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Cedrick T. Fulton
President



March 2, 2018

Mr. Joseph J. Lhota
Chairman
Metropolitan Transportation Authority
2 Broadway, 20th Floor
New York, NY 10004

Re: New York State Office of the State Comptroller
Audit Report #2016-S-64

Dear Mr. Lhota,

The Triborough Bridge and Tunnel Authority (TBTA), an affiliate of the Metropolitan Transportation Authority (MTA), reviewed the New York State Comptroller's audit report, **"Selected Aspects of Bridge and Tunnel Tolls and Fees"** (#2016-S-64). Following are TBTA's comments to the audit findings and recommendations.

As more fully described below, TBTA has and continues to take a strong position on the collection and enforcement of unpaid tolls and violation fees. We utilize multiple new tools available, including suspension of New York State vehicle registrations, issuance of exclusion orders to out-of-state vehicles, and deployment of law enforcement vehicles, all in an effort to maximize revenue recovery.

Specific Responses to Report:

First, the TBTA began pursuing vehicles with registrations suspended for toll violations in early 2017, following: (i) the 2016 effective date of the New York State Department of Motor Vehicles (NYS DMV) regulation that allowed the suspension of vehicle registrations for unpaid tolls; (ii) the implementation of gantry-based Cashless Tolling systems at three TBTA facilities; and (iii) the installation of License Plate Recognition readers (LPRs) on Open Road Tolling (ORT) gantries and in TBTA law enforcement vehicles. As the NYS DMV suspension program progresses, our revenue recovery continues to improve. We have collected tolls and fees from 52% of the vehicle registrations we have submitted for suspension and have recovered revenue of nearly \$2 million dollars.

Second, in April 2017, the TBTA began pursuing out-of-state vehicles (which represent nearly 44% of toll violations) crossing our facilities in violation of exclusion orders issued under 21 New York Codes, Rules and Regulations (NYCRR) §1020.7 for failure to pay tolls and violation fees. TBTA's ability to deter toll evasion by out-of-state violators has been significantly enhanced by a newly enacted statute (April 2017) which authorizes the NYS

DMV to enter into reciprocity agreements with other states to suspend or not renew registrations of out-of-state vehicle owners for their toll violations in New York State. Notably, TBTA did not have such authority during the pendency of the audit period (2013-2015), which significantly hindered TBTA's ability to collect toll and violation fees.

Third, as of September 30, 2017, the TBTA has completed its expansion of Cashless Tolling to all TBTA bridges and tunnels. All TBTA customers now pay tolls without stopping, resulting in a smoother, safer drive for everyone. It also means that cash is no longer accepted at any TBTA bridges or tunnels. Customers can either pay their tolls with E-ZPass, and receive a 30-50% discount with an E-ZPass tag from the New York Customer Service Center (NYCSC), or they will be sent a full-price toll bill in the mail. While there is no cashless tolling system that has "alarms built into" the system to discourage motorists from crossing a bridge or tunnel without paying a toll, there is now a mechanism to alert TBTA officers that a vehicle crossing their bridge or tunnel is on a toll violator list and should be pursued. Information from LPR readers mounted on gantries and in law enforcement vehicles is used to identify vehicles from two "hot lists" of toll violators when they cross a TBTA Cashless Tolling facility.¹

Finally, as set forth below, TBTA has already implemented several of OSC's recommendations to collect outstanding tolls and violation fees associated with unpaid tolls.

RECOMMENDATIONS AND RESPONSES

- 1. Revise the OTG tag program, either to require registration before use or to add additional controls, in order to prevent loss of revenue from motorists who fail to register their OTG tags as required. Such controls can include, but are not limited to, collecting the license plate number of drivers who purchase OTG tags, limiting the number of OTG tags that a motorist can purchase, and maintaining a database to track the sale of OTG tags to prevent their sale to repeat offenders who do not register their tags.*

Response: TBTA generally concurs with this recommendation and has already implemented the requirement that all On the Go (OTG) tags must now be registered before first use. This change was made after the last TBTA facilities converted to Cashless Tolling in September 2017.

