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February 23, 2017

The Honorable Thomas M. Middleton  
Chairman  
Senate Finance Committee  
3 East Miller Senate Building  
Annapolis, MD 21401

Chairman Middleton and Members of the Committee:

I am writing to follow up to our discussion regarding the Maryland Transportation Authority's (MDTA) customer service efforts, specifically related to video tolling. As you know, I began my tenure as the Executive Director of the MDTA on January 1, 2017. Focusing on continuously improving our customer service relationships has and will continue to be one of my top priorities. Since January, I have gained insight about how we can enhance our customer service efforts and initiatives already underway to do so.

Immediately after being appointed, I met with staff to evaluate our processes and determine what changes could be made at the agency to better serve our customers. While noting that many of the necessary process changes and customer service concerns can and will be addressed by the third-generation (3G) electronic toll collection system procurement currently underway, it was clear to me that more needed to be done in the interim. To drive these needed changes, MDTA is focused on improving customer experiences and outcomes by resolving matters in favor of our customers whenever possible using the authorities granted to us by the legislature. Specifically, there are three key areas where we will focus.

***Lapses in customer credit card information:*** This occurs when a customer has not kept their credit card information current, such as not providing an updated expiration date. Out-of-date credit card information prevents MDTA from billing the credit card account, causing an E-ZPass account to go into a negative balance after repeated use. A video toll is then incurred and, if the video toll is not paid within 45 days, a civil penalty is assessed. In this circumstance, when MDTA is made aware of such an unintentional lapse, we will assist the customer by updating their account information and waiving associated civil penalties.

***MDTA mailings and notifications:*** When a video toll is incurred, MDTA obtains the registered owner's mailing address from the Motor Vehicle Administration (MVA) or an out-of-state motor vehicle agency. Although Maryland law requires drivers licensed in the State to provide an updated address to MVA within 30 days of an address change, some drivers may fail to do so. As a result, MDTA mailings may be sent to the incorrect address, which does not offer the opportunity to contest the toll or pay in a timely manner. Upon notification that MDTA notices were mailed to the wrong address for whatever reason, MDTA will update the customer's address and waive civil penalties associated with not receiving the notice of toll due.



***Honest mistakes made by customers:*** We understand that sometimes mistakes happen, and that the system for collecting and enforcing video tolls is still very new. When a customer contacts us with an issue, we will thoroughly review their payment history. For individuals with a good account history with the MDTA, we will make every reasonable effort to accommodate requests to resolve the matter at minimal or no cost, provided that payment for actual tolls incurred is received.

***Civil Fine Structure:***

Until last month, the video tolling program was too new to be able to collect and analyze annual data about the actual costs associated with collecting unpaid tolls. With this needed information now in hand, we will be able to provide a much more accurate and detailed analysis to the members of the MDTA board to consider if potential changes to the current civil citation regulations and requirements are feasible and desirable.

At the February 23, 2017 MDTA Board Meeting, I personally advised the Board of the Legislature's interest in and concerns with this issue. Respectfully, allowing the Board to address this issue is the appropriate vehicle for considering potential changes to our toll and fee structure.

**3G Electronic Toll-Collection System**

MDTA's current support for the tolling system and customer service center includes both systems in one contract. In August 2016, MDTA issued a request for proposals (RFP) to replace these outdated systems. Recognizing the need to update and enhance our customer service, MDTA is awarding two separate contracts - one for tolling operations and the other for customer service center operations.

Both the tolling and customer service center RFPs include a specific customer service driven goal that will be used to evaluate the proposals. The stated goal in the request for proposals is to "...deliver superior customer service to our E-ZPass customers and MDTA as a client." This language, which predates my arrival at MDTA, speaks to the commitment of MDTA staff to this important principle.

As outlined in the RFPs, the customer service center contractor will be required to provide a fully equipped and staffed customer call center to support all program operations and meet detailed customer service center performance requirements. All call center systems, staffing and training must be focused on maximizing customer service efficiency, accuracy, and user friendliness. The request for proposals also includes financial incentives and disincentives to provide measurable and manageable minimum performance requirements for important customer service measures such as: call wait times, call abandon rate, first contact resolution rate, customer service quality, and time required to process payments and correspondence.

