TESTIMONY SUBMITTED FOR THE RECORD OVERSIGHT AND GOVERNMENT REFORM COMMITTEE SUBCOMMITTEE ON TRANSPORTATION AND PUBLIC ASSETS UNITED STATES HOUSE OF REPRESENTATIVES

STATUS OF TOLL INTEROPERABILITY

SEPTEMBER 30, 2015 WASHINGTON, DC



Oversight and Government Reform Committee Subcommittee on Transportation and Public Assets United States House of Representatives

September 30, 2015

"Status of Toll Interoperability"

Introduction

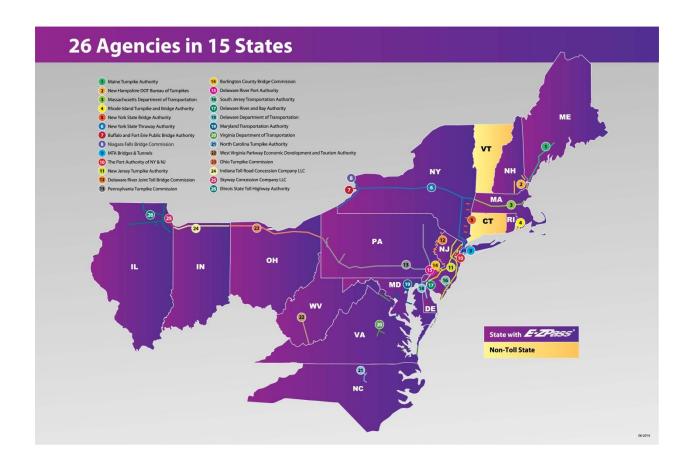
Chairman Mica, Ranking Member Duckworth, and members of the subcommittee. Thank you for allowing me to provide this written testimony for the record. My name is P.J. Wilkins, and I am the Executive Director of the E-ZPass Interagency Group. Let me start by saying that I am personally a firm believer in toll interoperability. Interoperability is in fact the only reason the E-ZPass program exists!

In the late 1980's and early 1990's representatives from seven toll agencies in three states got together to start discussions on the impact of electronic toll collection on their existing operations and to determine how these agencies who shared so many customers might cooperate in bringing about a seamless network in order to simplify toll collection across agency boundaries and state lines. This was the genesis of what has today become the E-ZPass Interagency Group.

E-ZPass is not a company, but rather an association of mostly public toll agencies with one singular purpose....to be interoperable with one another for the benefit of our customers. It is our only purpose and is something we do exceedingly well.

Today, E-ZPass has grown to include 26 toll agencies in 15 states. We have over 30 million toll tags deployed and we process about 85% of all toll revenue nationwide. Our members are comprised of both public and private toll agencies, operating roads, bridges and tunnels in a very large geographic area stretching from Maine to North Carolina, and west to Illinois. Until very recently, E-ZPass

was the only group that processed interoperable toll transactions across state lines.



This regional interoperability model works, and works well, as evidenced by the E-ZPass Group's successful interoperability for almost a quarter-century. The regional model has many successes to point to, such as the multi-state E-ZPass network, SunPass in Florida, TxTAG in Texas and FasTrak in California.

In each of these interoperable regions, the toll agencies adopted common technologies and common business rules that allow the agencies to communicate toll payment between each other. This is the cornerstone for interoperability.

The Quest for National Interoperability of Electronic Toll Collection Programs

There has long been discussion within the toll industry about the necessity of expanded interoperability. It is a common held belief that there is no business model that supports the creation of such a national network, with potentially one exception, being the commercial vehicle segment, and that is more easily addressed. The fact is that the overwhelming majority of private vehicle operators do not travel coast to coast or inter-regionally. Our customers do not clamor for this ability and are not generally willing to pay to achieve it.

We do however believe that with this expanded interoperability, there may be some opportunity to increase the utilization of electronic tolling lanes for a number of customers who would otherwise be utilizing the manual cash lanes. This benefit, along with a few others have propelled the toll industry to study national interoperability for a number of years.

The International Bridge Tunnel and Turnpike Association (IBTTA) has traditionally been where the toll agencies have turned to gain insight on industry advances and share best practices. It was natural that IBTTA would take on a leadership role in the national interoperability effort. These efforts started well before the MAP21 legislation would provide a further catalyst toward that goal.

