

From: Chad Walldorf <walldorf@gov.sc.gov>

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CC: Marisa Crawfordmcrawf@gov.sc.gov

Marshall Evansmevans@gov.sc.gov

Date: 10/27/2004 5:39:30 PM

Subject: Fwd: Revised Portal Financial Model

Attachments: Revised Portal Financial Model.pdf

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Strike a small win for the good guys. Marcia, you are a strategic genius. I don't know if we accept it as is or push back more and will dig into the numbers further - but the cool thing is they finally budged, at least somewhat.

CW

>>> "Dan Morrison" <dan.morrison@portal.sc.gov> 10/27/2004 5:22:25 PM

>>>

Attached are the revised financial calculations that you requested in our meeting last Friday. The estimates are based the assumed 2003 annual volume of electronic driver license records (DLRs) of 1,955,000 records as provided to your office by DMV.

Taking into consideration the increase in volume to 1,955,000 records from our original assumption of 1,600,000 records, we were able to reduce the baseline transaction fee to \$1.25. This is the minimum transaction fee necessary for the portal to accomplish the objectives set forth in our business plan.

In addition, as you requested, we provide two scenarios for DMV to participate in a revenue sharing arrangement with the portal on a per-record basis. In Scenario 1, the transaction fee would be set at \$1.35 and the DMV would receive an estimated \$148,000 in revenue the first year. In Scenario 2, the transaction fee would be set at \$1.50 and the DMV would receive an estimated \$394,000 in revenue the first year. Both revenue sharing scenarios assume demand growth of 10% in the first year for the purposes of illustration.

While we recommend Scenario 2 as being the most beneficial to all parties, the portal will be successful under any of the three funding options.

I am available at your convenience to provide any additional information you need as you consider these alternatives. You may contact me by cell phone on 808-225-6759 and I am available to meet with you on short notice as needed.

Thank you.



