



The Evolution of Tolling in Virginia

John W. Lawson
Chief Financial Officer
August 26, 2014



The Beginning

The 1772 Virginia legislature cleared the way for what probably was the first toll road in America, when it authorized Augusta County to build a highway over the mountain between Jennings's Gap and Warm Springs and to establish a toll gate

Nearly 250 years later, Virginia continues to use tolling as a financing tool for major transportation facilities

Toll revenues were used to retire bonds issued to build the facility



There are 11 toll facilities in operation today; three on the horizon
Only two operated by VDOT

Types of Toll Facilities

Early toll roads were predominantly local commuter facilities

Today, the application of toll roads for regional and interstate facilities are growing

Not just for new construction

Reconstruction and rehabilitation can be financed with tolls

Congestion

- Express Lanes
- Value Pricing



The Shift Away from Toll Booths

As with the Augusta County facility in 1772, toll roads were built with gates

- Customer had to stop and pay toll before proceeding
- No violations

Over the past 20 years, the movement has been towards electronic toll collection methods

- First as an option to cash, still gated
- Expanded to dedicated lanes without gates
- Began using open road tolling, first highway speed option

Now moving to All Electronic Tolling (AET) and managed lanes

With the new payment options, comes challenges

- Electronic payment devices
- Photo/video tolling
- Collection/Enforcement

Electronic Tolling in Virginia

Virginia began electronic toll collection in 1996, under the name FasToll

FasToll was rebranded as SmartTag in 1998 as a part of Virginia's Smart Travel program



Virginia joined the E-ZPass Interagency Group in 2003

E-ZPass Interagency Group was established in 1993 to coordinate an interoperable ETC system within a highly traveled region

- Seven Agencies in three states
 - New York State Thruway
 - MTA Bridges & Tunnels
 - Port Authority New York & New Jersey
 - New Jersey Turnpike Authority
 - New Jersey Highway Authority
 - South Jersey Transportation Authority
 - Pennsylvania Turnpike Commission

Today, the E-ZPass Interagency Group is an association of 25 toll agencies in 15 states

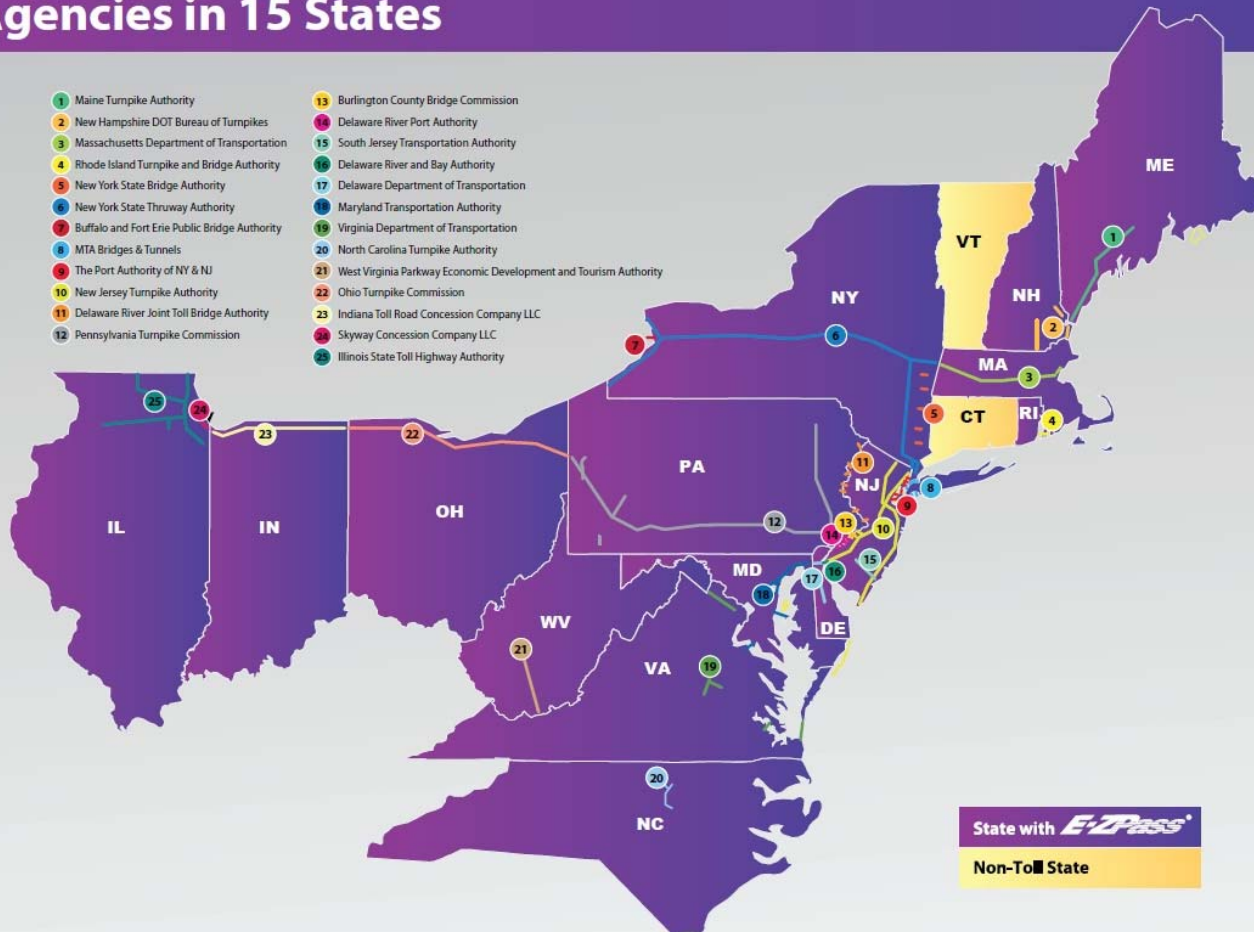
- 2.6 billion electronic toll transactions annually
- Collects over \$6 billion in E-ZPass tolls each year
- World leader in toll interoperability, with more than 16 million accounts and 26 million devices in circulation

