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I-95 Corridor Coalition

Analysis of Heavy Violators in Tolling Programs

Technical Memo in Support of I-95 CC Dec 10
Working Group Meeting



Note: The views, thoughts, and opinions expressed in this report do not reflect the opinions of Coalition member agencies.

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1 Background

The I-95 Corridor Coalition (the Coalition) established a Toll Violation Enforcement and Reciprocity (TVER) Working Group to:

- Advance violation enforcement reciprocity agreements;
- Bring stakeholders together;
- Leverage existing work;
- Collaborate with key partners; and
- Focus on legislative and cross-agency administrative challenges.

The overall purpose of the TVER working group is to provide agencies the information they need to collect unpaid tolls within their jurisdictions and across state lines.

The first task requested by TVER was to conduct a survey of tolling agencies within the Coalition member states to assess tolling collection, enforcement processes, and challenges; and sought to identify potential solutions to the main issue of unpaid out-of-state tolls. The survey asked participating agencies about toll collection practices, toll violation detection and enforcement (both in- and out-of-state) and the status of reciprocity agreements. By understanding current practices, survey data can be used to identify areas for process standardization and define actions to increase toll payments.

The TVER Working Group met in June 2019 to review the survey results, refine the focus of the group and define next steps. At the end of the meeting, five top focus areas were identified:

1. Document key strategies and processes to increase customer service
2. Conduct cost/benefit analysis of administrative fee levels
3. Share [best practices in collecting tolls from heavy violators](#)
4. Compare threshold levels among states.
5. Conduct cost/benefit analysis of second notice effectiveness.

The “[best practices in collecting tolls from heavy violators](#)” was selected as the first follow up task to the survey to resolve a number of enforcement infractions that could potentially recoup significant toll dollars. HDR was retained to research and document the issue of heavy violators to support the efforts of the TVER Working Group. This report summarizes who the heavy violators typically are, how they reached that status, and develops ideas on how we can we share information and tools amongst the states to reduce the amount of lost toll revenue.

The Coalition estimates that the average accounts receivable amounts for uncollected tolls due to violations is up to approximately \$50M per year per agency. It is important to note that these unpaid tolls are typically accounted for in the tolling agency’s annual projections of toll leakage and are not an unforeseen condition of the tolling operation. Typical leakage amounts for tolling

agencies average about 2% of annual toll revenue. Nevertheless, all agencies agree with the intent to decrease toll leakage as much as possible by sharing effective strategies and collaborating across jurisdictions.

2 Project Overview

2.1 Goals

While the TVER Survey was a comprehensive survey of the current state of the practice for tolling agencies with summary level data presented on heavy toll violations and thresholds, additional research was conducted by the HDR team to gather more detailed data from agencies.

The questions addressed in this document include:

1. What practices do agencies typically employ to pursue heavy violators?
2. What has proven successful in reducing heavy toll violators?
3. Who is using these strategies with success?
4. What role do reciprocity agreements have in reducing heavy toll violators?
5. What other industries can we learn and borrow from?

2.1 Project Tasks

The specific tasks for this white paper were to:

1. Review survey data and follow up with agencies;
2. Generate the report; and
3. Develop presentation materials for the TVER Working Group meeting.

Each of these tasks are discussed in more detail below.

Review Survey Data and Follow up with Agencies

The relevant results from the Draft Toll Evasion and Reciprocity Survey and the Draft Meeting Summary Report from the TVER Working Group held on June 26, 2019 were reviewed to determine the current state rules for toll enforcement and reciprocity and to frame the severity of the heavy violator problem.

Representatives from each member state participating in the Coalition were contacted to follow up on the survey in an attempt to get additional details on their current enforcement of heavy violators. In addition to the Coalition members, representatives from AAMVA, freight industry leaders and tolling agency representatives from other parts of the country were interviewed. At the time of the report generation, a total of fifteen interviews were conducted and form the basis

for the content found herein. Participating agencies included the following (associated meeting notes included in Appendix A):

- Maine Turnpike Authority (MTA)
- Massachusetts Department of Transportation (MassDOT)
- Virginia Department of Transportation (VADOT)
- Pennsylvania Turnpike Authority (PA Turnpike)
- New York State Thruway Authority (NYSTA)
- Georgia State Road and Tolling Authority (SRTA)
- Florida Department of Transportation (FDOT)
- Florida Turnpike Enterprise (FTE)
- Oklahoma Pike Pass (PikePass)
- West Coast Tolling Agency (Prefers to remain confidential)
- I-95 Corridor Coalition Representatives (Coalition)
- HDR Freight Lead (HDR)
- AAMVA (2)

For agencies who were contacted but not available for interview, desktop research was completed to answer some of the more basic questions regarding enforcement.

Report Generation

This summary report was completed based on the review of the existing survey data and the compilation of the follow up data request with the participating member agencies and incorporated Coalition comments.

This report also includes the first-hand experience of the authors and former customer service center providers who lead operations of, work with, and work as embedded/extensions of staff for tolling agencies' customer service centers.

Development of Presentation Materials for TVER Working Group Meeting

The final work product associated with this task includes the preparation of presentation materials to support the Coalition at their December 10, 2019 TVER Working Group Meeting to be held in Washington, DC.

2.2 Definitions

Many agencies have different terms which are affected by how they view violations in the context of business rules and processes. To level the discussion, below are a few defined terms within this paper:

- **Violator:** the registered owner of a vehicle or responsible party whom has not paid or otherwise resolved a toll due in accordance with an agency's business rules.
- **Violation:** the toll transaction remaining unpaid after a certain period as defined by the agency. Within this report, violators and violations are defined as the result of properly invoiced and noticed customers. They do not include transactions unpaid due to

technical leakage (e.g. unreadable images or lack of an address from a department of motor vehicles).

- **Transaction:** a recorded trip through a facility which generates a toll due.
- **Reciprocity:** the legal authority and agreement between one or more states to share information and support each other in the enforcement of tolls owed to out-of-state agencies.

3 Who are Heavy Violators

The term “heavy violator” is defined differently across agencies, depending upon an agency’s violator thresholds (e.g. first unpaid toll constitutes a violation versus accumulation of multiple unpaid tolls constitutes a violation), types of customers (i.e. passenger versus commercial), and the types of facilities they have (i.e. traditional booths versus all electronic tolling).

