



The Central Texas Regional Mobility Authority (CTRMA), formed in 2002 to improve the transportation system in Williamson and Travis counties, has a mission to implement innovative, multi-modal transportation solutions that reduce congestion and enhance quality of life and economic vitality. We appreciate the opportunity to provide written testimony before the House Committee on Transportation. Our testimony addresses:

Interim Charge 1A: HB 803 and SB 198, which relate to toll project financial reporting and use payments. Monitor the effectiveness of the tools available to Texas toll project entities for enforcing unpaid tolls while protecting customer rights.

The CTRMA remains committed to full financial transparency and accountability and was cited as an example for other RMAs to follow financial reporting in testimony provided by the Texas A&M Transportation Institute to the Texas Senate Committee on Transportation in March of 2016. We provide a robust list of financial reports/statements on our website (<https://www.mobilityauthority.com/business/finance>) as well other outlets and update regularly to make the most current information is available to anyone wanting to review. Project specific financial reporting can be found on the Electronic Municipal Market Access (EMMA) website (<https://emma.msrb.org/IssuerHomePage/Issuer?id=95F44C0D3C4DF3D73CBA6C3A0B12A13>).

A comprehensive list of financial reports that CTRMA provides is below:

Oversight and Accountability Documents

1. Independent, External Audit – required each year
2. Single Audit - (Required by Federal Government/Basic Financial Statements and Federal Awards Compliance Report).
3. 2019 Annual Report - required to provide to Commissioners Courts; distributed to a list consisting of approximately 1200.
4. Annual Continuing Disclosure Report - prepared by CTRMA; sent to First Southwest Securities; Posted on Electronic Municipal Marketing Access.
5. FY 2021 Proposed Operating Budget / June 2020 - (as adopted by Board of Directors in Open Meeting).

6. Risk Management Audit - to ensure proper risk protection of all assets and facilitates. Required by Trustee.
7. Biennial Strategic Plan.
8. 2019 Annual Report of Conditions - (Overall conditions of roadways maintenance, any recommendations of General Engineering Consultants.) Sent to Trustee posted on Electronic Municipal Marketing Access.
9. CTRMA System Accuracy Assessment Report – Required by RMA – (as self-test/evaluation of efficiency of system).
10. Project Report to TxDOT Transportation Commission - required by TAC #26.65(b).
11. 2020 Quarterly Report to Governor Abbott
12. Correspondence to Bruce Bugg – CTRMA Compliance report required by TAC 26.65 – All RMAs).
13. CTRMA Dashboard (with key stakeholders, public officials).
14. Statutorily required 90-day notice to Member Counties to issuing any additional debt or refinancing.
15. Standard & Poor's and Moody's Investor Service – Ratings Update
16. Ongoing TxDOT Internal Audits conducted related to reimbursement.

TOLLS HELP FUND CENTRAL TEXAS' MOBILITY SOLUTIONS

Raising new revenue is never popular, especially in a time of economic stress. The federal fuel tax has not been raised since 1993 and Texas has not seen a state gas tax increase since 1991. However, numerous toll facilities have been approved in the anti-tax environment of recent decades, and opinion polls consistently show that motorists prefer project specific tolls over general taxes and support the expansion of toll roads to improve driver options and more efficient travel times. In one poll conducted by HNTB Corporation, 84 percent of Americans said tolls should be considered as an additional source of transportation revenue on a project-by-project basis. Critics often throw out the term double taxation, but with toll roads, usage is a voluntary, individual decision that differentiates it from a tax. You take the road when you need to use it; it's your choice. It's not a tax, it's a user fee, and if it's business use, it's tax deductible.

FEES AND PENALTY PRACTICES OF THE CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

With the support and guidance of Travis and Williamson counties, and in collaboration with regional partners, the CTRMA has evolved as envisioned by the Texas Legislature more than 15 years ago. Amidst a transportation-funding crisis, since its inception, the agency has delivered critically needed infrastructure for Central Texas with roads such as 183A, 290 Toll, 71 Toll, 45SW, two of three 290/130 Direct Connectors, 183 South Phase I and the MoPac Express Lane, all of which provide options and congestion relief to drivers. We also have the Phase II of 183 South project and one final 290/130 Direct Connector under construction and more on the horizon to meet the exploding population and economy of central Texas, and none of these projects would have been possible without our ability to access financial markets and ultimately pay back our debt to investors with user fees. Our assets (roads open to traffic and under construction) total over \$2 Billion in investments in Central Texas, but there is much more to do to meet the growing demand. In addition, approximately 45% of CTRMA's total project investment have been designated for non-tolled elements, benefitting all drivers in the region.

Fees associated with tolls are necessary to ensure toll compliance and implement the administration of the Pay By Mail (PBM) program and ensure payment of the debt secured to build roads and improve mobility. It is also a matter of fairness and equity to all those who utilize our projects and pay their tolls. We, at the CTRMA, are not toll advocates - we are project advocates. We believe tolling is a necessary funding alternative to provide mobility improvements laid out by the Capital Area Metropolitan Planning Organization (CAMPO) when there isn't enough state funding. We are constantly considering ways to ensure the proper payment of these user fees, to create stability in our system and reinvest that revenue into improving the region's mobility, our primary objective. The credit markets, our lifeline to project funding, take our enforcement efforts very seriously.

The PBM billing system was created in 2007 as a courtesy to provide a payment option to customers. We currently process an average of 304,000 daily transactions (in 2020 – pre COVID-19) with a total electronic tag penetration of 64%. The electronic tags accepted on CTRMA roads are: TxDOT's TxTag, NTTA's TollTag, HCTRA's EZ Tag, Kansas Turnpike Authority's K-Tag, Oklahoma Turnpike Authority's Pikepass as well as commercial products BancPass and Uproad.