Includes National Affiliate Members

- Membership category established to expand interoperability
- North Carolina has joined and is interoperable

25 Agencies in 15 States

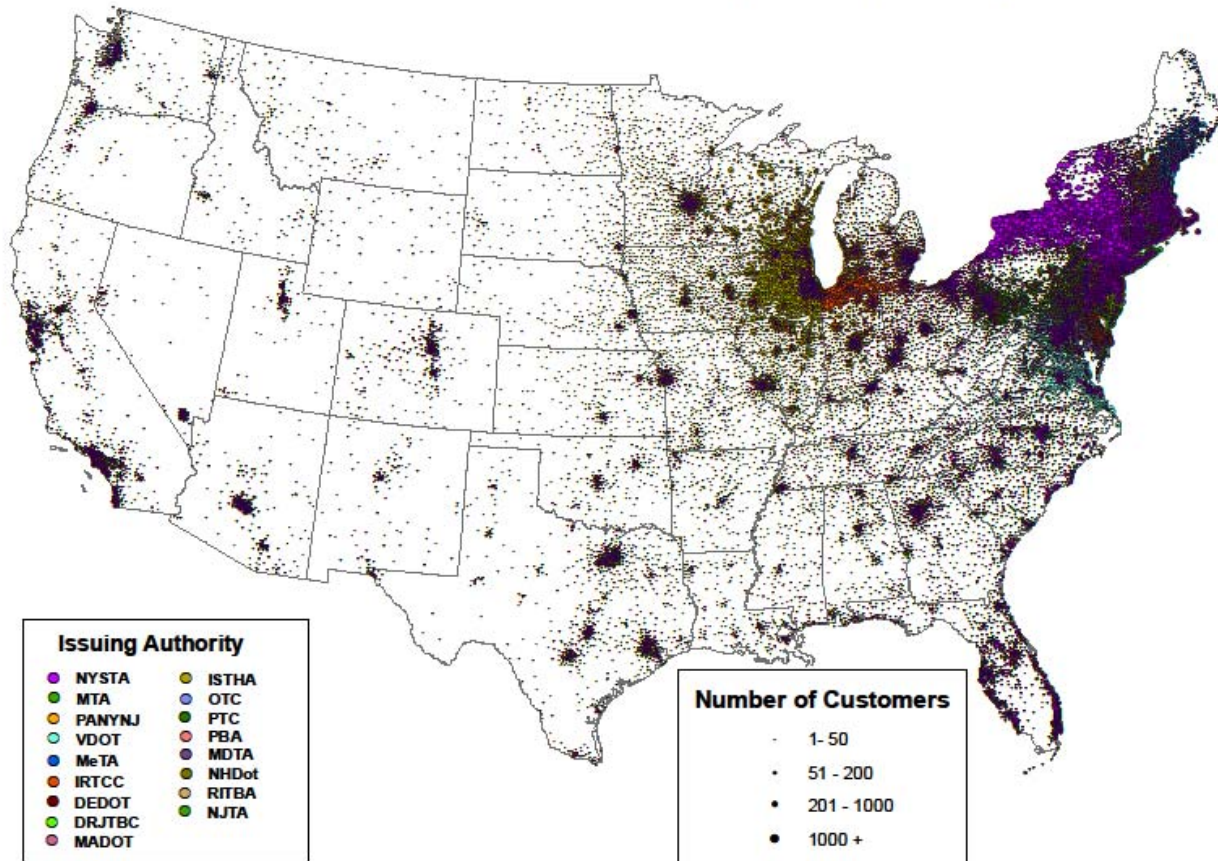
- | | |
|---|---|
| 1 Maine Turnpike Authority | 13 Burlington County Bridge Commission |
| 2 New Hampshire DOT Bureau of Turnpikes | 14 Delaware River Port Authority |
| 3 Massachusetts Department of Transportation | 15 South Jersey Transportation Authority |
| 4 Rhode Island Turnpike and Bridge Authority | 16 Delaware River and Bay Authority |
| 5 New York State Bridge Authority | 17 Delaware Department of Transportation |
| 6 New York State Thruway Authority | 18 Maryland Transportation Authority |
| 7 Buffalo and Fort Erie Public Bridge Authority | 19 Virginia Department of Transportation |
| 8 MTA Bridges & Tunnels | 20 North Carolina Turnpike Authority |
| 9 The Port Authority of NY & NJ | 21 West Virginia Parkway Economic Development and Tourism Authority |
| 10 New Jersey Turnpike Authority | 22 Ohio Turnpike Commission |
| 11 Delaware River Joint Toll Bridge Authority | 23 Indiana Toll Road Concession Company LLC |
| 12 Pennsylvania Turnpike Commission | 24 Skyway Concession Company LLC |
| | 25 Illinois State Toll Highway Authority |