Much Progress Has Been Made

Achieving national interoperability of electronic toll collection systems is by no means an easy task. Toll agencies have evolved to electronic tolling on timetables dictated by local conditions, including customer base, funding, and political considerations. They therefore have deployed equipment that is in varying stages of useful life, and they are keen to maximize their investment and minimize the cost of additional equipment purchases before it is necessary.

Toll agencies have also procured their systems in the manner common to public agencies, being a public procurement process. Each agency, following its prescribed rules, then selected the best candidate system for implementation.

Since these were generally individual agency procurement efforts, they were not all common technologies. Eventually this would lead to seven distinct protocols, which can be thought of as seven separate languages, with no ability to understand one another, and therefore no ability to be interoperable.

The process undertaken by our industry, and being led by IBTTA, may not be the easiest or quickest path to interoperability, but it is one that all toll operators had a voice in and is designed to meet the operational requirements of the individual agencies, no matter which region they are in. Would it have been easier for all to join an existing regional program such as E-ZPass or SunPass? Yes. Would that have been a quicker route to interoperability? Yes again. In the end we determined it best to embark on a path that took into account all requirements of the operators instead of fitting them into a pre-existing box. Some toll agencies have very simple operations, while others operate in a very complex requirement. This process will ensure each requirement is carefully cataloged and the capability is built into the national system.

A significant achievement was the adoption of a requirements based process, which resulted in technical specifications for a national toll protocol that toll operators will implement to facilitate interoperability. Agencies may continue to deploy and utilize the toll tags they currently use, thereby respecting the investment made in those tags. Some agencies may however need to upgrade their existing in-lane systems in order to read the national toll protocol tag.

National interoperability is much more complicated than just picking out a common technology for all to use. In fact, the technology portion of this problem isn't the largest hurdle in our way to success. Over 23 years of interoperability has shown the E-ZPass Group members that it is the critical back office functions, the business rules, the accounting and the governance elements that are most important to achieving the ultimate goal of having a seamless but accurate system.

We have been hard at work developing file specifications, business rules and governance rules that will result in a seamless system for our customers, while

allowing the toll agencies to protect the integrity of the system and provide the great customer service they are known for.

Achieving national interoperability is further complicated due to the inherent cost toll agencies will need to bear to convert technologies and back office systems to a common system. These costs are not insignificant and are generally costs that are planned many years in advance of the actual need. Finding funding to purchase and integrate this equipment in these days of tightened budgets will be difficult for most agencies.

It is important that we not rush this initiative, as there is much at stake, including risk to revenue and to the level of customer service. We need to ensure we get this right.

The E-ZPass Group has been a willing partner in this activity, and we have committed ourselves, along with a great deal of resources, to achieving the goal of a national interoperable system.

Conclusion

The requirements-based approach to national interoperability being undertaken by the toll agencies and IBTTA can and will work if given proper time, effort and funding. The toll agencies will be faced with difficult choices, and will likely need to set aside individual agency preferences to ensure the best solution moves forward for the industry as a whole.

The senior agency representatives working on this complex problem are in the best position to make the ultimate decisions as to the eventual national toll protocol, and we are confident that given the necessary resources they will succeed.

We are today faced with two critical needs on the path to interoperability. The first is funding, both for the immediate need for testing of candidate protocols, as

well as for sourcing of replacement toll systems by those agencies needing to do so to become interoperable. An initial investment of approximately \$3 million is needed to get the testing process underway. Without that funding there is no way to move the current process forward.

The second critical need is for the toll agencies to have a path to interstate toll violation reciprocity, as the number of potential violations will multiply once an interoperable system is in place. A mechanism must be found to bring states to the table as willing partners/participants in order to achieve this reciprocity so that the revenues expected by the agencies and states will actually materialize.

Once again, the members of the E-ZPass Interagency Group are committed to the achievement of a nationally interoperable system and will continue working with our industry partners to achieve that goal.

Thank you for allowing us to present this testimony for the record.

P.J. Wilkins
Executive Director
E-ZPass Group

302-577-1333

pj.wilkins@e-zpassiag.com