For example, one state may pursue a violator with one unpaid toll invoice just as vigorously as another state pursues a motorist only after they have accumulated ten or twenty unpaid violations. For example, Maryland pursues every violation by mail but only places a suspension on a vehicle registrations after the vehicle reaches a \$1,000 threshold. Additionally, states use different measures to identify heavy violators (e.g. number of outstanding notices, number of transactions, or dollar value of transactions). Despite the different definitions of heavy violators, we can all learn from the collective knowledge of potential innovative and creative ways to enforce toll payments.

Heavy violators are typically classified into two categories: in-state (i.e. those who are registered in the state where the violation occurs) and out-of-state violators (i.e. those who are registered in a different state than where the violation occurs). This is because the tools an agency will have to enforce toll collection are often different for these two groups of violators.

During the interviews with the agency representatives, many stressed their reluctance to providing actual data on who their heavy violators were and preferred to discuss the issue in generalities so as not to violate any privacy laws or provide information that could be construed as publicly sensitive or misleading.

3.1 Heavy Out-of-State Violators

Heavy out-of-state violators can be defined in terms of the total dollar value unpaid on a toll account, number of notices that were sent and unpaid for a particular account, or the number of actual trips or tolls unpaid (assuming that one invoice can be sent with multiple tolls). Because these thresholds vary considerably between states and facilities, it is important to note that while using the number of unpaid tolls is the more universal method used when discussing reciprocity agreements, we are defining heaviest violators based on the actual dollar amounts unpaid as this method is typically used when an agency is asked who their heaviest violators are.

It is important to note that processing out-of-state violators takes time. This means that some percentage of heavy violators will eventually be processed within the framework of the existing reciprocity agreements – either through registration renewal holds or registration suspensions. The recent TVER Survey proved this with the responses received for the question of “who are your heaviest violators” – with many states responding that their heaviest violators were, in fact, from states where there had been a long standing reciprocity agreement.

3.2 Heavy In-State Violators

In addition to the out-of-state violations noted above, heavy violators within each individual state are also relevant to this discussion. An understanding of how states enforce tolls owed by their own residents can inform best practice in enforcement against out-of-state violators as well.

3.3 Types of Toll Accounts

While the TVER Survey presented summary data from state agencies on what states constituted their highest dollar amounts owed from out-of-state violators, the level of detail regarding the account types that make up those unpaid amounts was not collected. It was a focus of this effort to follow up with the tolling agencies to determine the account types because the enforcement approaches and strategies for addressing heavy toll violators can be different for the different account types. While this information was requested, for privacy reasons, agencies were reluctant to provide details but in general noted that the heaviest violators in dollars tended to be from commercial activity. This may be due to higher toll rates for commercial vehicles. For completeness, a discussion of enforcement strategies for the following account types are included in the next chapters and include:

- In-state commercial accounts
- In-state personal accounts
- Out-of-state commercial accounts
- Out-of-state personal accounts

4 How did they get to this point

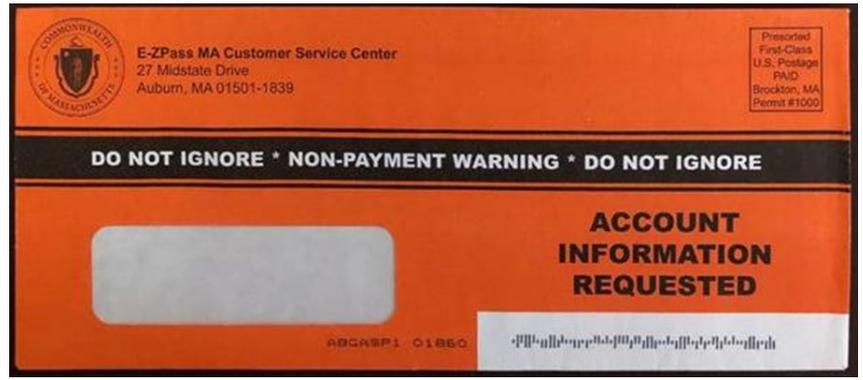
Understanding how toll users become heavy violators is critical in figuring out how to reduce violations, collect revenue, and enforce tolling. With the exception of the intentional toll evaders, most customers become heavy violators because of a series of events. Independent of the combinations of events that lead to heavy violations though, the following reasons are compiled from agency contacts and from industry experience.

- Purposeful and intentional toll evader – These are customers who can be in-state, out-of-state or out-of-country and believe they won't get caught or don't care if they do because of limited enforcement opportunities and efforts.

- Existing pre-paid account holders – These are customers that ignore notices because they have an existing account and presume that it must be a mistake if they get an invoice, or that it will resolve itself by posting to their account. This could happen when the credit card associated with the pre-paid account is declined or expires.

Massachusetts changed their customer invoice mailing envelope to a bright orange color with large “DO NOT IGNORE” on the face to help draw attention to the importance of the correspondence.

Figure 1 - Sample Envelope



- Cash customers fail to maintain account balance – These are often cash customers like Taxi drivers or TNC operators who like to operate a cash business. This causes problems of enforcement due to the fact that the driver is often not the registered owner of the vehicle and does not get the invoices. They instead go to the taxi owner or the leasing company. In other cases, these are low income individuals who cannot afford to maintain a balance on their account.
- Software business rules – Software developed by some customer service center providers include account logic whereby payments made on the account post to the newest transaction first instead of the oldest transaction first. Often, the customer doesn’t understand that there are older transactions that will escalate if unpaid – perpetuating a cycle. Only one state is known at this time to have this logic (a West Coast agency) but it was important to note so agencies can verify within their own customer service center business rules. Changing logic once a customer service center is operational can present challenges but it is more feasible if the agency supports the change.
- License plate identified incorrectly – In these cases plates are read incorrectly, either due to automatic license plate reader system errors (plate type issues or misidentified plates) or manual errors (image review clerk inputs wrong license plate number, state, or type). Customers oftentimes ignore the notices because they know that they did not travel on the toll road. If the customer continues to ignore multiple notices, they can escalate and cause the DMVs to mark the incorrect customer for non-renewal of their registration. No tolling system is one-hundred percent accurate with regard to license plate recognition and this issue is a known challenge within the E-ZPass Group (formerly Interagency Group or IAG).