01-2013

E-ZPass Customers

E-ZPass Customer Distribution by Issuing Authority



VDOT is the sole E-ZPass member in Virginia

- Creates a single E-ZPass face
- VDOT owns all customer accounts
- Issuance of transponders is VDOT's responsibility

VDOT requires all Virginia toll facilities to accept E-ZPass transactions

Transactions processed through VDOT's back office

862,000 active accounts

1.3 million transponders in service

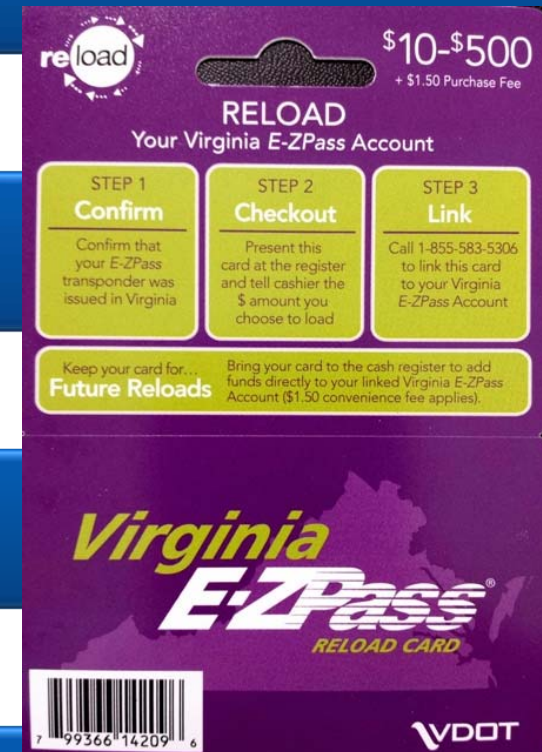
Growing number of toll facilities

All Electronic Tolling

- Driver education
- Payment Options – No cash option on the road

Supporting the under-banked population – implementing a cash card reload program

Use of tolling for reconstruction and congestion mitigation



Nationwide Interoperability – Need cost effective solution to meet MAP-21 requirements

- **Protect investment in current toll systems**
- **Provide drivers convenience of a single account/transponder**

Violation enforcement – across state lines

- **Interoperability should address violation enforcement**
- **Need reciprocity agreements among the states**
- **AET and regional/interstate toll facilities increase the need**

Virginia's location in the middle of the east coast increases our need for interoperability and reciprocity

MAP-21 requires that all Federal-aid highway toll facilities implement technologies or business practices that provide for the interoperability of electronic toll collection by October 1, 2016

Support the IBTTA Interoperability Committee – whose charge is to advance the strategic goal of achieving nationwide interoperability in the United States by 2016

Challenge the industry to provide a technical solution to meet our requirements

We must unite to address these challenges for the benefit of all