

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 06-72

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, *et. seq.* (the "RMA Rules"); and

WHEREAS, the CTRMA is charged with funding and developing transportation improvements throughout the region to help solve the current mobility crisis and to improve the quality of life for residents of Central Texas; and

WHEREAS, CTRMA staff, working in partnership with the Austin District of the Texas Department of Transportation, developed a proposed "CTRMA/TxDOT Regional Implementation Program" (the "Program") which provides for the funding and development of various transportation system improvements through tolling of new roadway capacity; and

WHEREAS, in Resolution 04-62, dated December 8, 2004, the CTRMA Board of Directors adopted formal toll policies for the CTRMA (the "Toll Policies") that were consistent with the Program and reflected input received through public comment and a public hearing held by the CTRMA for such purpose; and

WHEREAS, the Board of Directors anticipated in Resolution 04-62 that the Toll Policies would be subject to revision and amendment from time to time to insure that the Toll Policies best implement the mission and goals of the CTRMA in its efforts to serve the public regarding mobility matters; and

WHEREAS, certain provisions of the Toll Policies are no longer consistent with the actual operational methods to be used in the operation of various transportation improvements developed under the Program; and


WHEREAS, CTRMA staff has undertaken development of various proposed amendments and revisions to the Toll Policies for the CTRMA and a summary of such proposed revisions to the Toll Policies are attached hereto as Attachment "A" ("Proposed Revisions to Toll Policies");

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the CTRMA hereby directs the Executive Director and CTRMA staff to finalize the development of the Proposed Revisions to Toll Policies attached hereto as Attachment "A" in a manner consistent with the current operational methods to be utilized in operating transportation projects under the control of the CTRMA and consistent with any relevant contracts, official statements or financial agreements to which the CTRMA is subject; and

BE IT FURTHER RESOLVED, that the Executive Director and CTRMA staff shall cause all analysis and reports necessary and appropriate to fully determine the impact of each of the Proposed Revisions to Toll Policies to be undertaken, and to present all such information and final Proposed Revisions to Toll Policies to the Board at its regular Board Meeting in January 2007.


Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 13th day of December, 2006.

Submitted and reviewed by:



Tom Nielson
Legal Counsel for the Central
Texas Regional Mobility Authority

Approved:



Robert E. Tesch
Chairman, Board of Directors
Resolution Number 06-72
Date Passed 12/13/06

Memo



CENTRAL TEXAS
Regional Mobility Authority

To: Board Members
From: Tom Nielson
Date: December 8, 2006
Re: Proposed Revisions to Toll Policies

The Mobility Authority's toll policies were first approved by the Board in December 2004 at a time when a number of assumptions had to be made about the ultimate structure of our toll collection operations. Since that time, at the request of staff the Board has made a number of policy decisions that have caused some of the assumptions in the original toll policies to no longer be valid. In addition, staff has identified operational efficiencies and other improvements that were not contemplated in the original toll policies. As a result it has become necessary to review the toll policies and consider a number of revisions.

The biggest operational change involved shifting responsibility for TxTag customer service and violation enforcement processing activities from the Mobility Authority to TxDOT. Most of the changes to the toll policies involve revising the language to reflect this new paradigm. A copy of the preliminary proposed language is included for your review. In addition to these "house cleaning" changes, the staff is asking the board to consider the following policy updates:

- **Eliminating overnight staffing at the Brushy Creek Ramp Plaza** – Staff has analyzed the cost of providing toll attendant staffing at the Brushy Creek Ramps between the hours of 10:00 p.m. and 6:00 a.m. and determined that for the foreseeable future the costs involved in staffing the plazas would exceed any revenue collected during overnight hours. Therefore staff is suggesting the Board authorize those plazas to remain unmanned during the hours of 10:00 a.m. and 6:00 a.m. until such time that it becomes cost effective to staff the plazas during those hours.
- **Provide Public Mass Transit Buses with Toll Free Travel** – As a multi-modal transportation agency committed to reducing congestion, staff believes it would be appropriate for the Mobility Authority to provide publicly owned buses operated by

the Capital Area Metropolitan Transportation Authority and the Capital Area Rural Transportation Agency to travel on Mobility Authority roads without paying a toll. It is anticipated that the Mobility Authority will operate managed lanes on Loop 1 where it is assumed buses would travel toll free. Staff is asking the board to consider a uniform policy that would apply to all Mobility Authority roads. Initial analysis has determined that potential revenue losses are minimal.

