

# Video Tolling and Collections

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Mike Colsch



# Improve Efficiency of Revenue Collection

- Encourage transponder use in order to reduce unpaid tolls
- Ensure continued financial strength by minimizing unpaid tolls
- Allow collection agencies appropriate avenues to pursue delinquent accounts
- Expedite recoverable tolls and reduce accounts receivable
- Improve customer experience and reduce payment issues



# Unpaid Tolls and Revenue Recovery (2015)

Unpaid tolls (before recovery efforts)	(\$75 million)
Evasion recovery revenue	\$64 million

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**Net loss before collection expenses**                      **(\$11 million)**

Violation Enforcement System expenses	(\$22 million)
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**Net loss after collection expenses**                      **(\$33 million)**



# Unrecoverable Unpaid Tolls

## About two-thirds of unpaid tolls are not pursued

- Plate image loss on unpaid transactions
- Registered owner address not attainable or notices are returned in the mail
- Violator accumulates less than three violations in one year
- Truck trailer plates are not matched to registered owner
- Weather impacts and equipment failure



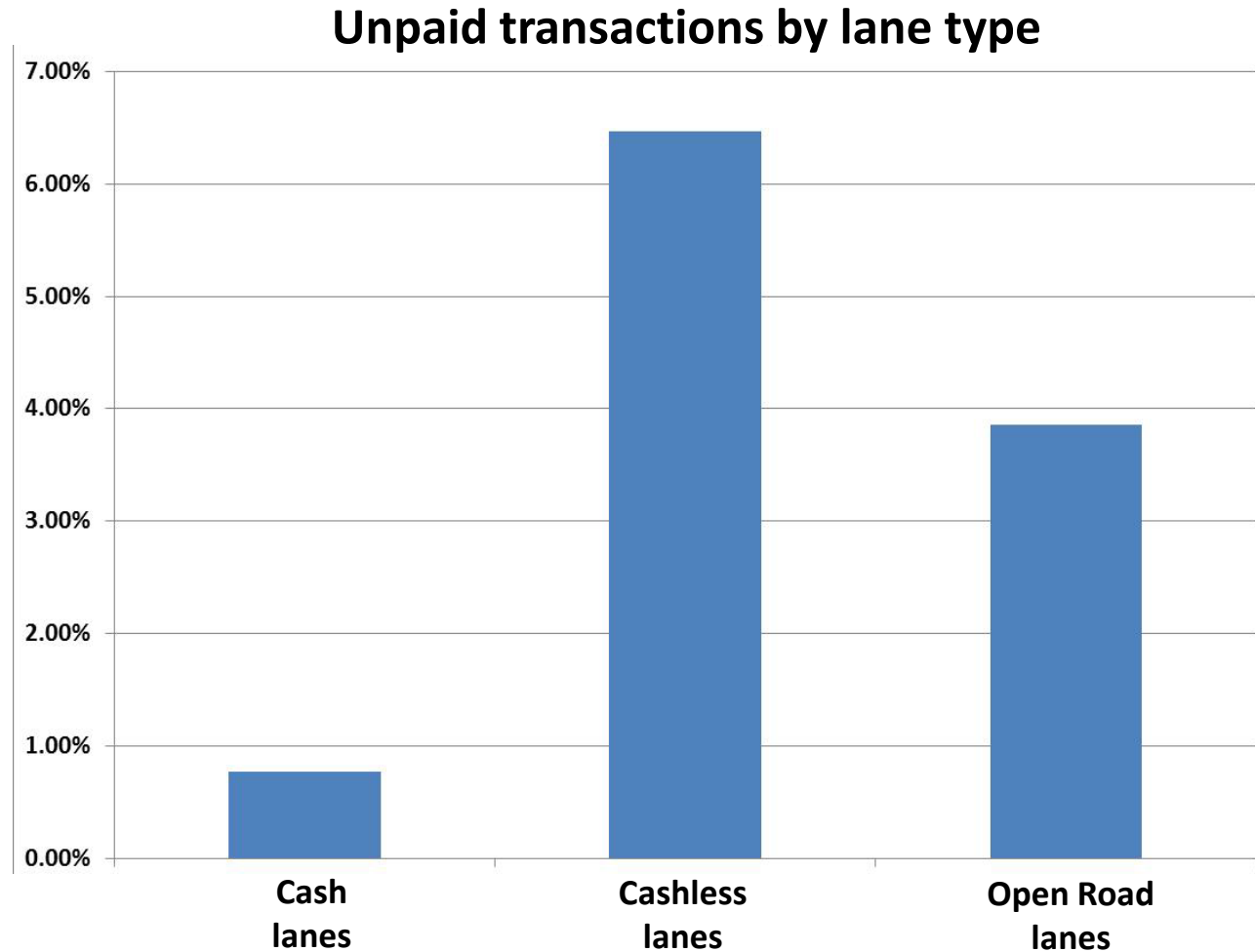
# Reduction of Unpaid Tolls Is In Progress