- A customer “gives-up” – Customer perceives the amount due from previous violations as impossible to afford, so the customer “gives up” and becomes a habitual violator.
- Customer states they did not receive their bill – The customer claims that they did not receive their bill either because the bills or invoices go to the wrong address (from customer moving, incorrect DMV information, etc.) or family members do not share account information. The problem of family members not sharing account information arises when an account has multiple vehicles on their account and the registered vehicle owner information is different from the account holder information.
- Poorly managed businesses – Toll notices get lost in a business/entity accounting department due to poorly managed businesses or entities. There could be an authorized account representative for a company that receives the invoices but does not pay them, and then the vehicle owner on the account is marked for non-renewal at the DMV.

Below we discuss the major user types, their violation patterns, and how they reach that state. Many generalizations are made to broadly discuss violators, but we recognize that users vary greatly in terms of vehicle type, use, and incentives for purposeful violations.

4.1 Commercial:

Commercial customers include many different subcategories and could include leased or rental vehicles, out-of-state commercial trucks and in-state commercial trucks of all sizes and classifications. Within this category there is also a population of passenger vehicles that are used for commercial purposes.

4.1.1 Leased or Rental Vehicles

Leasing or rental car companies typically use one of two methods to handle image based tolls; they use an agency’s transfer of responsibility process to have the agency re-issue the notice to the user at the time, or they pay the toll and separately charge the customer. The former is a very customer friendly practice and is usually required by the individual state tolling legislation but can become very cumbersome for the agency and increases operational costs. The latter reduces collection costs for the agency itself and puts the burden on the leasing or rental car company but often times can translate to higher toll amounts for the customer due to high administrative fees assessed by the leasing or rental company. Smaller rental car companies, however, can accumulate many violations quickly. They often do not have formalized processes for passing along tolls to their customers. Their size and smaller administrative staff may also contribute to their inability to manage the violation processing.

4.1.2 Out-of-State Commercial Vehicles

Out-of-state commercial vehicles are among the biggest violators in terms of outstanding dollars due to their higher toll rates. Additionally, semi-trailer trucks only provide agencies with an opportunity to identify the registered owner of the vehicle if the agency captures the front license plate, as the trailer plate is not necessarily associated with the operator for that day. This increases leakage for this type of vehicle if agencies only capture the rear license plates.

Many independent drivers do have E-ZPass accounts in multiple states with the goal of receiving in-state discounts through the use of different transponders. However, this can cause multiple tag reads at a toll facility if the customer does not use the bags provided to prevent tag reads.

Other companies such as “BestPass” cater to these types of commercial customers by offering to manage their account by providing either one multi-protocol transponder that can be used on various toll roads to get in-state rates, or registering a master list of license plates (sometimes over one million plates on one account) at one agency that provides the ability to post tolls to accounts through the license plate reads. They often have fleet accounts with agencies to provide the integration. Despite these services, long-haul trucks are one of the biggest violators in terms of dollars, with higher incentives to evade tolls due to higher toll rates and the means through out-of-state registrations offering minimal enforcement mechanisms to agencies. The violators in this category are often scofflaws, purposefully evading tolls.

4.1.3 In-State Commercial Vehicles

Examples of in-state commercial vehicles include delivery vehicles and trade services such as plumbing, heating, and landscaping. These vehicles are most often registered within the state, providing agencies with more opportunities for enforcement. Local trucks are often owned by a mix of large national firms and local businesses. The large national firms are more consistent in paying tolls than more local or cross border companies. For small local trucking companies, common reasons for violations can be explained by being a purposeful violator, having a poorly run business, or tolling agencies having the incorrect license plate.

Various types of bus companies – from internal agency owned transit buses to privately owned bus companies - have shown to be problematic for agencies and result in heavy violations. This can be attributed to the frequent maintenance and physical attributes of the buses themselves. These types of commercial vehicles have windshields with a very sharp angle so it is difficult to install and maintain transponders that accurately read in the lanes - leading to many license plate reads. Furthermore, due to the frequent fleet maintenance and repair, it is more difficult for the agencies responsible for these fleets to maintain the correct license plate numbers on the account. They also run regular routes, multiple times a day, leading to very high numbers of transactions. In one state, a school bus contractor was the highest violator. In another, a local university was not paying toll invoices due to poor employee training and management.

Drayage commercial vehicles: Drayage is the transport of goods over a short distance in the shipping and logistics industries. Drayage is often part of a longer overall move, such as from a water port to a warehouse. These vehicles can often make several trips in a day in and out of port areas (such as the Port of New York and New Jersey) traveling over toll facilities operated by agencies in multiple states. Drayage operators by virtue of their multiple trips, have the potential to accumulate significantly high volumes of tolls. Agencies may wish to work with port operators to address access to port facilities by heavy violators, particularly if these violators are from in-state vehicles.

While agencies do not typically differentiate within their account systems the different types of commercial vehicles (and usually have a simple “commercial account type”), it is possible to run detailed sequel queries against the host databases by classification, plate jurisdiction, plate type, etc. to determine additional details on the commercial vehicles that are heavy violators to target enforcement techniques specific to that type of vehicle.

4.2 Passenger:

Passenger vehicles such as cars, pickup trucks, and motorcycles constitute the other major category of account types and need to be enforced with their own set of rules for both in-state and out-of-state violations.

For agencies with a heavy commuter customer base, passenger vehicles become the highest violators in terms of dollars and quantity, particularly for agencies with out-of-state commuters. Commuters will make up to 40 trips a month (2-way) or up to 480 trips a year. If the commuter feels they have no other practical choice to get to work and are lower income, they can easily justify to themselves the need to violate.

As stated in the previous sections, agencies were reluctant to provide actual data on their violator statistics and data so as not to violate any privacy laws or provide information that could be construed as publicly sensitive or misleading.

