



Thruway Authority

KATHY HOCHUL
Governor

JOANNE M. MAHONEY
Chair

FRANK G. HOARE
Acting Executive Director

November 22, 2023

Honorable Kathy Hochul
Governor
NYS Executive Chamber
State Capitol, 2nd Floor
Albany, New York 12224

Honorable Thomas P. DiNapoli
Comptroller
Office of the New York State Comptroller
Division of State Government Accountability
110 State Street, 11th Floor
Albany, New York 12236

Dear Governor Hochul and Comptroller DiNapoli:

On behalf of Chair Mahoney, this letter is in response to the New York State Comptroller's May 2023 audit report, "Selected Aspects of Toll Collections" (#2022-S-15). The New York State Thruway Authority ("Authority") has reviewed this report and comments to actions that it has taken within 180 days in response to the audit findings and recommendations are contained herein.

As outlined in the responses to the specific recommendations below, the Authority has increased its efforts on the collection and enforcement of unpaid tolls and violation fees, while still placing a heavy emphasis on customer service. The Authority employs all available enforcement mechanisms to pursue toll scofflaws and will continue to work with the Department of Motor Vehicles as well as out of state partners on additional opportunities for enforcement.

In September 2022, while the audit by the Comptroller's Office was ongoing, the Authority created a Department of Revenue Management (comprised presently of 24 employees), as well as the Office of Revenue Accounting (comprised of 9 employees) which centralized revenue collection activities and strategies under one work unit. The Department works daily on maximizing revenue generation and reducing revenue leakage. The Department's work has led to great improvements in toll collection and enforcement.

The Authority agrees that all users of the Thruway must pay their fair share. Further, the Authority agrees that there is always room for innovation and improvement. Authority staff have already commenced undertaking actions recommended by the Comptroller's Office, even before the commencement of this audit, and will continue their work on initiatives and policy implementations that will ultimately improve the cashless tolling customer service experience and maximize the collection of toll revenue due to the Authority. The Authority's response to each recommendation follows.

OSC Recommendation/ Response:

#1: Ensure that when there is a change in collection vendors, there is a smooth transition with no gaps in services.

As part of its toll enforcement program, the Authority currently contracts with a vendor to perform collection activities for delinquent accounts. The Authority commenced a competitive solicitation for a new collection agent in March, 2023. To ensure a seamless transition and no disruption or gap in collections services while there is a transition to a new collection agent, the Authority has exercised a contract extension with the current vendor.

#2 Establish procedures for dismissing violation fees, including the selection criteria and basis for amounts dismissed.

The Authority has reviewed the fees it assesses and has documented the level(s) by which fees can be reduced. This includes defined criteria for reduction and authorization thresholds. The Authority has developed a formal Toll Violation Fee Reduction policy.

#3 Develop procedures that will establish the conditions that would determine when a pause in collections would be initiated, such as a pause in the registration suspension program.

The Authority has established a policy that outlines the relevant conditions to determine when a pause in collections would be appropriate.

#4 Analyze the information for the accounts eligible for registration suspension to determine where collection efforts will have the best results and assess the feasibility and cost-benefit of entering into agreements with additional states for registration suspensions.

The Authority continues to follow its policy outlining the criteria for referring a debtor to DMV for registration suspension and prioritizing those who owe the most debt while pursuing all eligible debtors. The Authority routinely reviews information related to out-of-state accounts with uncollected toll and fee balances to assess the financial benefit of reciprocal enforcement agreements with those states.

The Authority has conducted an analysis of key indicators to identify states where pursuing reciprocal enforcement agreements would be appropriate. The Authority will continue to utilize its membership in the industry standard organizations: the IAG (an Interagency E-ZPass Group comprised of tolling entities across 17 states) and the International Bridge, Tunnel and Turnpike Association (IBTTA) to collaborate on best practices and enforcement partnerships including reciprocity.

#5 Determine if additional resources are warranted for registration suspension activity.

The Authority has added resources and will continue to evaluate its staffing needs with respect to enforcement and suspension activities. With the addition of staff, the Authority has increased the number of referrals to DMV for registration suspension to 100 per week.

