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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

October 15, 2019

Mr. Patrick J. Foye
Chairman and Chief Executive Officer
Metropolitan Transportation Authority
2 Broadway
New York, NY 10004

Re: Selected Aspects of Collection of
Bridge and Tunnel Tolls and Fees
Report 2019-F-1

Dear Mr. Foye:

Pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law, we have followed up on the actions taken by the officials of the Metropolitan Transportation Authority (MTA) – Triborough Bridge and Tunnel Authority (TBTA) to implement the recommendations contained in our audit report, *Selected Aspects of Collection of Bridge and Tunnel Tolls and Fees* (Report [2016-S-64](#)).

Background, Scope, and Objective

The MTA is a public benefit corporation chartered by the New York State Legislature. TBTA, also known as MTA Bridges and Tunnels, is an MTA affiliate that operates seven toll bridges and two tunnels that interconnect parts of New York City. Created in 1933, TBTA serves about 310 million vehicles annually and carries more traffic than any other bridge or tunnel authority in the nation. Toll revenues from TBTA help subsidize the MTA's transit and commuter rail services. TBTA's total operating revenue for 2018 was approximately \$1.976 billion.

As of September 30, 2017, all TBTA bridges and tunnels were converted to cashless tolling, and drivers can pay tolls by E-ZPass or can be billed for tolls through the mail (Tolls by Mail). E-ZPass is an electronic toll collection system that allows customers to prepay their tolls automatically by linking a bank account or credit card, or they can pay by cash or check. They can also post-pay at the end of the day by linking a checking account. The system has three components: a toll tag (or transponder) that can be placed inside the car; an overhead antenna located in the toll lane, which reads the toll tag and collects the toll; and cameras to identify cars without valid toll tags. TBTA is part of a consortium of 29 agencies in 17 states that participate in the E-ZPass system. In 2018, approximately 95.2

percent of tolls were transacted through E-ZPass and 4.8 percent of transactions were billed through Tolls by Mail.

In addition to regular tags, TBTA also offers an E-ZPass On-the-Go (OTG) tag, which allows busy travelers to open an account without filling out an application or waiting in line. OTG tags are sold at Department of Motor Vehicles (DMV) offices, the New York City Transit Museum stores, and AAA offices. An OTG tag must be registered before first use. There is no limit on the number of OTG tags that an individual can purchase.

Prior to September 2017, when customers without E-ZPass did not have sufficient cash to pay the toll at a TBTA gated facility, some lanes accepted credit/debit cards; otherwise, customers unable to pay were issued a Deferred Toll Payment Request. A Deferred Toll enables motorists to remit their toll payment at a later time, either electronically or by check.

To deter non-payment of tolls, an administrative fee can be added for unpaid tolls. A fee of \$50 or \$100 will be added to each Tolls by Mail toll remaining unpaid 30 days after a second statement is issued. In addition, since January 2017, DMV can suspend vehicle registrations for owners with three or more unpaid toll violations not occurring on the same day within a five-year period. Commercial vehicle registrations with more than \$200 in unpaid tolls can also be suspended.

Our prior audit found that \$11.3 million in tolls was either written off (\$5.4 million in OTG tolls) or uncollected (\$2.3 million in OTG tolls and \$3.6 million in Deferred Tolls). We determined that major portions of the unpaid tolls resulted from unregistered OTG tags with negative balances (amounts owed by motorists whose tag use exceeded the original tag's value). TBTA could not pursue collection because the drivers did not register their OTG tags before using them and TBTA had no identifying information about those individuals. Despite the fact TBTA was owed at least \$2.79 million as of February 2016, it only engaged once in an effort to collect from nine egregious Deferred Toll violators who owed a total of \$2,542. In addition, TBTA is owed more than \$72 million in unpaid fees for the Henry Hudson Bridge from 2013 to 2015. TBTA officials advised that the fees are meant to be a deterrent and may be waived where appropriate. TBTA also did not fully utilize the new DMV registration suspension program, as evidenced by the low number of registrations for suspension submitted after the introductory period.

Our initial audit report, issued on November 14, 2017, contained nine recommendations. The objective of our follow-up review was to assess the extent of implementation, as of June 13, 2019, of those recommendations.

Summary Conclusions and Status of Audit Recommendations

We found that TBTA officials have made progress in addressing the issues identified in our initial report. Of the nine prior audit recommendations, four were implemented, two were partially implemented, and three were not implemented.

Follow-Up Observations

Recommendation 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.

Status - Implemented

Agency Action - As of September 30, 2017, TBTA requires that OTG tags be registered before they are used. Tags are then available for use the day after registration. If a motorist tries to use an OTG tag before registration, a violation notice is sent, which includes the toll and an administrative violation fee of \$100.