4.3 Agency Practices:

As discussed above, there is often not a single reason for a heavy violator to enter into a pattern of violations that escalate. Agencies themselves can inadvertently cause challenges for customers by not mailing notices timely, inadequately educating customers, not offering convenient payment methods, among others. Fortunately, these are also solutions and opportunities for agencies, which are discussed in more detail in the next section.

5 Enforcement Methods and Recommendations

Within this section, we discuss current and potential enforcement methods, as well as opportunities for agencies to improve their practices to reduce the number of customers becoming heavy violators. This section is split up into options for in-state enforcement, out-of-state enforcement, and general agency practice recommendations.

5.1 In-State Practices

This section outlines the options within states to enforce tolls and the tools that may be available to them. These include:

- Marking vehicle registration for non-renewal or suspension;
- Marking driver’s license for non-renewal;
- Use of active or passive law enforcement;
- Truck permitting and registration cross referencing;

- Tax intercepts; and
- Collections Agencies.

5.1.1 Mark for Non-renewal or Suspension

According to the survey results, **all** tolling states within the Coalition have the ability to affect either a violator’s registration through non-renewal or for immediate suspension once their internally established violation thresholds are met.

This means that the toll should eventually get paid if the violator keeps the same license plate or driver’s license if tied to registrations. The time required until the agency collects revenue depends on the registration and licensing renewal schedules within the state – usually between one to two years. One loophole in this area that must be closed is to ensure that vehicle registrations are tied to driver’s licenses, and that registrations cannot be transferred without enforcing the tolls.

5.1.2 Use of Law Enforcement for In-State Violations

In many cases, patterns of travel for customers can be identified and projected for localized and targeted enforcement using law enforcement. Each agency needs to determine if this is desirable or possible through a review of their enabling statute and regulations, if unpaid toll violations constitute a civil or criminal activity such as “toll evasion” or the violator has a judgment against them after a court proceeding.

There are two types of enforcement using police: active and passive.

5.1.2.1 ACTIVE LAW ENFORCEMENT

Active law enforcement practices are currently being used in Massachusetts, Maine and Florida. When a heavy violator is identified and known to the agency, representatives of the State Police are used to encourage motorists to pay their toll bills by either calling them directly on the telephone or by stopping them on the facility to issue warnings.

Florida Turnpike Enterprise currently uses active law enforcement strategies by tracking normal travel patterns of a heavy violator and notifying Florida Highway Patrol. When the motorist is located and stopped, the Highway Patrol notifies them that they are identified as a heavy violator and are encouraged to settle up.

For other agencies, if a vehicle’s registration has been suspended, the owner can be issued a ticket and impounded, though this is not consistently enforced.

In addition to the manual process of identifying travel patterns, some roadside software has the ability to provide a “Hot List” function – whereby a specific license plate or

transponder number can be preprogrammed into the roadside software and immediately identified when it is recognized on the roadway. An email or text message can be sent to a specific list of recipients to notify them where the vehicle was seen. Active enforcement also can be implemented if police are on standby and notified of the vehicle passing through. While the

technology exists, the agency needs to determine if this feature could be used for heavy violators, as it is a matter of public perception and policy. Some states have this feature but are not authorized to utilize it for enforcement at this time. The Hot List feature is typically used for matters of public safety only – such as Amber or Silver Alerts.

5.1.2.2 PASSIVE LAW ENFORCEMENT

Passive law enforcement is the use of police in enforcing toll violations only when the vehicle or driver is pulled over for another purpose. For example, if a vehicle is pulled over for speeding, the officer will also see that the vehicle has excessive toll violations during the motor vehicle look-up. The officer would then also take the opportunity to enforce the toll violation in accordance with policies. This practice reduces the burden on law enforcement and is currently used by Virginia DOT.

Virginia DOT currently uses passive law enforcement strategies by notifying State Police of heavy violators – in the event a motorist is stopped for another reason, the State Police politely tell them they are identified as a heavy violator and are issued a warning that they need to settle up.

5.1.3 In-State Trucking Credentialing Opportunities

5.1.3.1 TRUCK PERMITTING

Customers traveling on tolling agencies can sometimes require specific trucking permits – either through the use of annual permits or special single use permits for a specific trip (e.g. overweight or over length). Many times these permits to travel on the roadway are relatively inexpensive in relation to the unpaid tolls and fees that a company has accumulated. Cross referencing a list of heavy violators – either by license plate or by company owner – can sometimes reveal an opportunity to enforce toll violations when applications for a permit to conduct their company business is held up until tolls and fees are paid.

However, this may lead to violators skipping the permitting process altogether, impacting traffic safety and placing additional needs on trucking enforcement.

Another opportunity to ensure that an agency is paid for the tolls associated with travel on a roadway is to require a permit applicant

When Massachusetts began cross referencing truck permit applicants with their heavy violator list, it was discovered that applicants were applying for, and getting a permit for travel on the facility by paying a fee in the hundreds of dollars while they also had unpaid tolls in the tens of thousands of dollars. Cross referencing these lists was immediately successful by requiring permit applicants to settle their toll debt before being granted a permit.

to have a transponder and/or prepay their tolls in some capacity – either through a credit card,

sufficient cash balance for projected travel or a Surety Bond. However, this too may have a negative consequence in that if requiring payment of previous violations is contingent on a pre-paid account, not opening a pre-paid account will most likely lead to additional violations, continuing the cycle.

5.1.3.2 TRUCK REGISTRATIONS, APPORTIONS, AND INTERNATIONAL REGISTRATION PLAN (IRP)

The IRP is a cooperative agreement that regulates commercial vehicles traveling within the United States and most Canadian provinces. Under the IRP, interstate carriers must file an application with the jurisdiction in which they are based. The state DMV issues registration credentials for each vehicle. Roadside policing and border patrol enforcement use these credentials to verify and validate registration. The apportioned plates, stickers and cab card are registration credentials needed to operate on an international, interstate, and intrastate basis in member jurisdictions. Registration fees are calculated according to each jurisdiction's specific registration fee schedules.

