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

Net loss before collection expenses ($11 million)

Violation Enforcement System expenses ($22 million)

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

Unpaid transactions by lane type

- Cash lanes
- Cashless lanes: 6.00%
- Open Road lanes

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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

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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
## Cost Per Transaction

### Cost Per Transaction (includes capital) (2015 est.)

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>Total Expense per $1 collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash – Coin Machines (ramps only)</td>
<td>$ 0.43</td>
</tr>
<tr>
<td>Cash – Manual Lane</td>
<td>$ 0.48</td>
</tr>
<tr>
<td>Transponder</td>
<td>$ 0.08</td>
</tr>
<tr>
<td>Video Toll</td>
<td>$ 0.23</td>
</tr>
<tr>
<td>Seven Days to Pay</td>
<td>$ 0.20</td>
</tr>
<tr>
<td>Violation (tolls and fines)</td>
<td>$ 0.35</td>
</tr>
</tbody>
</table>

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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

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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

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

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