- **Extend the period of toll free travel when 183A opens** – Staff has reviewed the approved promotional period for the opening of 183A and is recommending the promotional period criteria be revised to be more consistent with the promotional period used on the Central Texas Turnpike Project. With the opening of the Central Texas Turnpike Project, TxDOT is providing all drivers with two months of free travel. TxTag customers receive a third month of travel toll free and the fourth month TxTag customers travel for half price. In contrast, the Mobility Authority policies currently provide for a six month promotional period with only one month free to all drivers. The second month is currently free to TxTag users and the third through sixth month is 50% off for TxTag customers. Staff believes a shorter promotional period that provides an extended period of toll free travel is more beneficial to customers and easier to market.
- **Replace the \$10 TxTag credit with the extended free travel period** – The original toll policies specified that the Mobility Authority would provide a \$10 toll credit to every new TxTag customer. Since the Mobility Authority has decided to let TxDOT provide TxTag customer service functions, this provision is no longer operationally feasible. Therefore, staff recommends the Board eliminate the \$10 provision in conjunction with the addition of the extra month of free travel.

Some of the changes that are proposed, may, under the terms of our Bond Covenants require the 183A Traffic and Revenue Consultant, Vollmer and Associates, to conduct an analysis to identify how the Mobility Authority's revenue stream may be affected. Staff is seeking direction from the Board on these proposed changes and with such direction would like Board approval to proceed with any required analysis. Once such analysis is complete the proposed policy revisions would be presented to the Board for final approval.

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POLICIES AND PROCEDURES FOR TOLL COLLECTION OPERATIONS ON THE CTRMA TURNPIKE SYSTEM

SECTION 1. PURPOSE

These Policies and Procedures for Toll Collection Operations (“Policies and Procedures”) are established pursuant to CTRMA Resolution No. 04-62, adopted by the CTRMA Board of Directors on December 8, 2004. Under provisions of Chapter 370 of the Texas Transportation Code, CTRMA possesses the authority to designate a turnpike project or a portion of a turnpike project as a controlled-access toll road (Sec. 370.179). These Policies and Procedures establish CTRMA practices and operations for toll collection systems on designated controlled-access toll roads operating within the CTRMA turnpike system, and incorporate provisions of Texas Transportation Code Sec. 370.177 regarding failure or refusal to pay turnpike project tolls and related penalties and offenses.

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SECTION 2. DEFINITIONS

ACH	Automated Clearing House Network.
CSC	Customer Service Center.
Electronic Toll Tag or Toll Tag	<u>A device that records the usage of a vehicle using a toll road; usually adhered to the windshield of the vehicle, allowing motorists to drive non-stop through designated electronic toll collection lanes. (Electronic Toll Tags are a type of “transponder” pursuant to Texas Transportation Code Sec. 370.178.)</u>
ETC	Electronic Toll Collection.
IVR	Interactive Voice Response.
Non-payment Transaction	A transaction where the customer does not pay the toll in the lane at the time of travel through the toll lane.
Non-Tagged Non-payment	Vehicles not equipped with toll tags and that do not pay the toll at the time of travel through the toll lane.
Tag Class	The CTRMA class that is determined using the vehicle information that is programmed in the toll tag.
Tagged Non-payment	A vehicle equipped with a toll tag that is not valid and does not stop to pay toll.

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U/O Unusual Occurrence.
 VES Violation Enforcement System.
 VPC Violation Processing Center.

SECTION 3. EXEMPTION FROM TOLL PAYMENT

Users of CTRMA Toll Facilities shall be required to pay a toll unless they are determined to be exempt under Texas State Statutes or as authorized by the CTRMA Board under the provisions of the Texas State Statutes.

- (a) Emergency and Military Vehicles: In accordance with the provisions of Sec. 370.177 and 362.901 of the Texas Transportation Code, CTRMA will create technical procedures to ensure that authorized emergency vehicles, as well as state and federal military vehicles, are exempt from paying tolls on the CTRMA toll road system.
- (b) Public Transportation Vehicles: Under the provisions of Sec. 370.177 of the Texas Transportation Code and to facilitate a multi-modal transportation system that ensures safe and efficient travel for all individuals in Central Texas, public transportation vehicles with a carrying capacity of 20 or more individuals that are owned and/or operated on behalf of the Capital Metropolitan Transportation Authority or the Capital Area Rural Transportation System shall be exempt from paying tolls on CTRMA toll facilities.