There may be opportunities to work with the sister DMV agencies to not allow the licensing of apportioned vehicles or other credentialing mechanisms within the freight industry if there are unpaid toll violations with the tolling agency. Rhode Island Bridge and Tunnel Authority currently utilizes restrictions on apportioned vehicles for enforcing unpaid toll violations.¹

5.1.4 Use of Tax Intercepts/Department of Revenue

Another tool that some agencies have used for the enforcement of in-state violators is through tax intercepts. This involves coordination with the State Department of Revenue, regulatory approval and usually assessment of a civil penalty or a successful court judgment to collect. Maryland has used this method successfully.

5.1.5 Collection Agencies

Based on the results of the TVER Survey and confirmed through discussions with agencies during the follow up calls, most agencies refer unpaid violations to collections agencies at some point during the invoice cycle process. Massachusetts is actively pursuing a new contract to turn unpaid tolls over to a collection agency but had not finalized the procurement or begun utilizing this service. Maryland uses a state run collections agency, referring and collecting debt through an automated process.

It is important to note that details about whether toll agencies are allowed to issue any markers that would impact credit ratings was not included in this round of inquiry. Typically unpaid toll revenue is treated like unpaid parking tickets or speeding tickets, and does not affect a person's credit rating. However, civil judgments and some collections agencies can report this data to credit agencies. It is important for tolling agencies to understand if the collections agencies they use affect customer credit. If it does affect a person's credit, it should be communicated to customers.

¹ TVER Working Group Meeting: Summary Report; Page 5

Further study could be completed on the payment rates and success of the collections process and how the collections process affects reciprocity agreements.

5.2 Out-of-state Violators

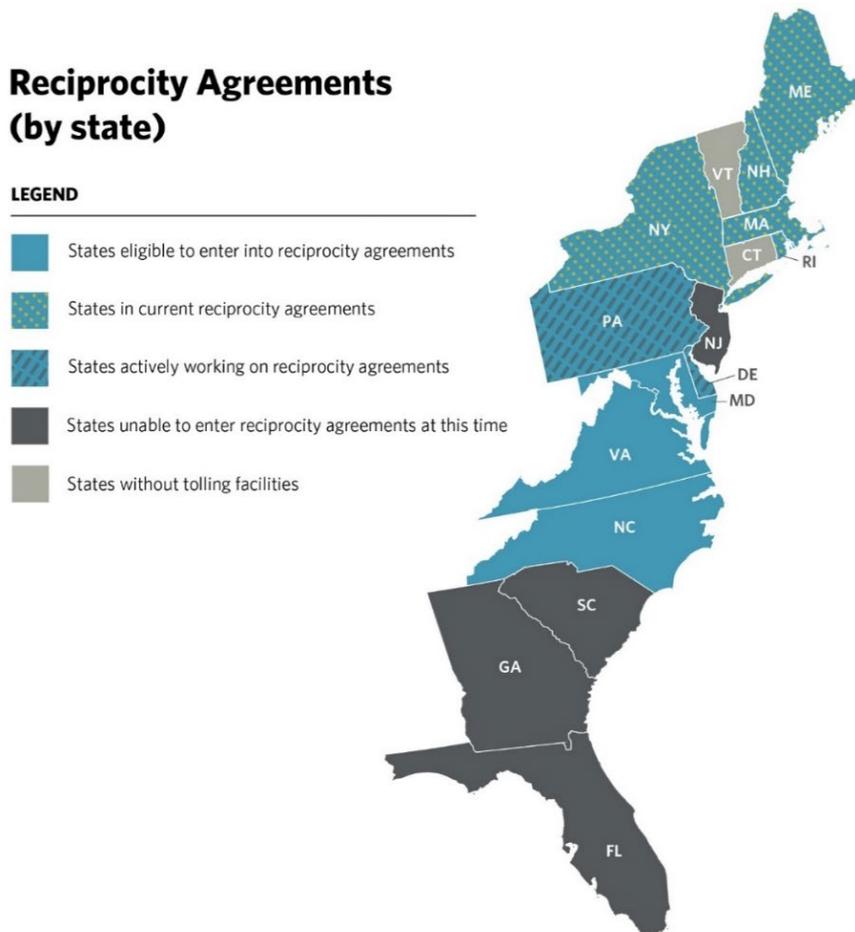
This section outlines the current and potential abilities for an agency to enforce violations and the tools that may be available to them. These include:

- Reciprocity agreements;
- Sharing heavy violator lists;
- Use of law enforcement; and
- Collections Agencies.

5.2.1 Reciprocity Agreements

State to state reciprocity agreements are the most effective method for collecting out-of-state violations. The following map in Figure 2 shows the states in blue that currently have reciprocity authorization or regulations in place. All states except New Jersey, Connecticut, and Vermont, South Carolina, Georgia and Florida currently have the ability enter reciprocity agreements.

Figure 2 - Reciprocity Agreement Status



5.2.1.1 FULLY AUTOMATED INTER-STATE RECIPROCITY MODEL

A memorandum of understanding (MOU) between the Secretary of Transportation at the Massachusetts Department of Transportation and a three New York Tolling Agencies – New York State Thruway Authority (NYSTA), the Metropolitan Transportation Authority Bridges and Tunnel Authority (MTA B&T), also known as the Triborough Bridge and Tunnel Authority (TBTA) and the Port Authority of New York and New Jersey (PANYNJ) is the first fully automated reciprocity agreement between states within the Coalition. The fully executed agreement took many months to finalize and implement and included participation from the state toll agencies, state legal representation and state DMV/RMV representation.

MEMORANDUM OF AGREEMENT
Regarding the
TOLL VIOLATION ENFORCEMENT RECIPROCITY PROGRAM
Between
Massachusetts Department of Transportation
And
New York State Department of Motor Vehicles
And
The New York State Thruway Authority

The customer service center (CSC) system provider that supports the three NY tolling agencies (Conduent) and the customer service center provider in Massachusetts (TransCore) developed interface documentation with the associated DMVs.

The home state tolling agency identifies a vehicle owner who has reached the threshold for registration non-renewal or suspension and notifies their home DMV. The home DMV then sends a daily reciprocity file to the away DMV for automatic non-renewal or suspension.

Conduent and TransCore have the majority of the customer service center systems for the tolling agencies within the Coalition. Each tolling agency could build upon this established process to help develop an automated reciprocity process within their own state.

A summary of the CSC providers is shown in Table 1.

