
**Below are the answers to unanswered questions asked to
E-470 Public Highway Authority on the webinar.**

1. **Can you tell us the percent collection at each notice level? (i.e. how much do you collect on LPT1, LPT2, etc.)**
I don't want to get into specific numbers in this context without looking at the totality of our receivables which we really can't do in this Q&A format. Suffice it to say that of those invoices sent to customers, 91% of billable tolls are collected. This does not include ExpressToll accounts.
2. **What's your experience in using factoring companies for collecting receivables? Do you currently outsource this function? What are your concerns regarding the use of debt collectors/factoring companies?**
We do not use a factoring company where we have sold our receivables to a third party. We utilize a collections law firm to contact non-paying customers.
3. **What is the percentage of transactions associated with mobile payments, if any; i.e., payments from mobile devices and "pay-as-you go?"**
At this point we do not have a mobile app for toll payments.
4. **Have your costs for the back office services increased?**
There were many cost factors we looked at in anticipation of adopting AET five years ago and there were multiple areas where costs were affected. Among them our costs for back office services did increase along with the corresponding elimination of cash lane associated labor costs.
5. **What are your current leakage rates split between uncollectible and unbillable?**
Leakage, uncollectable and unbillable are very broad terms and are like trying to define transaction costs. I would not want to try to give percentages in this Q&A format. There is more information on this at our website, www.expresstoll.com in the Investor Relations section. Go to Other Information and click on the Board of Directors – Quarterly Dashboard Report.
6. **Were there any operational issues in the toll plaza from the creation of a single carpool lane?**
We do not have carpool lanes on E-470. Our road was constructed with open road tolling lanes and we have used transponders on those lanes since 1991.
7. **What leakage rates are built into your models?**
As noted, above leakage rates are complicated and cannot be explained in simple Q&A format. See number 5 above.

8. **How was the name “Pay by Plate” determined? Has there been any customer feedback on the name since implementation?**
We use the term “License Plate Toll” in our customer communications and have created a distinct License Plate Toll logo to differentiate from our transponder customers. We had a great deal of discussion over names, terms, and signs prior to launching AET.
9. **Is there a percentage of unbillable that can be shared? i.e. bad images, no dmV data?**
As I stated above, I would prefer not to get into percentages in this format. See number 5 above.
10. **Any experience with impacts of increased leakage on possible bond rating downgrades?**
We have been very open with the rating agencies before and during our five years of AET. Sitting down and going through all of the components of uncollectable and unbillable tolls takes time and can be quite detailed. Having been an ORT facility since our inception allowed us to have a good foundation for these issues.
11. **What percentage of the Toll-By-Plate is paid when the first invoice is issued?**
See number 5 above.
12. **What are your image review costs/metrics? % OCR reads (non-manual) cost per image to be reviewed, number of images reviewed per day per staff person, etc.**
While we track this, there are many answers to this question and this format doesn’t allow that level of detail.
13. **Is the coverage of your losses due to the amount of the fees? What percentage of your violation transactions are you collecting on versus what percentage of the lost revenue?**
We have changed our fee structure three times in five years. We have a good combination of fees to encourage payment before they become excessive and to help offset additional costs of video tolling. There are multiple ways to slice and dice costs and fees but our experience is that raising fees can lead to lower collection rates due to an increased customer tendency to disregard larger amounts due.
14. **How many of the license plate reads coming in for manual review is actually linked to a tag account?**
Of all image transactions in 2013, approximately 38% were related to an ExpressToll account (VTOLL/MVTOLL). The majority of these VTOLL/MVTOLL transactions likely went through OCR (probably 60-65%), not necessarily through “manual review”.
15. **Did you consider creating video toll accounts for infrequent travelers that did not want a tag?**
When a customer drives E-470 without a transponder account, an unmanaged License Plate Toll account is established in the system. We have pre-paid LPT accounts as well.

