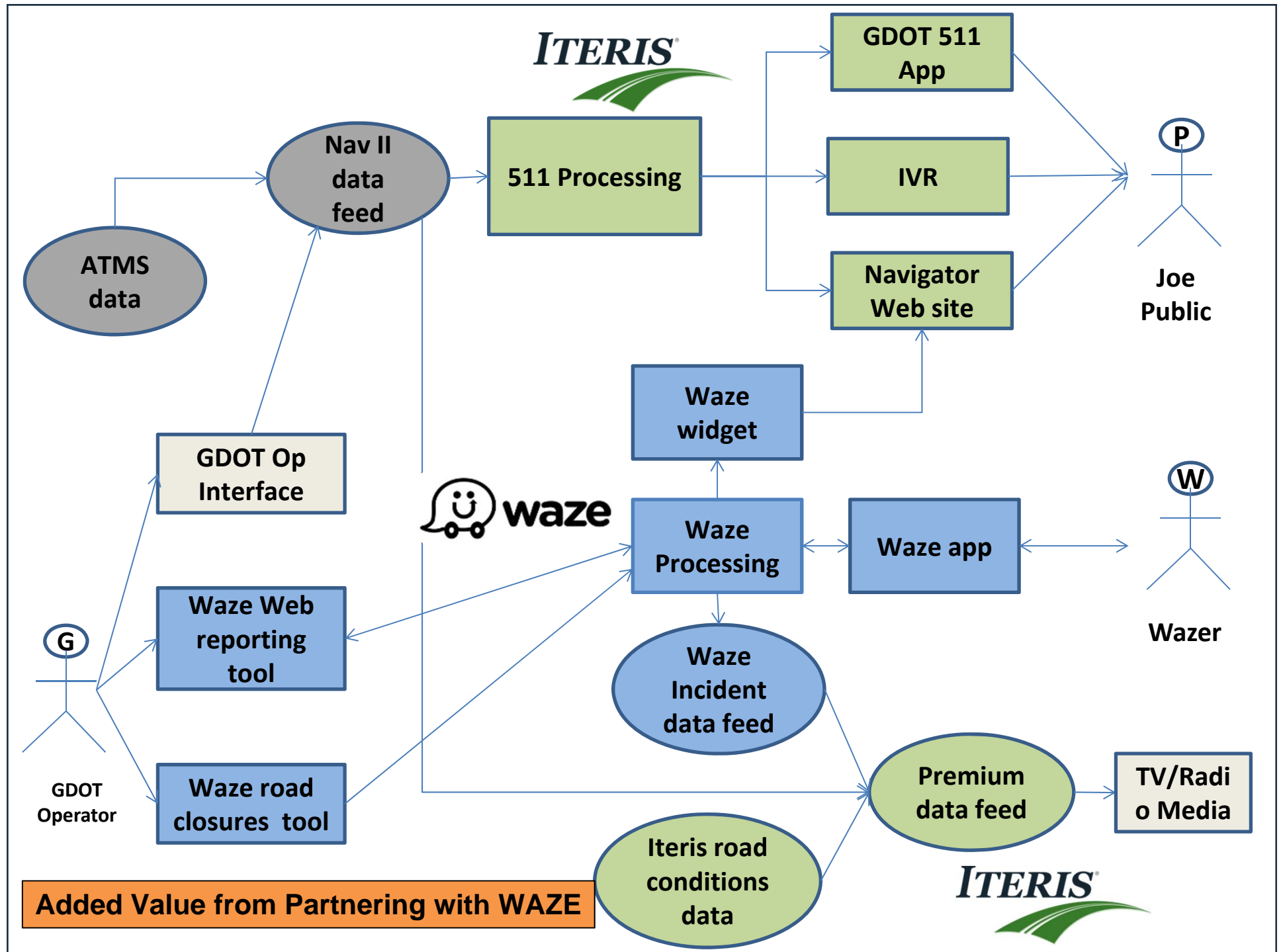
- From GDOT's standpoint:
  - O&M costs have been reduced
  - Agency still has control over the program

# Georgia's Navigator

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- 511 Assets:
  - Phone
  - Web
  - Mobile App
  - Signs in the ROW
  - Popular with local businesses
- Innovative Partnering
  - Private: Cross-promotion
  - GDOT: New Functionality





# Colorado's COTRIP

- CDOT
  - Built the 511 system
- CDOT Properties (Branded marketing firm)
  - Responsible for ad sales on web and mobile app
  - Local advertisers
    - No Google ads
- Revenues cover marketing costs and have a net contribution to O&M



# What have we learned?

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- 511 systems and assets are considered non-traditional by marketing firms and there is a barrier to acceptance by national advertisers until 511 asset value is established
- A 511 system can have success with local advertisers and sponsors:
  - GDOT ROW sign sales
  - Colorado DOT's web and mobile ad's
- ROW signing is a key addition to on-line assets



## What have we learned? (2)

- Marketing of the 511 brand is essential to drive usage of 511 assets
- The business model between the 511 agency and the 511 supplier needs to share risks and rewards
- We need to look beyond traditional 511 assets:
  - Rest areas/Truck stops
  - Service Patrols
  - On-line media
- Innovative new partnering approaches are available using new technologies to complement and broaden 511 offerings



# What does this mean for future 511 projects?

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- A significant part of 511 operating costs can be offset by revenue generation
- A Public Private Partnership with shared risks and shared rewards can provide a sound contractual basis for 511 revenue generation by providing incentives to the private partner and benefits to the Agency
- Signs in the ROW are an essential complement to on-line assets for increasing sponsorship
  - May need enabling policies from State DOT's to make this happen
  - The 511 agency must develop a sponsorship policy that extends to all activities not just ROW



# Contact Information

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