

**The Illinois State Toll Highway Authority
Minutes of the
Customer Service Working Group Committee Meeting**

October 8, 2010

The Illinois State Toll Highway Authority held a Customer Service Working Group Committee Meeting on Friday, October 8, 2010 at approximately 10:00 a.m. at the Central Administration Building in Downers Grove, Illinois. Directors in attendance were as follows:

Committee Chairman Bill Morris
Director George Pradel
Director Maria Saldaña
Director Carl Towns

Director Morris called the meeting to order.

Director Morris inquired of Tom Bamonte, General Counsel, whether it is permissible to have a Director attend by phone. Mr. Bamonte stated it was permissible. Director Morris requested a motion to allow Director Pradel to attend the meeting by phone. Director Towns moved for approval; seconded by Director Saldaña. The motion was approved unanimously.

Director Morris requested a motion to approve the Minutes of the Customer Service Working Group Committee Meeting held on August 23, 2010. Director Saldaña moved for approval; seconded by Director Towns. The motion was approved unanimously.

Director Morris asked if anyone objected to starting the meeting with Agenda Item #9 so that the individuals who had come to discuss only that item would be free to leave sooner. There were no objections.

Stan Ryniewski provided an update on Indiana violations, as well as basic background.

When Indiana changed its license plates, adding two new types of plates in 2008, the same license plate number was assigned to each of the two new plate types (“In God We Trust” and “Centennial”), causing our Electronic Tolling system to send notices in many cases to the wrong individual. As a result, the Tollway staff and contractor agreed to adjust the system to stop sending violation notices to Indiana violators so the problem could be corrected. Through a series of miscommunications, the revised system was not turned back on until earlier this year, allowing many violators from Indiana to escape without notices of violations. Director Lafleur was informed of the issue in the summer of 2010 and has been working with Tollway staff to address it since that time.

To date, the Tollway has mailed approximately 71,000 notices of the 104,000 in total. Of the 71,000 mailed, 24% (18,000) have been closed out and the Tollway has collected \$560,000. Most of the closed violations related to individuals who have an I-PASS or iZoom (Indiana) account. Most of the I-PASS and iZoom problems result from the transponders not being properly mounted and thus not read; a change in car ownership where the owner of the transponder did not notify the Tollway; I-PASS or iZoom accounts with \$0 balances or less; I-PASS or iZoom accounts which do not have all the license plates registered; and I-PASS accounts which had a credit card expire. (American Express updates renewals, but the other credit card agencies do not.) The majority of the notices distributed (89%) were for \$310 or less including the fines. When the individual being sent the notice has an I-PASS or iZoom account, the fine is waived. There have been a few (less than 1%) of the total with very large fines of up to \$25,000.

Tim Gallagher, Managing Director and CEO of Electronic Transaction Consultants Corporation (ETCC), attended the Board meeting to respond to working group members' questions in relation to the problems that led to the failure to send out timely notices to the over 100,000 Indiana violators. ETCC is the vendor responsible for installing and maintaining the electronic tolling system. Mr. Gallagher indicated that over the past several months, and since the problem was discovered, the communications between the Tollway staff and ETCC has improved greatly. Prior to this, communications were at various levels and often without a written follow-up. He was unable to identify exactly who from ETCC or the Tollway made the decision to filter Indiana violations, but once made, there was no direction from either the Tollway or ETCC to turn the system back on as it related to those two types of Indiana plates until the problem was discovered approximately three or four months ago. Subsequently, Tollway management has instituted weekly meetings between the Tollway and ETCC to review the project status, address issues, and make key decisions. There are minutes of these meetings that clearly state the action expected and who is responsible from both the Tollway and ETCC for any anticipated action.

Mr. Gallagher indicated that the project management structure developed by the current Tollway management did not exist in 2008 when the Indiana problem occurred. The new project management structure, including the need for written direction which is approved by both the Tollway and ETCC, will help prevent this problem in the future. Even in an emergency, he reported that corrective actions are taken and discussed in the regular weekly meetings. Any permanent solution is agreed to, and the plan documented is initialed by both ETCC and the Tollway.

Michael Catolico provided an update on the transponder replacement program, which has been modeled on the successful pilot program in the South Suburbs. The Transponder Replacement Program

is on schedule, with 2,500 notices being sent out weekly to individuals who have transponders that have come close to reaching the end of the life of the battery. That number will be increased to 5,000 per week in November. The notices have been adjusted from the pilot program to reflect some of the changes recommended by the Customer Service Working Group, and to date, the program is very successful with an 85% response rate. When individuals do not respond to the first mailing, there is a second mailing and sometimes a phone call. Many of the 15% who do not respond initially have either moved or are no longer utilizing the transponders. The program has been expanded to utilize the Secretary of State's office in the Rockford where there are not Jewel stores. There is no charge to the customer when they have their transponder replaced. The number of transponders replaced will be in the 200,000 range in 2010 and 2011, but will jump significantly to over 500,000 in 2012, and to over 1.2 million in 2013, before tailing off in the following years. The staff assured the working group that they have the capacity to do 50,000 replacements a week if necessary to handle the expected workload in 2013.

The contract with Jewel expires in 2011 and the staff expects to have a presentation for the Board in March or April on how to continue the customer replacement program with an outside vendor such as Jewel. The staff indicated it is satisfied with the relationship with Jewel. However, the Directors indicated the lack of Jewel outlets in the Rockford is a concern and any future arrangement needs to include additional commercial outlets in the Rockford area and the other western areas of the Tollway.