## Initiatives to reduce unpaid tolls

- Better cameras to improve plate images
- Improve registered owner database interfaces
- New interoperability interfaces through (ATI)
- Text messages to customers with low account balance warnings
- Warnings to I-PASS customers about potential violations
- Improved license plate management
- Revisit (ACH) replenishment directly from bank account



# Collection Challenge of Expanded Cashless Tolling



# Increase Efficiency of Revenue Collection Through Video Tolling Fee

## Recommendation: Fee for video toll transactions – 50 percent of transponder rate

- Offsets cost and revenue loss related to video tolling
- Increases transponder use among drivers
- Decreases dependence on plate images, reduce revenue loss and increase tolling accuracy
- Increases revenue by \$15 million or more for fee equal to 50 percent of transponder rate
- Reduces annual tolling costs by at least \$5 million
- Improves cost-efficiency of toll collection as we reduce cash tolling



# Greater Transponder Use by I-PASS Account Holders

- Six-month educational campaign and transition period to incentivize existing I-PASS customers to access additional transponders
- Marketing promotion offering \$10 toll credit via gift card to offset deposit fee for additional transponders for a limited time
- Available to I-PASS non-commercial account holders for six months
- Continue to monitor and assess reasons for continued video tolling





# Video Toll – Transponder Communication Plan

## Months 1-3

### **Education Phase**

#### *New and Existing Customers*

- Informative tone
- Define video tolling and new fees and start date
- Transponder in every vehicle, mounted correctly
- Transponder purchase locations
- Multimedia campaign

## Months 4-5

### **Incentive Phase**

#### *Existing I-PASS Customers*

- Introduce marketing promotion
- Continue educational phase
- Monitor participation
- Access response

## Month 6

### **Reminder Phase**

#### *New and Existing Customers*

- Reinforce education phase and start date for new video tolling fees
- Continue promotion for an additional two months
- Multimedia effort



# Improve Collection of Delinquent Accounts

- Provide direction that notices placed with a collection agency settle with the collection agency, not Tollway Business Center
- Empower collection agencies to litigate limited individual accounts
  - No current payment plans or recent payments
  - Review employment, bank and property information
  - Approval by Tollway Legal
  - Tollway approves parameters for litigation
- Reduce limitations on collections settlement authority
- Comptroller Offset Program administered by collection agencies for commercial accounts
- Expand posting of scofflaws online to include individuals





# Appendix



# Cost Per Transaction

Cost Per Transaction (includes capital) (2015 est.)	
Transaction Type	Total Expense per \$1 collected
Cash – Coin Machines (ramps only)	\$ 0.43
Cash – Manual Lane	\$ 0.48
Transponder	\$ 0.08
Video Toll	\$ 0.23
Seven Days to Pay	\$ 0.20
Violation (tolls and fines)	\$ 0.35

# Recommendation: Video Toll Transaction Charges

Charge additional 50 percent for video toll transactions to recoup additional costs and to encourage transponder use

## Key next steps

- Determine video tolling business rules, including allowable thresholds, account requirements, dispute framework and notifications
- Implement system changes to support new business rules
- Determine if revisions to the I-PASS Agreement are required
- Ensure transponder inventory is adequate to meet additional demand
- Develop public communication plan