SECTION 4. TOLL INCENTIVES AND DISCOUNTS

To promote the use of CTRMA toll roads and to maximize the use of toll tags on CTRMA facilities, the CTRMA will offer customers incentives and discounts.

- (a) Discounts for Toll Tag Users: Customers who pay their toll using a toll tag will receive a discount equal to ten percent (10%) off of the toll amount paid by cash toll customers.
- (b) Incentive Offers: From time to time the CTRMA may conduct promotions or marketing activities which encourage drivers to use CTRMA toll roads and/or TxTag and/or reward customers for such use.

SECTION 5. CUSTOMER SERVICE AND VIOLATION POLICIES

Upon implementation of the CTRMA toll collection system, CTRMA expects that there may be a high percentage of customers using a toll road who will not have a toll tag. The objective of the toll operations procedures and policies created by the CTRMA is to increase the percentage of toll road customers who establish toll tag accounts with the TxDOT CSC. Additionally, because tolling is a new concept for customers in the Central Texas region, it will take some time for customers to adjust to the toll road operations, rules and regulations. During the few months after the start of CTRMA toll collection operations, a tolerant and customer-friendly

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 SECTION 3. ESTABLISHMENT OF CUSTOMER TOLL TAG ACCOUNTS. PAYMENT, DISTRIBUTION OF TOLL TAGS ¶
 3.1 Toll Tag Accounts Generally ¶
 Customers may establish either individual or business toll tag accounts by contacting the CTRMA Customer Service Center ("CSC"). Qualification for an "individual" account versus a "business" account will depend upon the num (... [1])

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approach will be employed towards customers who use the road without paying toll charges. While it is understood that the objective of the CTRMA is to collect revenue and minimize toll violation abuse, CTRMA believes that a moderate approach towards customers who did not pay the toll ultimately will allow for a period of adjustment as customers begin using the new toll roads, and will create new toll customers for the CTRMA.

The (TxDOT CSC) provides customer service to CTRMA customers and supports all operations related to customer toll tag account setup, account maintenance and customer service. The efficient operation of the TxDOT CSC is critical to the success of the CTRMA toll collections. The CSC will adhere to the following provisions with respect to customer service, toll violations, and toll tag use:

(a) Customers That Use Toll Tag Lanes Without Corresponding Toll Tags:

If a customer who realizes they caused a Non-payment Transaction contacts the TxDOT CSC and establishes (or re-establishes, if the customer has an invalid toll tag account) a valid, funded toll tag account within ten (7) days, or such period of time that is dictated by the terms of any agreement with TxDOT concerning the VPC, after the Non-payment Transaction was committed, the administrative fee that TxDOT is allowed to charge will be waived, and the unpaid toll amount will be deducted from the customer's account balance. In the event that the violating customer does not either open and adequately fund a new toll tag account, or adequately fund their existing toll tag account, within the specified time frame, that customer will then receive a "Notice of Nonpayment" via regular mail for the unpaid toll amount plus a \$5.00 administrative fee. If the violating customer contacts the TxDOT CSC within thirty (30) days after such notice is mailed, and either opens and adequately funds a new toll tag account, or adequately funds their existing toll tag account, either part of or all of the \$5.00 administrative fee will be waived, and any remainder of the fee not waived, plus the unpaid toll amount, will be deducted from the customer's account balance.

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(b) Violation Enforcement Strategies:

If a customer who receives a "Notice of Nonpayment" does not take any of the actions described in subsection (a) above within thirty (30) days after such notice is mailed, the Non-payment Transaction becomes an offense under Sec. 370.177 of the Texas Transportation Code, and a collection process will be implemented to attempt collection of the unpaid toll amount plus the additional administrative fee (which may include the collection agency's fees). If the collection process does not succeed in obtaining the toll amount and corresponding fees owed, the violating customer will be referred for prosecution. An offense for failure or refusal to pay a toll under Sec. 370.177 of the Texas Transportation Code is a misdemeanor subject to a fine of up to \$250.00 for each offense. If convicted of the offense, a violating customer will be liable for the unpaid toll amount, plus a \$100 administrative fee, plus court costs and a fine of up to \$250.00. In the prosecution of an offense under Sec. 370.177, proof that the vehicle passed through a toll collection facility without payment of the proper toll, together with proof that the defendant was the registered owner or the customer of the vehicle when the

failure to pay occurred, establishes the nonpayment of the registered owner. The proof may be by testimony of a peace officer or CTRMA employee, video surveillance, or any other reasonable evidence. Under provisions of Sec. 370.177, there are certain exceptions to violation for failure to pay toll regarding rental cars and vehicles sold but for which title has not been officially transferred by TxDOT. In addition, it is a defense to prosecution if the vehicle is stolen prior to the failure to pay a toll, but only if the theft is reported to the appropriate law enforcement agency within the required time period.