- #6 Revise the methodology for selecting accounts to refer to DMV. Segment customers and target specific segments such as persistent violators and accounts nearing the 6-year statute of limitation.**

The Authority has developed a revised methodology based on real time data which will result in enhanced and more readily actionable reports. These reports will assist the Authority to better identify accounts for suspension. The Authority will continue to reevaluate this process on a regular basis.

- #7 Ensure that all images rejected by the automated process that are identifiable through manual review are billed.**

To identify and track unsuccessful DMV registration searches (no-hits) that result in unbillable tolls related to manual review, the Authority has implemented a new system of self-audits to analyze these transactions. The Authority will review this data on a regular basis moving forward.

Any suspected fraudulent activity identified throughout this process is reviewed by the Authority for further investigation.

The Authority will then share its findings with its contractor for action as appropriate.

- #8 Monitor trends in the incidences of rejected images and take appropriate corrective actions.**

The Authority's Fiscal Audit and Quality Assurance staff have developed reports that will more readily enable the monitoring and review of rejected images, thereby enabling better detection of any trends that could impact revenue loss. Elevated rates will be investigated further to identify the root cause of the issue. Rejected images currently account for 0.76% of all transactions on the Thruway.

- #9 Identify and document reasons why camera images are not useful and take appropriate corrective actions.**

The Authority is committed to taking appropriate corrective actions when images are deemed unusable due to lack of detail, are unclear or blurry, and/or are over or underexposed. The Authority, in partnership with the other E-ZPass NY Agencies (MTA B&T, PANY&NJ) has developed new image-reject codes as well as additional reporting. This will allow the Authority to segregate rejects related to camera performance.

The Authority conducts timely camera maintenance in conjunction with other preemptive measures to ensure accurate and consistent image capture for processing and billing. Our procedures include ensuring that adequate illumination is available during low-light conditions for improved accuracy and camera replacement when necessary. From the period September 2022 through October 2023, the Authority has replaced 32 cameras across the cashless tolling system.

- #10 Install "Stay in Lane" signs at gantries**

The Authority is committed to providing a quality driving experience for our customers while ensuring that our sign installations conform to the national and state standards set forth by the Federal Highway Administration in the Manual on Uniform Traffic Control Devices (MUTCD) and the New York State Supplement.

The Authority's cashless tolling sign layout was developed with consideration of these standards, along with the extensive coordination with other transportation agencies currently using electronic tolling systems, as these signing standards provides consistency and clarity for the traveling public.

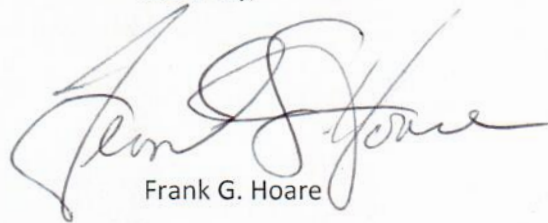
While there are no Federal or industry best practice guidelines that suggest placement of "Stay in Lane" signs at gantries, to identify the effectiveness of such, the Authority has installed "Stay in Lane" signs at one location.

The Authority will monitor traffic patterns monthly to determine whether the driving behavior is different from the prior six-month period without such signage.

#11 Revisit the use of cameras that produce color images.

The Authority has installed color cameras at one location - -Woodbury Northbound. This location was chosen due to the high volume of out-of-state plates. The Authority will evaluate whether color will help with plate state recognition. The Authority will review these images to determine if there were increased automation rates or DMV "hit rates" as well as the number of image rejects to determine their effectiveness.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank G. Hoare", written in a cursive style.

Frank G. Hoare

CC: Senator Andrea Stewart-Cousins, President Pro Tempore and Majority Leader
Senator Liz Krueger, Chair of the Senate Finance Committee
Senator Robert G. Ort, Minority Leader
Senator Thomas O'Mara, Ranking Member of the Finance Committee
Assemblymember Carl E. Heastie, Speaker
Assemblymember Helene E. Weinstein, Chair, Ways and Means Committee
Assemblymember William A. Barclay, Minority Leader
Assemblymember Edward P. Ra, Ranking Member, Ways and Means
Ms. Carmen L. Maldonado, Audit Director, Office of the State Comptroller