Table 1 - Customer Service Center System Providers

State	CSC Provider	State	CSC Provider
ME	In-House	MD	TransCore
NH	Conduent	DE	TransCore
FL	Conduent	PA	TransCore
RI	emovis	VA	TransCore
NY	Conduent	NC	TransCore
NJ	Conduent	MD	TransCore
GA	Kapsch	MA	TransCore
SC	Unknown		

5.2.2 Sharing of Heavy Violator Lists

One idea referenced in the TVER Survey Summary was for agencies to share heavy violator lists between states for enforcement purposes. Due to privacy and regulatory restrictions, feedback from the subsequent state agency follow-up call determined that this would not be a viable enforcement tool and could not be supported at this time.

5.2.3 Use of Law Enforcement for Out-of-State Violators

Similar to the previous discussion about the use of law enforcement for in-state violators, the same types of enforcement could be used for out-of-state violators – active enforcement, where heavy violator travel patterns are identified and passed along to law enforcement for targeted action; and passive enforcement – where heavy violator information is passed along to law enforcement and is only used as a notification and encouragement tool if the motorist is stopped for some other reason.

Each agency needs to determine if either type of law enforcement strategy is desirable, or possible, through a review of their enabling statute and regulations, to see if unpaid toll violations constitute a civil or criminal activity such as “toll evasion” or the violator has a judgment against them after a court proceeding.

Special consideration should again be given towards using law enforcement as the public perception could be negative and seen as tying up valuable police time and resources when they could be utilized for public safety initiatives. This could be mitigated through the use of in-house agency police such as toll authority or motor vehicle police where applicable.

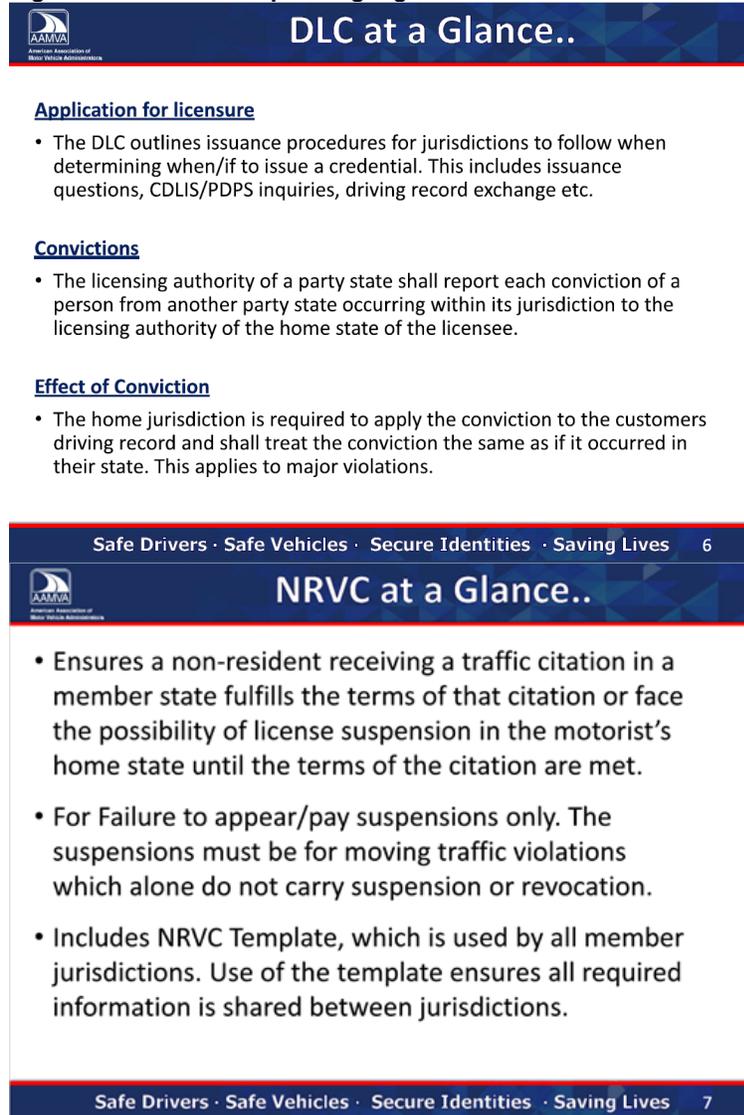
5.2.4 External Relationships

The Coalition has a long standing relationship with many external agencies and professional groups that have historically not been involved with tolling initiatives – like the American Association of Motor Vehicle Administrators (AAMVA). Given the trend in the industry towards all electronic tolling though, new opportunities to idea share with these partners has come to light and is highlighted below. Any movement towards a collective solution would require that the leaders within the stakeholder organizations come together and collectively pursue the new initiatives.

American Association of Motor Vehicle Administrators (AAMVA)

AAMVA Net is the clearinghouse system that AAMVA uses to pass motorist information between states through agreements known as “Compacts.” States maintain independent databases and AAMVA Net connects them by allowing users to identify where needed records are housed by pointing file inquiries to the correct state database. There are two AAMVA Compacts in use between states - one for driver licenses (DLC) and one for non-resident violators (NRVC) – see Figure 3. This allows DMVs to comply with federal requirements to check the current status of a driver’s license or a vehicle – like whether a vehicle is stolen prior

Figure 3 - AAMVA Compact Highlights



DLC at a Glance..

Application for licensure

- The DLC outlines issuance procedures for jurisdictions to follow when determining when/if to issue a credential. This includes issuance questions, CDLIS/PDPS inquiries, driving record exchange etc.

Convictions

- The licensing authority of a party state shall report each conviction of a person from another party state occurring within its jurisdiction to the licensing authority of the home state of the licensee.

Effect of Conviction

- The home jurisdiction is required to apply the conviction to the customers driving record and shall treat the conviction the same as if it occurred in their state. This applies to major violations.

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NRVC at a Glance..

- Ensures a non-resident receiving a traffic citation in a member state fulfills the terms of that citation or face the possibility of license suspension in the motorist's home state until the terms of the citation are met.
- For Failure to appear/pay suspensions only. The suspensions must be for moving traffic violations which alone do not carry suspension or revocation.
- Includes NRVC Template, which is used by all member jurisdictions. Use of the template ensures all required information is shared between jurisdictions.