- 2. Develop a system to collect the unpaid tolls that are in the Deferred Toll database, including (but not limited to):*
 - Using the New York E-ZPass VECTOR customer account management system to search license plate numbers to determine the mailing address of violators*

¹ See, 21 NYCRR §1020.7.

who are E-ZPass customers;

- *Using DMV access to determine addresses for motorists who do not pay tolls as required; and*
- *Sending notices and ascribing violation fees as with other unpaid tolls.*

Response: TBTA generally concurs with this recommendation. Deferred Toll Payment Requests are no longer issued due to the implementation of Cashless Tolling at all TBTA facilities on September 30, 2017. TBTA commenced a pilot program in January 2018 in order to recover the tolls due by sending direct notifications to registered vehicle owners. A cost benefit analysis will be performed to ensure that the cost of these collection efforts does not outweigh revenues recovered.

3. *Partner with DMV to send pamphlets with motorists' registration documents alerting them of the consequences of not paying their toll bills as well as options to use E-ZPass.*

Response: TBTA already undertakes marketing efforts with NYS DMV to communicate the benefits of E-ZPass and the consequences of unpaid tolls. Most recently, TBTA partnered with the NYS DMV and the other NYCSC toll authorities to send emails highlighting the benefits of E-ZPass to New York State vehicle owners who had not signed up for E-ZPass. TBTA has also partnered with NYS DMV to sell E-ZPass OTG tags at all NYS DMV locations.

4. *Formally evaluate options for fee collection to ensure that collections are maximized without being unduly punitive on drivers.*

Response: TBTA partially concurs with this recommendation. TBTA continually monitors the collection of both tolls and violation fees. As part of ongoing business process improvement efforts, TBTA will continue to evaluate maximization of fee collection options.

5. *Document and communicate changes in procedures about the DMV registration suspension process to all parties involved and finalize selection procedures.*

Response: TBTA generally disagrees with this recommendation because a system of documentation is already in place. TBTA already has documented procedures for the NYS DMV registration suspension process, which have been revised several times since program inception. As part of ongoing business process improvement efforts, TBTA will continue to revise its policies.

6. *Ensure that appropriate processes are followed when selecting candidates for registration and prior to clearance of registration suspension.*

Response: TBTA partially concurs with this recommendation. TBTA already documents procedures covering the selection, submission and clearance of license plates for registration suspension, and multiple levels of review, ensuring that the NYS DMV regulation is followed. As part of ongoing business process improvement efforts, TBTA will continue to revise its policies.

7. *Examine resources allocated to weekly submission to DMV.*

Response: TBTA generally disagrees with this recommendation. TBTA has and will continue to ensure sufficient resources are available to handle the increased volume of license plate submissions in a fully automated environment.


8. *Where open road tolling is being implemented, ensure that appropriate signage is in place alerting motorists to the consequences of crossing the bridge or tunnel without paying tolls, and strategically located to give motorists an exit option before the open road tolling begins.*

Response: TBTA disagrees with this recommendation. TBTA has installed appropriate signage at each facility as it transitioned to Cashless Tolling. With regard to signage at the Henry Hudson Bridge (HHB) advising motorists of the potential for registration suspension due to unpaid tolls, signs warning motorists that "unpaid tolls are subject to registration suspension" were posted on March 4, 2016, six months *prior* to the auditors' site observation at the facility.

9. *Prioritize the implementation of controls relating to deterrence at sites where open road tolling will be allowed.*

Response: TBTA generally concurs with this recommendation. As part of ongoing business process improvement efforts, TBTA has and will continue to work with the NYCSC and partner agencies to prioritize electronic deterrence controls at open road Cashless Tolling sites.

Sincerely,


Cedrick T. Fulton
President