(c) Procedures for Disputing Toll Violations:

Customers may dispute an alleged failure to pay toll violation by contacting the TxDOT CSC by walk-in, telephone, regular mail, e-mail, or facsimile.

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(d) Appealing a Toll Violation to CTRMA

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A customer who has contacted the TxDOT CSC and has been unable to satisfactorily resolve a dispute regarding a toll violation may submit a written appeal to the CTRMA.

SECTION 6. TOLLING POLICY FOR PHASES OF CTRMA TURNPIKE PROJECT "UNDER CONSTRUCTION"

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¶ Toll tags are issued by the CTRMA for use with one (1) corresponding vehicle per toll tag. Customers should not to attempt to remove and transfer a toll tag to another vehicle once the tag is adhered to the original vehicle's windshield. To engage in such unauthorized transfer of a toll tag is against CTRMA policy, and CTRMA reserves the right to refuse to recognize as valid any toll transaction made pursuant to such unauthorized transfer of a toll tag from its original vehicle.¶

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- (a) For any phase of a toll project "under construction" as of the date the project is included in CAMPO's then governing transportation plan or transportation improvement program as a toll project or candidate toll project, the authority shall defer the commencement of toll collection operations on that phase until additional phases of the project are constructed so as to provide continuous uninterrupted travel for a distance, or to a destination, to be designated by the Board of Directors on a project specific basis. Toll projects subject to this provision shall be designated on Attachment "A" hereto, which shall be updated periodically by action of the Board. The deferral of toll collection operations shall end once the component phases of the project or the designated travel corridor (as identified on Attachment "A") are "substantially complete".
- (b) For purposes of this policy the phrase "under construction" shall mean that a contract has been executed by the authority or TxDOT which provides for roadway construction of a phase of the toll project. The phrase "substantially complete" shall mean that the toll project is open to traffic for its entire length as designated on Attachment "A". Temporary closures due to emergencies or short-term construction or maintenance operations shall not preclude a toll project from being deemed substantially complete.
- (c) The authority may install signage and toll collection equipment on or along a project (or any phase thereof) indicating that toll collection operations are being deferred and that tolls will be collected on the entirety (or any portion) of the project in the future.
- (d) The designation of a project as a toll project or candidate toll project in CAMPO's then governing transportation plan or transportation improvement program prior to the time it

is open to traffic shall preclude the project from being deemed a “conversion” under provisions of the Texas Transportation Code when toll collection operations begin.

- (e) Notwithstanding the foregoing, the Board of Directors may, upon receipt of a written request from CAMPO or from the Commissioners Court(s) of the county(s) in which a project is located, waive this policy and toll a phase of project that is under construction prior to completion of the entirety of the project.

ATTACHMENT "A"

INITIAL PHASE	CONTRACT EXECUTION DATES	TRAVEL CORRIDOR TO BE COMPLETED PRIOR TO TOLLING
US 183 (S): South of IH 35 (N) to South of US 290 (E)	February 10, 2003	From main lanes of US 183 at IH35 to Presidential Blvd. (permitting travel on main lanes unimpeded by traffic signals on US 183 South from IH35 to ABIA)
SH 71 (E): West of Burleson Rd. to West of Riverside Dr.	September 16, 2002	From main lanes of SH 71 from IH35 to Presidential Blvd. (permitting travel on main lanes unimpeded by traffic signals on SH71 East from IH35 to ABIA)
Loop 1 (MOPAC Blvd): South of William Cannon Dr. to US 290 (W)	September 15, 2003	From main lanes of Loop 1 at William Cannon Dr. to south of Barton Skyway (permitting travel on express lanes from William Cannon Dr. to south of Barton Skyway)