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to titling or if a driver received a moving violation in another state (i.e. DUI). It is important to note that AAMVA does not store any data, merely acts as a router for pertinent data exchanges.

Data access to driver licensing data via this system is common and data sharing is governed by federal privacy law. Vehicle ownership records are also maintained, though linked to Vehicle Identification Numbers and not to license plates the way tolling agencies store account data. License plates are related to vehicle registration records, which is separate from titling.

AAMVA compacts were discussed as a potential model for reciprocity agreements and were included in two follow up interviews with AAMVA representatives as part of this task. There are two AAMVA Compacts in use between states - one for driver licenses (DLC) and one for non-resident violators (NRVC). It was emphasized during the discussions with

AAMVA that they are governed by a Board of Directors of representative DMVs and prioritize their future initiatives based on the collective needs of the DMVs.

Given that, if the DMVs in conjunction with the Tolling Authorities, came together to support a national toll reciprocity model, the non-resident compact could be adjusted to allow the transmission of heavy violator information amongst states. DMVs are becoming more invested in toll reciprocity through their participation in reciprocity agreements and their increasing role of collections and adjudicating hearings.

One step further than state to state reciprocity would be revising the NRVC Compacts (or developing a new Compact) to act as a clearinghouse for heavy toll violators.

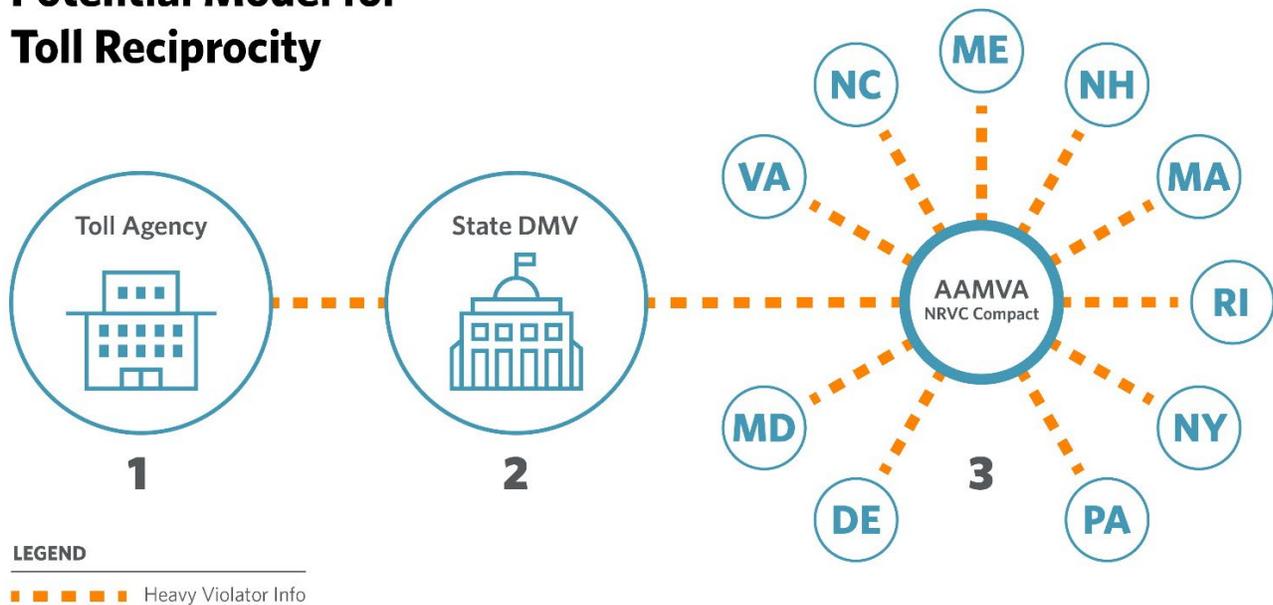
Obviously, a great deal of investigation would be required in order to understand the potential of this idea. Information about the current limitations of the AAMVA Interface Control Documents

(ICDs) with each state for passing violator information in the data strings, the hierarchy of each state tolling authority in relation to the state DMVs, DOTs and law enforcement, the modifications required to include toll violation information in the DMV database structure, and eventually the projected costs of such adjustments and agreements required- but the feasibility of the idea appears to warrant additional discussion.

In order to further the idea, the following diagram represents the typical clearinghouse structure used today but adds the first level of connection to the tolling agency. In this scenario, the tolling agency identifies a heavy violator and what state they have registration, passes that information (through some personal identifiable information) to their respective DMV, and then the DMV passes that information through the AAMVA Net platform to the correct state. The receiving state could choose to use that heavy violator information to flag the registration passively for information purposes only or could choose to place an immediate non-renew or suspension on the registration until the customer settles the unpaid bill.

Figure 4 - Potential Model for Toll Reciprocity through AAMVA NRVC

Potential Model for Toll Reciprocity



5.3 Agency Practices and Business Rules

Agencies have a great deal of ability to affect how customers react to violations and make payments. Below are some methods to improve payment rates and reduce the number of heavy violators.

5.3.1 Payment Logic Changes

Business rules and policies vary considerably, with some agencies using a first-in-first-out (FIFO) payment processing method, while others use a last-in-first-out (LIFO) method. These concepts are not usually considered by customers, and may not be explained to them to understand where their payment is posting. It is recommended that agencies use a FIFO payment method, and customers are told that the oldest tolls and penalties are paid first.

5.3.2 Payment App

With mobile devices with nearly every driver on the road, very few agencies allow an easy way for non-account holders to pay tolls immediately through a payment app. In fact, over the past few years, there has been a proliferation of third party apps that use clever advertising to pose as state sponsored toll payment apps and charge an unnecessary fee for a profit. Unwitting customers get caught in the middle trying to pay toll bills while getting assessed fees that go directly into the pockets of the app developer. Agencies are forced to post disclaimers on their web pages and publicly facing materials to distance themselves from these for-profit companies.

With a clear trend over the past decade to having an app for everything, toll agencies should pursue this as an option for account management and one-time payments. A cost benefit analysis should be completed to determine the return on investment.