Recommendation 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 addresses of violators 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.*

Status - Not Implemented

Agency Action - In their 90-day response to the original audit, dated March 2, 2018, TBTA officials indicated that they started a pilot program in January 2018 to recover the tolls due by sending direct notifications to registered vehicle owners. In addition, they said they planned to do a cost-benefit analysis to ensure that the costs of these collection efforts do not outweigh the revenues recovered. As of March 1, 2019, we found that neither of these steps had been taken. TBTA officials informed us that the Deferred Toll database is an old system and is no longer being used. TBTA has done nothing to collect the Deferred Tolls it is owed.

After our closing conference on June 13, 2019, TBTA provided us with a table showing that only 1 percent of the license plates had four or more Deferred Tolls. TBTA has determined that it is not cost effective to pursue the unpaid tolls.

Recommendation 3

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

Status - Not Implemented

Agency Action - TBTA has not partnered with DMV to send pamphlets with motorists' registration documents alerting them to the consequences of not paying their toll bills or the option to use E-ZPass. TBTA officials stated this is because not all State vehicle owners use TBTA facilities. However, the information could be used in the future by vehicle owners who begin using TBTA facilities or shared with drivers who incur the toll, but who are not registered as the owner.

Recommendation 4

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

Status - Partially Implemented

Agency Action - TBTA did not formally evaluate its options, but did update the Violations Fee Waiver Matrix to eliminate a disparity between E-ZPass customers created by cashless tolling and open road tolling. The DMV Registration Suspension Violations Fee Waiver Matrix, a guide to assist the New York E-ZPass Customer Service Center and its collection agency in collecting tolls and fees, was also changed. This change increased the fees, due to a declining trend in the overall collection rate. The trend was identified through monthly analyses of toll and fee collection rates. TBTA officials indicated they always review the impact of fees, but may not formally document their actions.

Recommendation 5

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

Status - Implemented

Agency Action - In January 2019, TBTA updated its DMV Suspension Program procedures. The previous version in effect since January 2016 did not reflect a 2017 legislative change. In addition, from November 22, 2017 to March 4, 2019, TBTA stated that the number of plates submitted increased from 20 to 102 plates per week. However, a change instructing the analyst to select 90 to 100 plates was not documented until January 2019.

Recommendation 6

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

Status - Partially Implemented

Agency Action - TBTA sorted its list of license plates potentially eligible for suspension by amount but did not combine the amount owed per license plate. According to the analyst, amounts were not combined because fees might be listed under multiple names, and those accounts would not be eligible for suspension. However, we determined that license plates that were clearly eligible for suspension were also not processed. For example, one license plate was listed 19 times with six different account names. One name listed for this plate had 11 line entries and showed \$4,068 in tolls and \$47,250 in fees for a total of \$51,318. We noted that the toll amount owed was higher than that for all but one of the license plates suspended in the batch we reviewed.

After the closing conference, TBTA reviewed this license plate and indicated that it did not actually meet the criteria for suspension because there was a transfer of responsibility due to renting or leasing. We note that TBTA officials would not be aware of this had we not brought it to their attention.

Recommendation 7

Examine resources allocated to weekly submissions to DMV.

Status - Implemented

Agency Action - TBTA has not increased the resources allocated to weekly submissions to DMV. Using the same resources, the number of submissions increased from 15 to 100 weekly.

Recommendation 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.

Status - Not Implemented

Agency Action - Open road tolling has been implemented at all of TBTA's bridges and tunnels; however, signs alerting drivers that they are subject to registration suspension are not posted where drivers can see them before crossing each bridge or entering each tunnel.

We were provided pictures of signs, but they did not show that all the facilities had signs regarding "Registration Suspension" and "Last Exit" (before the toll) as required by this recommendation. For example, on May 17, 2019, we observed that there was no sign at the Manhattan-bound entrance to the Hugh Carey Tunnel. Rather, the sign is only on the Manhattan side where the gantry is placed.

Per TBTA, the sign indicating that the registration of a car can be suspended appears at the point (or immediately after) where the vehicle's E-ZPass tag or license plate is captured by the tolling equipment (at the gantry). However, this does not address the recommendation, because once motorists cross the bridge or use the tunnel, they must pay the toll.

Recommendation 9

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

Status - Implemented

Agency Action - On December 14, 2018, TBTA issued revised instructions to all Uniformed Members of Service while using the License Plate Recognition (LPR) system to deter persistent toll violators. The DMV now prepares a file of persistent toll violator vehicle registration suspensions and transmits it to TBTA's Internal Security Department. The file is then uploaded into the LPR system for use in enforcement.

Contributors to this report were Robert C. Mehrhoff, Erica Zawrotniak, and Joan Williams.

We would appreciate your response to this report within 30 days, indicating any actions planned to address any unresolved issues discussed in this report. We thank the management and staff of the MTA for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Carmen Maldonado
Audit Director

cc: D. Jurgens, MTA, Audit Director
Division of the Budget