SECTION 3. ESTABLISHMENT OF CUSTOMER TOLL TAG ACCOUNTS; PAYMENT; DISTRIBUTION OF TOLL TAGS

3.1 Toll Tag Accounts Generally

Customers may establish either individual or business toll tag accounts by contacting the CTRMA Customer Service Center ("CSC"). Qualification for an "individual" account versus a "business" account will depend upon the number of toll tags a customer seeks to obtain as set forth below. Any customer personal or business information provided to CTRMA, including but not limited to name, address, telephone number, facsimile number, or e-mail address, and information regarding the type of account or number of toll tags issued, shall not be disclosed by CTRMA to any third parties, except for where such disclosure is required as a matter of law. Toll tags will be provided free of charge to customers who establish toll tag accounts; provided, however, that customers with an "initial deposit" individual account described below must pay an additional account set up fee if they request an additional toll tag. Upon issuance, the toll tag will remain the property of CTRMA and the Texas Department of Transportation (TxDOT), and are subject to the provisions of Sec. 370.178 of the Texas Transportation Code. If and when a customer returns a toll tag to the CTRMA, any remaining account balance in the customer's account will be refunded.

The following is a description of the three types of CTRMA toll tag accounts that customers may establish:

Individual Account (Registered)

A customer opens a toll tag account with a minimum of \$20.00. A minimum account balance of \$0.50 is required per toll tag. The first toll tag for the toll tag account is free, however, customers must pay an additional \$20.00 for each additional toll tag requested in conjunction with a toll tag account. Customer will be notified via regular mail, or e-mail if the customer so elects, when their account balance falls to \$10.00. Such notification is provided as a courtesy by CTRMA, and failure to notify shall not relieve the customer of their obligation to remain apprised of their toll tag account balance at all times.

Individual Account (Unregistered)

A customer opens a toll tag account with a minimum of \$20.00. A minimum account balance of \$0.50 is required per toll tag. Customers choosing to remain anonymous by selecting the unregistered account option will be responsible for remaining apprised of their toll tag account balance because CTRMA will not be able to issue any balance notifications due to the account's unregistered status. In addition, unregistered customers will not be eligible for a refund or replacement for any toll tag that is lost or stolen. Customers should consider the toll tags

affiliated with their unregistered account the same as cash, and should take extreme caution to prevent the loss or theft of such toll tag(s).

Business Account (Registered)

To qualify for a Business Account, customer must order a minimum of six (6) toll tags. Customers must open a Business Account with a minimum of \$30.00 per toll tag, with \$30.00 for the account per toll tag, and including the \$.50 required minimum account balance per toll tag. Customer will be notified via regular mail, or e-mail should the customer so elect, when their account balance falls below fifty percent (50%) of the starting account balance. Such notification is provided as a courtesy by CTRMA, and failure to notify shall not relieve the customer of their obligation to remain apprised of their toll tag account balance at all times. Business Account customers are allowed to obtain an unlimited number of toll tags for their account.

3.2 Toll Tag Distribution

(a) Distribution by Mail: Toll tags will be mailed via regular mail to customers who choose to open their toll tag accounts via the following methods, or for customers who request additional toll tags:

- Request via Telephone
- Request via Facsimile
- Request via E-mail
- CTRMA Web Site Application
- Request by Regular Mail
- Certain Authorized Retail Outlets

(b) Distribution via In-Person Pickup: A customer may obtain their toll tag(s) in person when establishing a toll tag account via the following methods:

- In-person visit to CTRMA CSC or any CSC Remote Counter
- Location
- Vending Kiosk or Machine
 - Authorized Retail Outlets
 - Toll Lane Attendant Booth

(c) CTRMA Use of Distribution Information: CTRMA will track the number and frequency of toll tags distributed according to the particular type of distribution method to identify the most frequently used distribution channels.

(d) Technical Operation and Technical Problems With Toll Tag Function: CTRMA will make reasonable efforts to test each toll tag that is issued to a customer. However, customers should test the functioning of their toll tag by passing through a tollbooth lane upon their first use of the toll tag to verify whether the toll tag is capable of being read by the toll collection equipment. If a customer becomes aware of a technical problem, either through self-testing, or because the

customer is contacted by CTRMA for a Non-payment Transaction even though the customer has an adequate balance in their account, the customer should immediately contact the CSC to make arrangements to correct the problem or to receive a new toll tag.