5.3.3 Ease of Payment

Agencies must also consider ease of payment beyond adding apps. Many customers still depend on websites, as well as in person payments and phone calls to address issues or ask questions. The hours of customer service desks and call centers are important to go beyond typical work hours, as well as very low wait times and minimal phone tree steps. Some agencies have aged websites with challenging interfaces which are not intuitive and could be updated.

5.3.4 Surety Bond Requirements

To eliminate the cycle of violations for customers, it is important to convert them into an account holder. However, with a poor payment history and violations, agencies may be reluctant to extend accounts to these businesses. A surety bond could be required, which is a promise by a surety or grantor to pay the agency amounts due if a customer fails to pay. Requiring surety bonds for certain customers, customers with a history of violations, or customer account types who are harder to enforce should be considered.

5.3.5 Application information enhancements

The amount of information that is obtained on account applications varies greatly among states, and some key information to aid in tracking a violator down is not always collected. Beyond applications, this information can also be collected on violation payment forms or on the phone. If the following information were obtained during the application process, it could support enforcement or skip tracing for heavy toll violators:

- Federal ID Number for trucks – could be helpful cross referencing with truck credentialing;
- Account Holder or Participant Driver’s License Information (in addition to License Plate Information);
- Email addresses; and
- Text or SMS message defaults for automatic notification of low balances or payment links.

5.3.6 Provide Incentives for settlements

Sometimes agencies can utilize certain incentive or grace period opportunities to clear up heavy violator lists. Adopting the philosophy that toll agencies are in the business of collecting tolls, and not of collecting fees can be seen as a win-win for the agency and for the customer in reaching settlement agreements. This approach has to be implemented very carefully, though, because it can be seen as unfair by the rest of the customer base who continue to pay their invoiced amounts, tolls and fees combined. No one wants to be the last customer who paid their bill without any negotiation on the fees. It is a tool in the tool box to be implemented in certain circumstances.

Another method is to waive penalties if the customer signs up for an account and funds it with a credit card or debit card.

Figure 5 - Focus on Tolls

Focus on tolls rather than fees: Fees can create bad publicity, so the focus should be on recovering unpaid tolls. There is public understanding when fees cover expenses, but the public does not want to feel extorted. Across the corridor, fees vary widely. As discussed in Prioritizing Next Steps, an investigation should be conducted to determine effectiveness of various fee levels in recovering tolls, reducing appeals, and how money is used.

5.3.7 Court Judgments

Seeking court judgments for in-state or out-of-state customers is also an effective method of collection. Legislation should be in place to allow the agency to take customers to court with an appropriate but not burdensome level of evidence.

6 Conclusions

Heavy violators continue to consume agency resources and be a significant source of uncollected revenue. The underlying reasons for toll violation are many and varied which means that there is, unfortunately, no “one-size-fits-all” solution. However, understanding the components and then matching those to an agency’s heaviest violator type can provide guidance toward the most likely effective strategies. The severity of the problem varies greatly from state to state with the key variables noted as:

- Existing state law and regulations – unfortunately, getting tolling legislation passed is usually a very difficult task in the first place, requiring public meetings and legislative approval. Once an agency is operational, altering those regulations to tighten the loopholes in a toll operation can be seen as a very time consuming and arduous task;
- The status of interstate reciprocity agreements – all states agree that reciprocity agreements are beneficial, but getting all of the stakeholders together on the same page to execute agreements has proven difficult with different agency priorities placing the agreements on the back burner;
- Distribution of traffic volume being in-state and out-of-state – agencies with a higher population of out-of-state travel or through-travel find enforcement to be more difficult without reciprocity agreements;
- Internal resource availability for the tolling agency – tracking and pursuing heavy violators takes resources, both in personnel and sometimes in capital expenditures to augment the existing system; and
- Political appetite and motivation for enforcement – because it is widely known that there is some level of “toll leakage” associated with an established system, agencies have accepted this toll loss and choose to utilize their resources in other ways – possibly due to the return on the investment to crack down on violators or due to the expected negative reaction from constituents.

6.1 Existing Enforcement Practices Identified

The following table provides an overview of the strategies available and how they relate to the different types of violators.

Table 2 - Existing Toll Enforcement Strategies

LEVEL OF DIFFICULTY	STRATEGY	IN-STATE		OUT-OF-STATE		
		Personal Vehicle	Commercial Vehicle	Personal Vehicle	Commercial Vehicle	
Easier More Difficult	PREEMPTIVE	Evaluate internal business rules to improve customer understanding	✓	✓	✓	✓
		Improve information collected on applications and violation forms	✓	✓	✓	✓
		Consider surety bonds for certain customers		✓		✓
		Improve ease of payment through apps	✓	✓	✓	✓
Easier More Difficult	REACTIVE	Provide incentives for settlement	✓	✓	✓	✓
		Utilize home state registration marking	✓	✓		
		Collections Agencies	✓	✓	✓	✓
		Strategic use of law enforcement	✓	✓	✓	✓
		Utilize truck credentialing and permit restrictions for unpaid customers		✓		✓
		Reciprocity Agreements			✓	✓
		Utilize the court system to seek judgments	✓	✓		
		Tax Intercepts	✓	✓		

In-state enforcement starts with flexible legislation that provides the tools for enforcement. Out-of-state enforcement again requires legislation that provides the tools for enforcement, including the ability to enter into enforcement reciprocity agreements.

6.2 New Strategies worth exploring

In addition to the existing strategies identified above, there are benefits and efficiencies to be gained through working across and among agencies on a regional level to develop new strategies.

A collective voice among the state tolling agencies when brainstorming with associations like AAMVA and other strategic partners is more powerful than individual requests. Utilizing the existing framework of the AAMVA Net to incorporate toll reciprocity violation information is a promising proposal, but would require additional research and buy in from additional stakeholders other than the member agencies of the Coalition.

Finally, it is critically important that agencies continue to share experiences, not just best practices. By sharing the successful and unsuccessful attempts at collection, agencies can really learn and benefit from each other's experiences. The analysis and sharing of data not only allows agencies to make more informed choices, but also provides the policy makers with evidence and stories of success to affect change.



Appendix A – Follow Up Interview notes

Submitted to Coalition under separate cover.



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