As a supplement to financial incentives and disincentives, the customer service center contractor will also be required to participate with MDTA in a Continual Improvement Program. As part of

the program, the customer service center contractor will meet with the MDTA at least annually to identify elements of the system or the contractor's operations that could be improved to the benefit of MDTA and its customers. This includes activities such as improving the customer experience and enhancing the efficiency and safety of toll systems and toll collection operations. Since this is an open active procurement, I am unable to share more specific information, except to emphasize that the MDTA is eager to have both contracts awarded in late 2017 in to order to take full advantage of the enhanced flexibility and accountability that the new contracts will provide.

In closing, as the Executive Director of MDTA, I offer you my personal assurance that providing MDTA customers with quality customer service is and will continue to be a priority and focus for me, our Acting Director of EZ-Pass Operations, and our staff. To drive this outcome, we are currently convening a workgroup to identify challenges and opportunities for enhanced customer service, both in advance of the new contract and well into the future. Should you have any questions regarding the MDTA's customer service plans, please feel free to contact me at 410-537-1001.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin C. Reigrut", with a stylized flourish at the end.

Kevin C. Reigrut  
Executive Director

Cc: Senator Roger Manno, District 19

Maryland Transportation Authority  
Suggested Board Agenda Timeline: Video Toll Enforcement

Meeting #1: February 23, 2017

At the February Board meeting, Executive Director Kevin Reigrut advised the Board of significant legislative interest regarding the video toll and citation process and suggested a review of the process.

Meeting #2: March 30, 2017

During the March Board meeting, staff would seek approval of a resolution directing the study of video toll enforcement related issues, specifically focused on the current \$50 civil penalty as established in COMAR. Information regarding current operations, customer service, national trends, changes in future operations resulting from the 3<sup>rd</sup> Generation Electronic Tolling systems, goals, and enforcement options would be presented in order to educate and facilitate discussion for the Board.

1. Resolution

Meeting #3: April 27, 2017

During the April Board meeting, staff would present an informational item to the Board establishing a framework of understanding of the video toll process history, current operations, successes, and challenges.

2. Background
  - a. Statute
    - i. 2013 Session
    - ii. 2015 Session
3. Current process
  - a. Noticing Process
  - b. Trip Construction
  - c. Bundling
  - d. MVA Look Up
4. Current experiences
  - a. Positive
  - b. Negative
5. Revenue Implications
  - a. Reduced Civil Citation Revenue
  - b. Reduced Cost of Uncollected Toll Enforcement
  - c. Cost Per Transaction
6. Customer Service
  - a. Actual examples
  - b. Challenges with execution



#### Meeting #4: June 29, 2017

During the June Board meeting, staff would present information to the Board members that focuses on the future of tolling in Maryland. Information regarding national trends would be used to provide background information. A discussion of tolling changes as a result of the 3<sup>rd</sup> Generation Tolling Contract will provide insight into how tolling will change from today's operations. Information presented in prior and current meeting will be considered when determining goals for the video toll enforcement process in the short-and long-term. Consideration will be given to factors which as whether penalties should escalate based on the number of occurrences or outstanding debt due, modifying thresholds for advanced collection efforts (such as flagging registration and Central Collections Unit referrals), and if actual costs to collect these tolls should be recovered. *(Due to the sensitive nature of the ongoing procurement, discussion of the Third Generation Tolling (3G) contract implications would need to occur after the Customer Service Center oral presentations to avoid compromising the integrity of the procurement.)*

7. National Tolling Trends
8. Tolling Operations after 3G
  - a. Payment Options
  - b. Processing Time (e.g., Trip Construction)
  - c. Customer Service
9. Establishment of Goals

#### Meeting #5: July 27, 2017

During the July Board meeting, staff would present a series of options to the Board. A minimum of four (4) options would be presented. Each option would connect back to a goal established by the board and include an analysis of the benefits and challenges of the option.

10. Options

#### Meeting #6: August 31, 2017

During the August Board meeting, staff would seek approval of a resolution for short-term (before 3G) and long-term changes and discuss the actions and schedule.

11. Approval of Decisions
  - a. Short-term before 3G
  - b. Long-term after 3G
12. Action Items and Schedule
  - a. COMAR
  - b. Programming

Note: The proposed schedule should take into account that the MDTA Board of Directors is the independent governing authority of MDTA and is empowered to approve, amend, or reject information and recommendations from staff.