

The Cost Of Being Efficient

Background

- Regional Customer Service Center (RCSC) Fastrak[®] Center in SF Bay Area covers 7 Bay Area bridges (owned by Caltrans) and the Golden Gate bridge (independent)
- Express Lanes in Alameda County and Santa Clara County use Fastrak[®]
- SFO airport also airport uses Fastrak[®] as a payment option
- July 2005 BATA assumed toll bridge administration responsibility from Caltrans including consolidating of all bridge revenue

Toll Bridges in the San Francisco Bay Area



The True Cost Of Efficiency

- Several toll projects have been deemed “successful” because traffic flowed smoothly through the lanes
- Unfortunately there is a potentially significant cost to underestimating or ignoring altogether the need for lane, violation and accounting controls
- Because BATA is the toll collection center for all electronic collections in the 9 Bay Area counties we have a unique view of several operating concepts

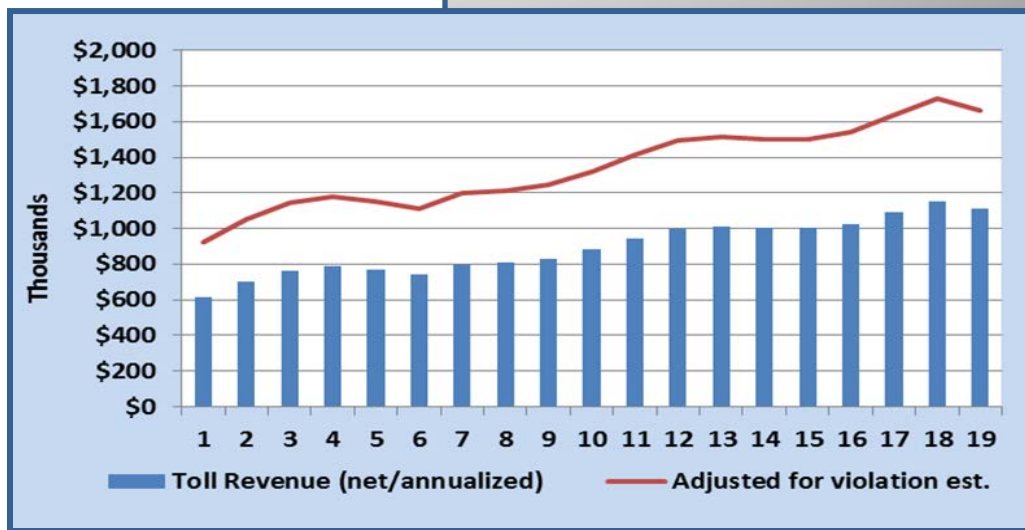
Variations On The Control Environment

- **There are several local examples of traffic efficiency that cost money in the long run**
 - No violation equipment – Current Express Lanes
 - No toll lanes – BATA HOV lanes prior to July 2010
 - Open road/all AET roads
 - Poorly designed or old and outdated violation equipment

No Violation / Lane Control

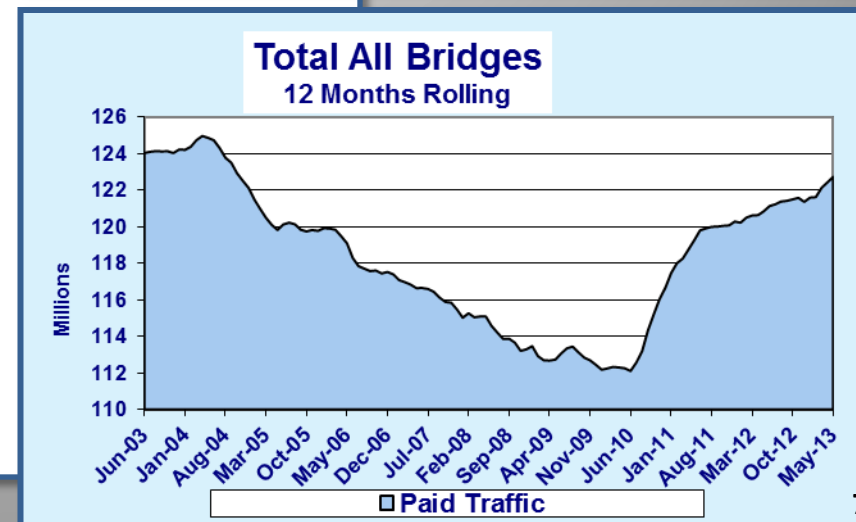
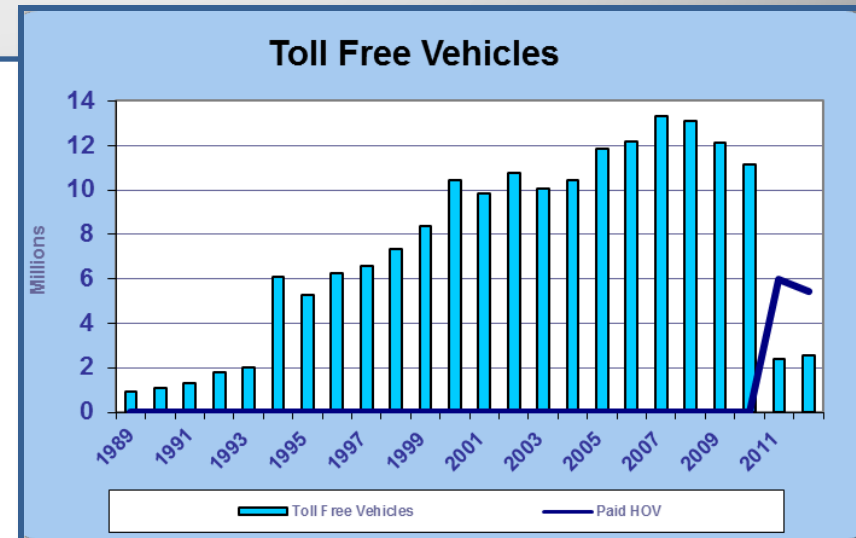
- **An express lane opened on US I-680**