3.3 Payment Methods

Accounts (Registered or Unregistered) are pre-paid, and can be established and maintained by credit card, debit card, automatic clearing house (ACH) transaction, money order, check, and/or cash. To establish a registered account, the customer is required to complete the Account Setup Application and establish a means of account replenishment. Customers with unregistered accounts are not required to provide any information.

The following payment methods are available for the corresponding methods of opening a customer account:

- Customers may pay with cash to open an account via: walk-in visits to the CSC or CSC Remote Location Counter; vending machines or kiosks; authorized retail outlets; or request to open an account made to a toll lane attendant.
- Customers may pay with checks or money orders to open an account via: walk-in visits to the CSC or CSC Remote Location Counter; regular mail; authorized retail outlets; or request to open account made to a toll lane attendant.
- Customers may pay with credit cards, or debit cards that do not require personal identification numbers (PINs), to open an account via: walk-in visits to the CSC or CSC Remote Location Counter; telephone; IVR; CTRMA Web Site Application; facsimile; e-mail; vending machines or kiosks; authorized retail outlets.

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Discounts and Incentives

A primary objective of the CTRMA's Marketing and Public Information Program is to enroll as many customers as possible in the ETC program. CTRMA will determine appropriate introductory and marketing activities on a project-by-project basis, which may include, but not be limited to, the following:

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.1 Special Toll Tag Accounts and Applicable Legal Exemptions

CTRMA recognizes the importance of encouraging mass transit users to travel on toll roads to further relieve congestion and increase regional mobility. Special

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discounts will be provided to these users. Police, law enforcement and certain other “authorized emergency vehicles” as defined by Sec. 541.201 of the Texas Transportation Code are required to be exempt from paying tolls under Sec. 370.177 of the Texas Transportation Code, and state and federal military vehicles are also exempt from paying tolls under Sec. 362.901 of the Texas Transportation Code.

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Capital Metro/ CARTS vehicles shall receive a toll tag rate equal to the rate for cars, and shall also receive a ten percent (10%) discount off that rate

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School Buses: School buses from school districts in the Central Texas region that elect to establish a toll tag account with the CTRMA shall receive a toll tag rate equal to the rate for cars, and shall also receive a ten percent (10%) discount off that rate.

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Emergency Vehicles: In accordance with the provisions of Sec. 370.177 and 362.901 of the Texas Transportation Code, CTRMA will create technical procedures to ensure that authorized emergency vehicles, as well as state and federal military vehicles, are exempt from paying tolls on the CTRMA turnpike system.

Express Buses: Express buses operated by transportation providers other than Capital Metro/CARTS shall receive a toll tag rate equal to the rate for cars, and shall also receive a ten percent (10%) discount off that rate.

Other Mass Transit Provider Vehicles: Vehicles belonging to additional mass transit providers other than Capital Metro/CARTS that choose to establish a toll tag account with CTRMA shall receive a toll tag rate equal to the rate for cars, and shall also receive a ten percent (10%) discount off that rate.

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.2 Incentives and Discounts

During the initial start-up phase of tolling on a particular CTRMA project, some incentives to customers may be offered depending on the level of toll tag enrollment, such as the following discounts and incentives:

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Incentive Offers: CTRMA may offer incentives with each new toll project that is opened to encourage ridership.

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Toll Tag Users: Ten percent (10%) toll tag user discount; equals a discount of ten percent (10%) off of the toll amount paid by cash only toll customers.

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3.3 US183-A Turnpike Introductory Programs

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(a) Discount For New CTRMA Customers: Free \$10.00 credit for toll charges given to a new CTRMA customer per each toll tag account.

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) Step-Up or No Charge for Introductory Period: CTRMA shall offer a four

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-month Introductory Period after US 183-A is constructed and opened to traffic. The initial four weeks of the Introductory Period will be free usage for all customers. The period of free usage will be extended up to eight weeks free usage for toll tag customers, and 50% discount for the remaining two

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months of the Introductory Period,

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there will be a fifty percent (50%) reduction in amount of tolls charged for those toll tag customers.

