

Toll Enforcement – Current Practices: Statewide Toll Rule Advisory Committee (STRAC)

Building an enforcement program that is transparent, systematic, and customer-friendly is central to maintaining revenue efficiency while maximizing customer service. There are several best practices that can drastically reduce the reliance on collections of aging receivables from customers.

A clear structure and diversification of enforcement measures can assist in building a robust practice while minimizing punitive measures toward drivers. This helps to ensure customers know the toll operator is providing a fair benefit to all.

Current Industry Practices

Most toll operators use invoices to collect toll money, followed by a violation notice that can result in a uniform traffic citation and ultimately a hold or suspend their vehicle registration or driver's license, or both, for those who refuse to pay. Most toll operators use contracted collection agencies to pursue unpaid debt from the biggest offenders with a registration and or driver's license hold, as a control to encourage payment if other measures are not successful in finding or contacting a debtor to resolve outstanding debt. Current common industry practices include:

- **Inter-State Agreements** - Establishing operating agreements with nearby operators to share updated transponder list information increases the probability to charge the customer's prepaid account. This may limit sending out an invoice or violation notice for out-of-state or away customers, including those whose information is out of date.
- **Commercial Agreements** – Another practice that minimizes sending out invoices and violation notices is to identify and establish relationships with large fleet programs including Transportation Network Companies (TNC's), rental car companies, and trucking organizations that frequent the roadways. A dedicated customer service team can proactively address these needs. Several aggregators are also emerging to assist with fleet management.
- **Driver's License or Registration Hold** – Establishing or utilizing legislative/administrative authority to hold a vehicle's registration can be effective when pursuing the collection of debt owed by habitual violators. The capability to suspend a license or vehicle registration may also help with the collection of unpaid

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tolls and fees, but it is recommended that this only be as a last resort and only considered for habitual violators after multiple attempts at collection have been exhausted. While examples are considerable on toll operators that utilize registration holds or suspensions, the few that have historically enlisted driver's license holds or suspensions are moving away from the practice.

Examples of enforcement actions are listed in the following table:

Toll Operator	Dispute hearings	Registration hold	Driver's license suspension
Oregon Department of Transportation (proposed)	Yes	Yes	No
Central Florida Expressway	No	Yes	No
Florida's Turnpike	Yes	Yes	No*
Illinois Tollway	Yes	Yes	No
Maryland Transportation Authority	Yes	Yes	No
Miami-Dade Expressway	No	Yes	No
North Carolina Turnpike Authority	Yes	Yes	No
North Texas Turnpike Authority	No	Yes	No
Ohio Turnpike	No	No	No
Pennsylvania Turnpike Commission	Yes	Yes	No
Washington Department of Transportation	Yes	Yes	No

*Florida's Turnpike suspended driver's license in the infancy of electronic tolling, but stopped this practice long ago.

Overview

Every toll operator has a different escalation process for collecting fees and fines.

A current trend in the industry is to use fees and fines, charged by the toll operator, to recover costs associated with collections. The fees and fines are not punitive in nature and are therefore more likely to be forgiven or written off than in past practice. This is not always the case for every toll operation, revenue efficiency on this profile can vary by jurisdiction. However, based on the current practices taken from a broad sample of toll authorities, an example of a typical steady state collections process is generally implemented with the following:

- An invoice process,
- Third party/outside collections processes, and
- Violation notices including administrative processes.

The remaining debt that is not collected is typically written off through a regular review process. This process varies depending on the authority of the jurisdiction, as some have full authority to write off the debt and others have little or no authority to write off this debt. A strong write-off process, defined prior to the start of operations, is critical to managing outstanding receivables and expectations, which have the potential to become a large assumption in the financial plan.

Proactive Enforcement Measures

It is important that the toll operator have a transparent, systematic, customer-friendly violation enforcement process. Enforcement measures viewed as an annual program rather than an instance-by-instance improves both consistency and ease of communication. These measures help to avoid the attraction of negative media attention, which can cost a toll operator more money in recovering its image and reputation due to an error in systematic processing.

An enforcement program generally consists of the following major elements:

- **Continuous Education** - A toll operator must clearly educate the traveling public that tolls are collected to pay for the construction, operations and maintenance of toll facilities and that all tolls and fees are used for this purpose only. This is typically done through targeted marketing and communications, using outlets including but not limited to a customer-facing website, social media and targeted radio, television, or online campaigns to reach customers.

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- **Customer Advocacy** - Like most retail operations, most customers do pay their debts. The non-paying customers represent a small number of customers and paying customers need to know that the Toll Operator is on their side to prevent that small percentage from using services without paying for them.
- **Forgiveness** - Prior to any aggressive collection effort, a toll operator will conduct a media campaign that will offer customers a payment plan, reduced fees or fines, and a way to start fresh. A forgiveness program allows customers the opportunity to regain good standing, especially those who may be putting it off or do not have sufficient funds to resolve the debt. This also strengthens the Toll Operators' position when more aggressive actions are required to maintain target revenue efficiencies.
- **Timing and Lifecycle** - After a clear attempt has been made to collect outstanding debt, any aggressive collections campaign must be implemented with a regular report of collection efforts that are transparent to the public. At this time, an additional promotional media plan is often executed to defer any negative attention caused by debtors and allow the toll operator to promote the value of the toll operations including mobility and benefits of the toll operations to the community. Typical enforcement measures occur in the spring or fall when people are not on vacation or during holiday periods when discretionary funds are often limited.
- **Payment Options** – Planning ahead for different types of customers can reduce the potential for debt occurring in the first place. Offering different types payment options for customers that accommodate less frequent travelers or options that allow customers to pay as they go with a secure payment type are examples that reduce the risk of non-payment toll transactions. These also provide customers with options beyond prepaid accounts with significant up-front payment requirements, considering diversity, equity, and inclusion variations across customer demographics.

An example of an annual enforcement program structure:

January – March: Education Campaign

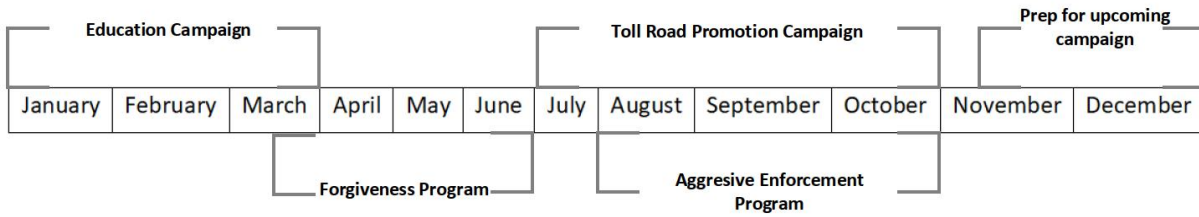
March – June: Forgiveness Program

July – October: Promotion Campaign

August – October: Enforcement Program

November – December: Prepare for upcoming campaign

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During the first year of enforcement startup, it is recommended that the toll operator focus on education and forgiveness programs, collecting revenue to build trust and be transparent with its customers. After the initial period, education and awareness can build support from the majority of its law-abiding customers while the toll operator must enforce collections from travelers who refuse to pay their tolls.