# Recommendation: Business Rule

**Trigger additional 50 percent transaction charge after 10 video tolls on a single license plate in one month period**

## Key considerations

- Represents intentional video tolling, capturing approximately 70 percent of video tolls – less than 3 percent of I-PASS accounts
- E-ZPass video tolls receive additional charge on each transaction
- Allows warning emails and text messages
- Represents an estimated \$15-\$20 million increase in annual revenues
- Represents an estimated \$5 million decrease in annual costs



# Recommendation: Detail

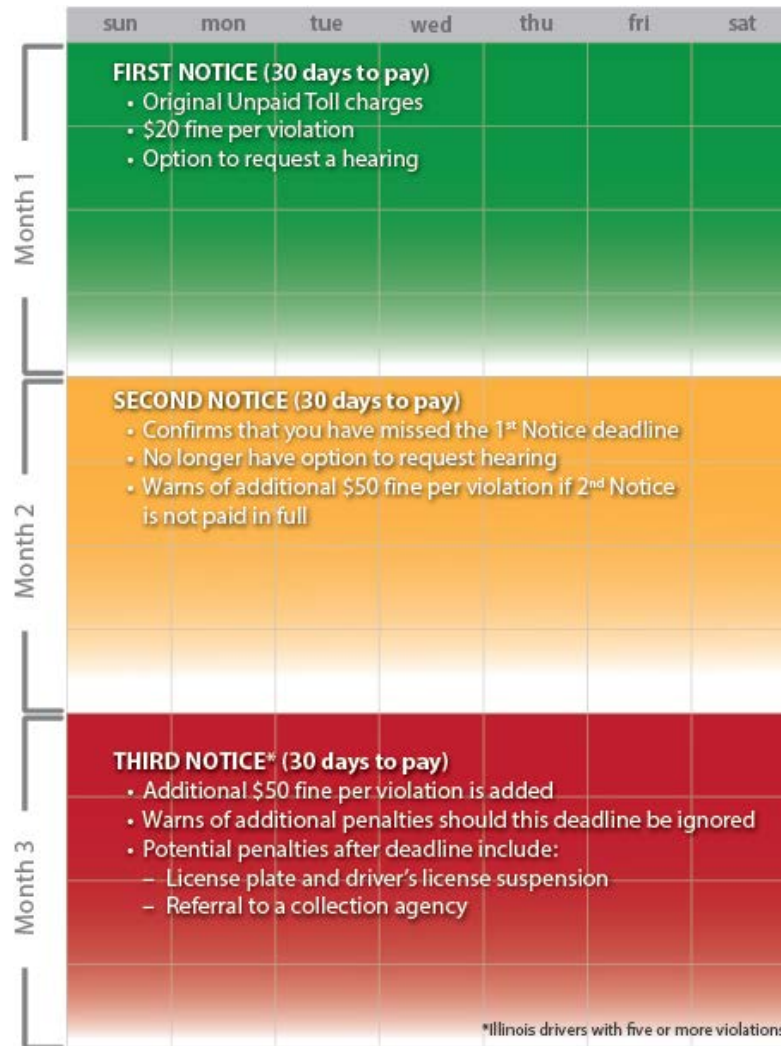
**Establish capacity to exclude license plates from additional video tolling charge on a case-by-case basis**

## **Key considerations**

- Windshield that limit transponder effectiveness
- Vehicle shapes that limit transponder effectiveness



# Violation Life Cycle



Note: Fines for the new IL 390 plazas are \$10 , and escalated fines are \$25.



# Settlement Guideline Detail

# Violating Incidents	Settlement Amount	Number of Paid Fines
1 - 5	Cash tolls + \$20	1
6 - 9	Cash tolls + \$40	2
10 - 49	Cash tolls + \$100	5
50 - 99	Cash tolls + \$200	10
100 - 149	Cash tolls + \$300	15
150 - 199	Cash tolls + \$400	20
200 - 249	Cash tolls + \$500	25
250 - 299	Cash tolls + \$600	30
300 - 349	Cash tolls + \$700	35
350 - 399	Cash tolls + \$800	40
400 - 449	Cash tolls + \$900	45
450 - 500	Cash tolls + \$1,000	50
501 - 750	Cash tolls + \$1,500	75
751 and above	Cash tolls + \$2,000	100

Note: Fines for the new IL 390 plazas are \$10 , and a new settlement table reflects this for those notices.



THANK YOU