(c) Customer Friendly Toll Violation Enforcement Process: If a customer who realizes they caused a Non-payment Transaction contacts the CSC and establishes (or re-establishes, if the customer has an invalid toll tag account) a valid, funded toll tag account within ten (10) days, or such period of time that is dictated by the terms of any agreement with TxDOT concerning the VPC, after the Non-payment Transaction was committed, the administrative fee that CTRMA is allowed to charge under Texas Transportation Code Sec. 370.177(c) will be waived, and the unpaid toll amount will be deducted from the customer's account balance. In the event that the violating customer does not either open and adequately fund a new toll tag account, or adequately fund their existing toll tag account, within the specified time frame, that customer will then receive a "Notice of Nonpayment" via regular mail for the unpaid toll amount plus a \$25.00 CTRMA administrative fee. If the violating customer contacts the CSC within thirty (30) days after such notice is mailed, and either opens and adequately funds a new toll tag account, or adequately funds their existing toll tag account, either part of or all of the \$25.00 administrative fee will be waived, and any remainder of the fee not waived, plus the unpaid toll amount, will be deducted from the customer's account balance.

The waiver of CTRMA administrative fees will be graduated over an eighteen (18) month period of time, where: during the first six (6) months of the toll road operations, all administrative fees will be waived; during next six (6) months of operations, \$15.00 of the fee will be waived; during the third six (6) to twelve (12) months of operations, \$10.00 of the administrative fee will be waived; and after a total period of eighteen (18) months after opening of operations, no portion of the administrative fee will be waived.

WhitePaper
Should CTRMA exempt mass transit buses from tolls?

Purpose

This paper considers the possibility of exempting mass transit buses and vans from the payment of tolls on 183A and future CTRMA facilities. It will cover the potential impacts of a policy change, offer a recommendation and outline steps to implement the recommendation.

Background

The CTRMA Board of Directors adopted toll policies in December 2004. Those policies were included in the Official Statement (OS) dated February 2005 for toll project 183A. The current toll policies affecting buses follow:

“CTRMA recognizes the importance of encouraging mass transit users to travel on toll roads to further relieve congestion and increase regional mobility. Special toll tags accounts and discounts will be provided to these mass transit vehicles. Police, law enforcement and certain other “authorized emergency vehicles” as defined by Sec. 541.201 of the Texas Transportation Code are required to be exempt from paying tolls under Sec. 370.177 of the Texas Transportation Code, and state and federal military vehicles are also exempt from paying tolls under Sec. 362.901 of the Texas Transportation Code.

- (a) Capital Metro Bus: Two axle Capital Metro/ CARTS vehicles shall receive a toll tag rate equal to the rate for cars, and shall also receive a ten percent (10%) discount off that rate.
- (b) School Buses: Two axle school buses from school districts in the Central Texas region that elect to establish a toll tag account with the CTRMA shall receive a toll tag rate equal to the rate for cars, and shall also receive a ten percent (10%) discount off that rate.
- (c) Emergency Vehicles: In accordance with the provisions of Sec. 370.177 and 362.901 of the Texas Transportation Code, CTRMA will create technical procedures to ensure that authorized emergency vehicles, as well as state and federal military vehicles, are exempt from paying tolls on the CTRMA turnpike system.
- (d) Express Buses: Two axle express buses operated by transportation providers other than Capital Metro/CARTS shall receive a toll tag rate equal to the rate for cars, and shall also receive a ten percent (10%) discount off that rate.
- (e) Other Mass Transit Provider Vehicles: Two axle vehicles belonging to additional mass transit providers other than Capital Metro/CARTS that choose to establish a toll tag account with CTRMA shall receive a toll tag rate equal to the rate for cars, and shall also receive a ten percent (10%) discount off that rate.”

Possible implications of policy change

The following lists outlines the main considerations associated with exempting mass transit vehicles from the payment of tolls on 183A and future CTRMA facilities.

Pros

Promote mass transit
Partner in regional transportation solutions
Diminishing revenue impacts
Positive Environmental Justice initiative
Consistent with Loop 1 managed lane

Cons

Loss of revenue
Potential amendment of OS
May open door to future requests
Inconsistent with TTA policy
Board must amend toll policies

Revenue loss and costs

We'll begin with the downside. The potential loss of revenue is a concern based on research of the near term (opening year) and medium term (through ramp up) impacts. The three (3) bus routes (983, 986 and 987) that will utilize 183A, running between Leander and Austin, potentially represent annual revenue of \$36,288.

The following indicates how this estimated dollar amount was reached.