- All AET environment
- No violation equipment
- Relies mainly on active “self enforcement”
- One report estimated that approximately 50% of the toll eligible vehicles are violators with potential revenue loss of \$500k/year



No Toll /“Trust Me” Lanes

- BATA previously had free HOV
 - No toll lane or violation equipment trusting self enforcement of HOV rules
- Toll free vehicle increases from 1995
 - HOV (free) traffic grows to nearly 13mm vehicles/year by 2008
- 2004 – 2010 paid toll traffic drops 12mm vehicles
- 2010 BATA adds HOV toll with tolling and violation equipment
 - By 2011 free traffic drops to 2mm/yr
 - Paid HOV traffic averages 5.5mm since 2011 (\$13.75mm)
- Between 1995 and 2009 estimated loss on non-HOV violators is an average of \$7mm/year

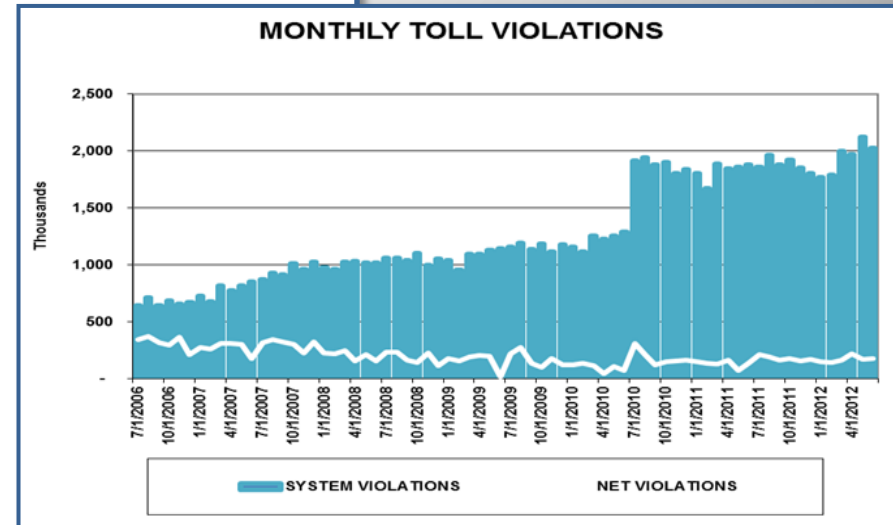


All AET Implementation

- Golden Gate recently initiated AET producing a significant reduction in driver delay at the toll plaza
- Previously 70% of GG 19mm traffic paid electronically
- Now approximately 88% pay electronically (Fastrak, LPA, OTP)
- Non-electronic (license plate) tolls are now invoiced on a monthly basis
 - Approximately 150,000 invoices a month
 - Process over 4,000 incoming envelopes a day
- Customer Service Center Adjustments
 - Increased staff to handle initial phone inquiries
 - Still evaluating procedures and staffing to accommodate steady state operations
 - Customer service center to modernize check processing to meet increased volumes

Technology Investment

- BATA inherited the toll collection and enforcement system from Caltrans in 2006
- System clearance could not keep up with increasing ETC lanes. System clearance rates
 - 2004 61% of 2.6mm violations
 - 2005 55% of 4.5mm violations
 - 2006 61% of 6.4mm violations
 - 2007 59% of 8.7mm violations
- 2008 BATA begins to replace the entire violation system
 - Since 2008 system clearance increases from 74% to 91% in 2013 on 25mm gross violations
 - Since 2008 violation revenue increased from \$10mm to approximately \$18mm for 2013
- BATA is replacing the toll accounting system and has been running both systems without disruption for a year



Conclusion

- As regional toll collection entity and responsible for 122 mm vehicle toll system BATA has gained some operating insights
 - There is no honor in the “honor” system of payments
 - Know what you are getting into – operating efficiency does not automatically follow traffic efficiency
 - Invest in good technology – from the lanes to the accounting and reporting systems