Prior to March 2020, we processed an average of 525,000 toll bills and non-payment notices per month through our PBM system. Data from an August 2019 analysis indicates that Approximately 99.9% of CTRMA's Pay By Mail customers paid \$16 or less in tolls and approximately 98% of customers paid \$16 or less in administrative fees for those tolls. Our current fee/payment schedule is:

- Toll Bill = tolls + \$1 invoice fee
- Notice of Non-payment (30 days past due) = tolls + \$15
- Second Notice of Non-Payment (60 days past due) = tolls + \$30
- Final Notice of Non-Payment/Collections (90+ days past due) = tolls + \$45

The maximum administrative fee per unpaid invoice is \$45.

Current Customer Service Recap: We are committed to providing the best customer experience possible with every encounter. Our average call wait times are under 45 seconds for our PBM customers, and we are always trying to improve our customer service operations. As of July 2020, our overall customer satisfaction percentage was 97% and we strive to improve to 100%. Our PBM agents are fully trained and prepared to answer most customer questions. However, as more complex questions arise, special reports must sometimes be generated. These activities take time, but we can usually provide answers within 24 hours of the customer's request. While not every caller is pleased with their situation, we believe our focus on customer service pays dividends.

Still, the most friction in the world of tolling does occur because of real or perceived issues surrounding calls/inquiries to customer service representatives regarding billing. In an effort to combat these perceptions, we continue to work tirelessly to seek and implement ways to

enhance the customer experience. CTRMA has implemented several changes that have proven to vastly improve our responsiveness to the public, which we recognize is our most important asset.

Improved Customer Experience: Aligned with our commitment to provide an exceptional and streamlined experience for our customers, we selected a new PBM billing vendor (Cofiroute) in 2018 to enhance our customer service experience and improve our billing operations. The enhanced offerings included:

- Monthly billing vs former 15-day billing structure
- Mail and non-payment fees reduced by 50%
- The offering of registered accounts and pre-paid accounts
 - These pre-paid accounts provide the ability to send e-notices and SMS
 - They also provide the ability to manage accounts online
- Enhanced customer service capabilities that include:
 - New website
 - Additional self-service opportunities
 - Additional walk-up center at Cofiroute's offices in north Austin (Howard Ln & Summit Ave)
 - Offerings for unbanked customer population to pay for toll usage with cash through a vendor's partnership with PlusPass and their cash reloadable product

Enforcement of unpaid tolls: Less than 2.15% of the PBM population are considered habitual violators (having more than 100 unpaid tolls). We proactively try to help customers before they get to this stage or help pull them out of that status once they have gone into the habitual violator category.

CTRMA's Habitual Violator Program was implemented in November 2019 to address habitual non-payment of tolls by chronic violators to ensure fairness to the majority of drivers who pay their bills on time. Texas law defines a habitual violator as a registered owner of a vehicle who has been issued two notices of non-payment for an aggregate of 100 or more unpaid toll charges within a 12-month period.

Enforcement remedies under the policy include: posting the names of Habitual Violators whose vehicles have been banned, blocking vehicle registration renewal, prohibiting Habitual Violators' vehicles on Mobility Authority roadways, and on-road enforcement of the vehicle ban. The vehicle registration block and other toll enforcement actions are intended to encourage tollway drivers to pay for services rendered to ensure fairness to the overwhelming majority of drivers who pay for the service, maintenance and safety of the toll roads.

Improvement Opportunities: There are a few additional suggestions that we believe could help CTRMA improve our customer billing process even more. They are outlined below:

- Improve the accuracy of DMV records - Texas law requires that the Authority use the Texas Department of Motor Vehicle's registration records as our billing data source. Approximately 3% of invoices are uncollectible because of no DMV information. An additional 2% of invoices are returned because of bad address information. Assistance is needed to encourage accurate address compliance.
- Allowing statewide enforcement of Habitual violator remedies – A study conducted by Cogencia indicates that the habitual violators (chronic non-payers of toll balances) exhibit the same behavior across toll regions. Tolling entities currently compare collections approaches and discuss successes. If we were able to leverage enforcement remedies so that a chronic non-payer is not allowed to use any Texas toll facility once designated as a habitual violator, it would allow toll entities to pool resources and focus resources more efficiently.
- Lower the habitual violator threshold - The goal of all toll entities including CTRMA is to have habitual violator customers pay for services rendered to ensure fairness for the overwhelming majority of drivers who pay for the service, maintenance and safety of the toll roads. Current law requires non-paying customers to incur 100 unpaid tolls and be issued two notices of non-payment before they can be determined to be habitual violators. Additional steps and communications are required before enforcement remedies can begin. Lowering the 100 unpaid toll threshold to 50-75 will allow toll entities to address violators quicker, thereby reducing the customer's cumulative toll and administrative fee balance. Further efficiencies can be gained in this area if the previous recommendation of statewide enforcement remedy is implemented.
- Require vehicle registration holds for unpaid tolls. State law currently allows for a vehicle registration block to be placed once a registered owner has been determined to be a habitual violator; however, the law is permissive as to whether tax assessors must comply. Requiring that tax assessors honor these blocks will reduce enforcement costs and administrative overhead. These funds could be used to assist tax assessor in upgrading equipment and hiring additional staff to manage the toll scofflaw process.

Thank you for your time and consideration of this written testimony from the Central Texas Regional Mobility Authority. We look forward to continuing our efforts to improve customer education and experiences with our billing process.