- Current toll policy charges buses at the 2 axle rate and gives 10% discount
- These buses would make eighty (80) trips on 183A each week day
- Annual calculations based on 252 days

Annual revenue of \$36,288 is not an insignificant amount. In year one of operation for 183A this loss represents 1.2% of the agency's annual revenue based on projections in the OS. The projected revenue in the OS for year two is over \$10 million and the percent of revenue lost drops to 0.36% if this policy were implemented. By year 2011, the final year of ramp up, annual revenues are projected to be approximately \$23,446,000 and the percentage of revenue lost by exempting buses is estimated to drop to 0.15%.

The agency may incur additional one time costs from bond counsel and/or Vollmer as they provide research and opinions on this issue. Vollmer charged the CTRMA \$12,500 when researching converting the toll schedule at the Brushy Creek ramps. We should assume similar charges will accompany a request on this matter.

Regional consistency

With two toll agencies operating in the same metropolitan area efforts should be made to remain consistent, where possible, in our policies. The concept of exempting transit buses is inconsistent with TTA/TxDOT's current toll policy which requires mass transit vehicles and school buses to pay all tolls.

It is understood however, that the two agencies have different missions. TxDOT operates with a statewide orientation while the CTRMA pursues projects and operates based on regional emphasis. Efforts to inform transit operators of the differing policies would be important.

Opening the door

Another area of concern is opening the issue of free passage on toll facilities at all. The CTRMA Board and staff may receive additional requests from various groups seeking inclusion as they attempt to define themselves as a form of mass transit. These requests will require staff time for research and response. On the other hand, similar requests would likely occur whether the CTRMA opens this issue or not.

Positives aspects

Regional partner

Exempting mass transit buses provides an excellent example that CTRMA is a regional transportation partner committed to mass transit. It would be a positive demonstration that the agency would forego revenue to promote regional transportation interests.

While exempting these vehicles on 183A would be inconsistent with TxDOT it is on target with the developing policies for the Loop 1 Managed Lane project. One of the directives from TxDOT on Loop 1 is that mass transit vehicles will be exempt from tolls. Since TxDOT decided that CTRMA would operate and maintain Loop 1, a policy exempting these vehicles would provide uniformity in our agency policy and reduce potential confusion for those using CTRMA facilities.

Environmental justice

Applying this policy to all CTRMA facilities demonstrates, in part, our concern for environmental justice (EJ). Mass transit agencies would not realize increased operating cost due to tolls on our facilities and therefore have no need to pass along an increase, based on tolls, to their customers. Their customers receive the benefit of faster, more reliable trips without the cost of the tolls.

Recommendation

The CTRMA should pursue amending the adopted toll policies as listed in the OS to allow the exemption of mass transit buses and vans on 183A and future CTRMA facilities. The potential positive impacts outweigh the concerns including the loss of revenue.

The timing of implementation is optional. Postponing a policy change until after the ramp up period, 2011, allows the agency to collect approximately \$145,000 in revenue we would have foregone if this policy is implemented upon the opening of 183A. There is also the possibility that once light rail begins operation, as early as 2008, in the Leander Transit Oriented District that these bus routes will no longer operate. If that happens the potential loss of revenue becomes immaterial.

If and when the policy change takes affect, CTRMA has the opportunity to use the potential negative impacts as part of the greater agency message that we are focused on regional transportation solutions. It would demonstrate that, where feasible, we are willing to spend the time, resources and revenue to research and implement policies that benefit the entire region and our transportation partners.

Implementation

The cleanest way to implement this policy would be for CAPMETRO to open a TxTag corporate account and equip all of their transit vehicles with TxTags. Since the tags are currently free the cost would be in funding their account. TxDOT/TTA could charge the tolls on their facilities without any change to their back office processes.

The CTRMA host computer would recognize these tags as belonging to mass transit vehicles with exempt status. No tolls would be charged. The host computer would pass these transactions to the TTA customer service center as zero dollar (\$0) transactions. We would track total transactions and be able to accurately determine how much revenue we are foregoing due to the policy. The transit operator would have no additional operating cost on our facilities while enhancing their ability to analyze the operational efficiency of their vehicles using toll facilities.

Next steps

The following steps may be required to implement this policy change if the board desires.

- Obtain an opinion from bond counsel
- Vollmer conduct traffic and revenue impact analysis (if required)
- General counsel provide language to amend OS
- Tightly define what vehicles qualify for exemption
- Obtain Board approval for the policy change
- Advise TTA of our policy change
- Equip transit vehicles with TxTags
- Write computer code for CTRMA host system