Teri Sieg'l provided an update on measures to improve the accuracy of addresses on violation notices, which has been very successful. The staff works with the National Change of Address Database (associated with the U.S. Postal Service) to update the addresses on notices whenever a discrepancy between the database and the address provided directly by different states is identified. In August, approximately 6% (10,320) of the notices sent were updated with

addresses provided by the database. In September, the number increased to just fewer than 13,000, which represented 7% of the addresses.

Shana Whitehead provided an update on the pricing structure for the effort to make violation images available online. The overall cost will be \$406,065, which has already been approved by the Board with the bulk of the cost (\$354,800) being charged to the ETCC contract at no additional cost to the Tollway. These are start-up costs and will not repeat.

Stan Ryniewski provided an update on the customer service contracts currently held by the vendor TransCore. As efforts were being made to rebid the four TransCore Customer Service contracts, the staff felt it would be more beneficial to split the bidding of the four contracts in to two parts with two bids this year and two next year. This would allow more staff time to be dedicated to the bidding process, as well as to supervising the implementation once the contracts are awarded. The first two contracts being bid are the Transponder Fulfillment contract (this is to fill transponder orders that are made online) and the Image Review contract (this is to review violation photos to match up license plates to the violations). It is expected the Transponder Fulfillment contract will be presented to the Board either in October or November, with the Image Review contract to be presented in November or December. The Image Review contract is likely to be with a disadvantaged or veteran's not-for-profit group or groups, which will result in the jobs being returned to Illinois from Texas, a major concern of Directors Morris and Towns. This arrangement is expected to result in a 25% cost reduction. The Call and Mail Process contract, as well as the Printing and Mailing Services contracts, will be bid next year at the same time the lease on the building utilized for these services expires.

Shana Whitehead presented an informational session on the violations process, as well as the fines associated with this process. Individuals who do not pay tolls and thus are in violation do not receive notices until they commit their third violation in a two-year period. The

first notice, after the third violation, is for the unpaid tolls at the cash rate and a \$20 fine for each violation. Prior to sending out such notices, the staff tries to determine if the violator is in fact an I-PASS account holder and if so, the violation is only charged the full price of the toll and no fine. It generally takes up to 40 days for the first notice to be sent. If the tolls and fines are not paid, nor a hearing requested after 21 days, a second notice is sent warning that the fine will be escalated to \$50.00. If it is not settled within 14 days of the second notice, a third notice is sent giving them 21 days to pay, including the escalated \$50 fine per transaction. The Tollway has the power to request that the violator's license plate and driver's license be suspended by the Illinois Secretary of State if the violations are not settled during the 21-day third notice period. The staff reports that approximately 100 requests are made per week for such suspensions.

It was mentioned that on average, approximately two-thirds of the violations video toll or charge to a recently refilled I-PASS account before going to notice. After violations that go to notice, approximately 55% turn out to be I-PASS related, where the Tollway settles for the cash value of the tolls and the fines are dropped.

The working group had expressed concern about the violations system in the past and a presentation was made relating to other tolling organizations. Two do not have a fine on the first notice, but do charge the tolls at a 10% higher (E-470-Denver) and 50% higher (North Texas) rate. With the second notice, each adds a fee. The fee in North Texas is \$2.50 and in Denver is \$5.00. The fine kicks in after which the third notice, and, in such a case, the fine is \$25.00 per missed toll. The staff indicated both authorities feel the small fees (\$2.50 and \$5.00) with the first notices are not enough to cover costs of the process. In Delaware, the first notice includes the \$25 fine per missed toll, as it does in Pennsylvania (Delaware River Authority).

No working group action was taken on this informational issue.

Shana Whitehead presented an update on a plan the Board approved in March of 2009 to only “look back” 90 days from the date of the third (or “trigger”) violation for violation notices. The process to update our administrative rules with the Joint Committee on Administrative Rules (JCAR) was initiated in July 2009, but has not been formally approved. This effort with JCAR was the result of legislation proposed in early 2009 to limit the number of days the Tollway can reach back to issue violation notices. The proposed legislation was tabled when the Board began the process of setting a 90-day rule. In light of the Indiana situation, which is utilizing the past practice of a full two-year look-back, this issue is again something that needs Board attention. A staff study indicates the 90-day period may actually be too short due to the various research activities that go into issuing a notice, which can take up to 93 days under typical circumstances (non-typical circumstances include rental cars and bad or forwarded addresses). It appears from the staff study that approximately 90% of the notices are sent out within the 90-day period, but that setting the limit at 90 days could result in as much as 10% of the notices not being executed and costing the Tollway as much as \$4.4M in violations revenue annually. This matter will be further analyzed with plans to present a suggestion to the full Board no later than March 2011.

Director Morris reminded the attendees that when the working group was appointed by Chair Wolff, it was understood that the work of the working group would be completed by December 2010. As a result, the working group is drafting a final report that will be presented to the Board at its December meeting.

There being no further business, Director Morris called for a motion to adjourn. Director Pradel moved to adjourn; seconded by Director Towns. The motion was approved unanimously.

Meeting adjourned at approximately 12:30 p.m.

Minutes taken by: _____

Marlene Y. Vick