16. **What is the accuracy of reading tags in your lane systems?**
Exceptional
17. **What is the cost for dealing with image transactions compared to tag transactions?**
I understand you are trying to get to a bottom line comparison; however it is too complicated to compare the benefits and costs to single numbers.
18. **Would you clarify “unbillable” vs. “uncollectible?”**
“Unbillable” is not being able to obtain a readable image, or not being able to locate the owner of the vehicle or a valid address of the owner to mail the bill. “Uncollectible” is not receiving payment from a billed customer.
19. **What are the percentage of people that don’t pay the video invoice on first cycle and what percentage do not pay ever (license plate blocked)**
There are multiple steps in our billing process and each step can be dissected several ways. I would rather not get into those numbers due to the complexity in this format.
20. **20. How did you estimate staffing needs to package and issue toll invoices to license plate customers; and, did you have to increase or make adjustments based on actual numbers under operations?**
We made estimates of personnel and associated costs before launching AET five years ago. These were based on our experience with ORT and anticipated market penetration of our ExpressToll transponders. We have made adjustments since then in most aspects of the process.
21. **How do you deal with out of state license plate reads? How do you collect beyond direct billing if needed?**
We have DMV agreements currently with two adjoining states and we use third parties for DMV data for other states. At this point we have no additional judicial collection process for out-of-state customers.
22. **Has image loss, lack of owner information, uncollectible accounts, etc. impacted how you price image based tolls?**
These are all elements of leakage loss taken into account when setting the pricing differential. We have looked at these issues as part of all of the costs for video tolling. We have also looked at the sensitivity of our price differential and traffic as well.
23. **If you have implemented a pre or post pay option to reduce the impact of former cash customers who are not transponder users and don’t want to be a transponder user due to cost?**
While most of our License Plate Toll customers are post-pay, we have pre-paid LPT accounts as well. LPT customers pay a 25% premium above what ExpressToll customers pay.

24. **Typical toll collection O&M cost reductions due to AET; either dollar per transaction or percentage.**
Cost per transaction is a topic unto itself that is very complicated and differs from agency to agency depending on the model.
25. **Did you upgrade your video processing – adaptive OCR, veh fingerprinting prior to going to AET?**
We did update our video processing capabilities five years ago prior to our AET launch. We added front shot cameras to complement our existing rear shot cameras and added an image processing unit dedicated to handling License Plate Toll images. We have looked at finger printing but not adopted it.
26. **As E470 is near the airport, have you interfaced with rental car companies? I've heard that the rental car companies charge a significant fee for automatic toll payment, and also charge a significant fee for forwarding penalties onto customers who violate.**
Initially we worked directly with the rental car companies going back to dealing with our ORT violators predating AET. With the emergence of the three third party companies representing the rental car companies, most major issues around rental car billing have gone away. See #28 below.
27. **Reductions in toll plaza related crashes: rear-end, merging sideswipe?**
Safety was a major element of our AET assessment. The most notable reduction was in rear end collisions and merging issues from the cash lanes to the high speed ORT lanes. It also eliminated crashes into the cash lane equipment.
28. **Response to fees/choices imposed by auto rental firms when cash option is eliminated?**
One of the options we give our rental car customers is the ability to set up their own ExpressToll account and then go online and enter the rental car plate number and dates of use. This allows them to avoid the third party toll management fees.
29. **Any need to segregate traffic by payment type (electronic tags vs. license plate readers)?**
If you are asking about specific lanes for each type of payment the answer is no. All lanes are equipped for either mode of payment.
30. **Any adverse impacts on growing interoperability?**
We don't see any.
31. **When cash collections ended, did you have toll booths and/or unused facilities that were previously used for cash collection? If so, were you able to sell them or lease them for another purpose?**
We did sell cash lane equipment including money handling apparatus, lighted signs and the

booths. We are reviewing the feasibility of using the toll plaza buildings for gas/convenience or other commercial use.

32. **How do you “track” actions once handed to the courts? Are they written off and no longer tracked?**
We have an internal administrative law court process, so they are not “handed to the courts” in the traditional sense. We have end to end audit capability for all toll transactions within the toll collection system regardless of status within the billing process. For accounting purposes, we manually “write off” transactions older than 12 months for financial statement reporting, but they continue to be tracked in the toll collection system.
33. **ETC is the preferred payment method. Is it possible to make other payment methods so attractive that ETC participation drops?**
I don’t know why you would price your service to the detriment of your business model.
34. **Does E-470 provide for license plate accounts (in addition to transponder and video billing)?**
Yes, we have prepaid LPT accounts.
35. **What recommendations with regard to specific technologies for image capture and vehicle class**
I would be happy to provide you with our vendors for lane equipment.
36. **How have system outages affected revenue collection?**
We have redundant equipment to avoid power outage losses at both the lane level and our central data processing.
37. **What arrangement for system maintenance is the most cost-effective?**
Not sure what the question is focusing on.
38. **What is your percentage of License Plate revenue vs. AVI revenue?**
It is seasonal, but approximately 72% ExpressToll and 28% License Plate Toll.
39. **How did you estimate revenue losses during the first several months of AET operation until you had actual experience?**
We had experience with ORT violators and had some payment history on that piece of our business before AET. Also we had to take into account the first month’s lag in cash flow as we switched from cash to the postpaid system.
40. **What are the preliminary impacts to collections for E470 with the ability to block vehicle registrations?**
We launched our vehicle registration hold process during the second half of 2013. We are seeing success with it but don’t have clear trends as of yet.