



Testimony of Terri Thiel
Dickinson Convention & Visitors Bureau

January 27, 2023

Support - House Bill 1394

Chairman Ruby and Members of the House Transportation Committee:

I am Terri Thiel, Executive Director of the Dickinson Convention & Visitors Bureau.

In the United States, logo signs were permitted beginning in 1965 on rural Interstates as part of the Highway Beautification Act. The 1976 amendments to the Highway Beautification Act expanded the program to federal-aid primarily rural highways. In 2000, provisions for allowing logo signs on urban Highways were added to the Manual on Uniform Traffic Control Devices.

The program is not intended to complement or take the place of traditional advertisement for a business. Rather, it is intended as a supplemental informational service for motorists traveling in unfamiliar locations.

The Blue Logo bill before you is a bill that provides motorists information about traveler services when exiting highways. When traveling to other states, motorists exiting rural and/or interstate highway systems may encounter large blue signs that have the logos of various businesses that are important to motorists.

- Categories may differ between states, most often being, Lodging, Dining, Attractions, Fuel, Camping. Only certain types of business can advertise on the logo signs. Each state sets its own criteria for being listed, but normally, the businesses listed must have minimum public necessary amenities.
- Signs must be placed directly in advance of the interchange where the businesses can be accessed within a determined distance of the exit.

Typically, a business pays an annual fee/s to the state transportation department and/or a sign contractor to have their logos displayed on a large panel exiting a state highway or interstate highway. A question may be, what happens if an advertiser is removed and replaced with another? The cost incurred passed back onto the advertiser.

Dickinson Convention & Visitors Bureau

701-483-4988 | 800.279.7391 | 72 E. Museum Dr. | Dickinson, ND 58601



The cost of getting on a specific service sign varies by state, but in general, it spans between about \$500 and a couple grand per year. For some states, the annual fee depends solely upon which kind of sign a business is renting, though other states base the annual fee on how much traffic that particular road sees (a sign along a more crowded road cost more).

Fee Examples:

South Dakota - All applications must be accompanied with \$50 for each business sign requested. In addition to the \$50 application fee, an annual rental fee of \$155 per business sign is required.

Washington's fees, for example, vary based on traffic and location. Annual costs vary between \$360 and \$910 for two signs (one in each direction).

Michigan charges a flat fee of \$850 per mainline sign (this comes with a ramp sign as well), so advertising on both sides of the road—one sign for each direction—means businesses must pay \$1,700 each year to advertise on the highway.

In some states, their Department of Transportation controls, administers, and runs their entire blue logo program. In other states, they partner with a sign company, administering the rules, applications, and work with the company for installation and repairs. All costs a DOT incur are expensed out to the program advertisers.

What is this going to initially cost the ND DOT and taxpayers? While there could be a small startup cost to send out RFPs to companies to bid on the program, the program would be a positive revenue flow for the state. As a business model, it would cover all costs, and return a profit to the company and the state of North Dakota. A question in a past committee hearing was "What do states do with a profit from the program?" The states can control the net profit formula that they individually craft. It may go back to the General Fund, it may be returned to the DOT program, etc. Another past committee question was regarding the cost of removal of current guidance signs at exits. This cost could be factored into the revenue stream from the Blue Logo program.

Past testimony has raised the point that the public sector and private sector should be kept separately, and such signs not be allowed on government property. I would point out that private and government operations are currently in operation in the visitor industry, such as the private concession owners contracted with the National Park Service in many states. Private companies work with the NPS to offer necessary and appropriate services to park visitors that parks do not provide directly. In fact, the Commercial Services Program administers nearly 500 concession contracts that, in total, gross over \$1 billion annually, employing more than 25,000 people in a variety of jobs during peak seasons, providing services ranging from food and lodging to whitewater rafting adventures, motor coach tours and others.

A fairness issue has been questioned in testimony during past sessions. Because the Blue Logo signs are a federal program, the criteria must fall within certain parameters. While a downtown business might not be a qualifying business, this program may still bring travelers to other parts of a community to explore more unique offerings that include local dining and shops. This is not necessarily a quick in, quick stop; and while it may be at times, it still provides that community with an economic boost if they do in fact stop a location near an exit.

This program provides motorists with the option to view services as they enter a community, it may also help eliminate drivers trying to view their mobile phone for information as they seek such services.

To date, there are 47 states and that participate in the Blue Logo Sign program. While one state, Vermont, does not have the Blue Logo sign program, they have an enhanced sign program for local highways and State highways using an Official Business Directional Sign (OBDS) program. Currently, only Hawaii and North Dakota do not participate in the blue logo program, and Vermont has an enhanced program.

By passing this bill, you also provide an opportunity for our North Dakota sign companies to enter a new opportunity for business, a private partnership with government that results in positive economic growth for both parties.

Please support HB 1394, it's time for the Blue Logo sign program for North Dakota.

Sincerely,

A handwritten signature in blue ink, appearing to read "Terri Thiel", written over a large, light blue circular scribble.

Terri Thiel
Executive Director

Enclosures

