



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

November 20, 2019  
**AGENDA ITEM #11**

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Amend the Mobility Authority policy Code,  
Chapter 3, Article 9, Subchapter A, Section  
301.005 to implement new incentive programs  
and promotion efforts

Strategic Plan Relevance: Deliver Multi-Faceted Mobility Solutions  
Employ a Collaborative Approach to Implementing  
Mobility Solutions  
Deliver on Commitments to Our Customers and Our  
Investors

Department: Operations

Contact: Jeff Dailey, Deputy Executive Director

Associated Costs: N / A

Funding Source: N/A

Action Requested: Consider and act on draft resolution

**Project Description/Background**

This item proposes to update Mobility Authority Policy Code section 301.005 to implement a *“Toll Payment Account Incentive Program”* intended to partner with public and private parties to increase accessibility and awareness regarding the many alternatives available to customers to pay tolls. A primary goal is to increase the percentage of drivers who pay their toll with a prepaid electronic toll transponder (e.g. TxTag, Toll Tag, EZ Tag, etc.) account.

Since 2007, the Mobility Authority has experienced a steady decline in the usage of electronic toll transponders, as a percentage of all transactions. The most successful urban toll road agencies in the country have transponder participation rates in excess of 80%. The Mobility Authority has participation rates that range from a high of 68% to a low of 51% on the newly opened 183 South. This trend can be attributed to rapid population growth, new roads coming online, a lack of easy access to electronic toll transponders and limited promotion of payment options.

The Texas Department of Transportation (TxDOT) is primarily responsible for the distribution, marketing, and collection of tolls related to TxTAG in Central Texas. However, the Mobility Authority is undertaking several initiatives to support TxDOT's efforts to increase TxTag participation. Also, the Mobility Authority is launching efforts to increase access to alternative methods of toll payment, while enhancing payment enforcement efforts. One of the actions recommended to address this situation is to implement a series of marketing programs in conjunction with TxTag and other third-party toll account providers to promote transponder adoption.

Increased use of prepaid transponder accounts is important to the Mobility Authority because it costs more to collect tolls via the pay-by-mail program (\$0.31 versus \$0.08 per transaction). Also, prepaid accounts ensure payment, reducing the risk and costs associated with pursuing unpaid toll bills. The biggest beneficiary of prepaid transponder accounts are customers, who pay the lowest toll rate, avoid account fees, experience fewer customer service issues and are less likely to face administrative penalties for late payment.

A full description of the proposed program is provided as backup.

#### **Previous Actions/Brief History of the Project/Program**

Discussion at Board Workshop regarding desire to focus on increasing use of transponders to pay Mobility Authority tolls.

#### **Action requested/Staff Recommendation**

Staff requests Board approval of the resolution that authorized the amendment to the Policy Code to implement a "*Toll Payment Account Incentive Program*".

#### **Funding**

Operating or Project Budget

Backup provided: Draft Resolution  
Draft Policy Code Amendment  
Toll Payment Account Incentive Program Summary  
Policy Code Change Comparison Document

**GENERAL MEETING OF THE BOARD OF DIRECTORS  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 19-0XX**

**AMENDING MOBILITY AUTHORITY POLICY CODE  
CHAPTER 3. ARTICLE 9, SUBCHAPTER A, SECTION 301.005 REGARDING  
NEW INCENTIVE PROGRAMS AND PROMOTION EFFORTS**

WHEREAS, the Central Texas Regional Mobility Authority (“Mobility Authority”) is authorized under section 370.180 of the Texas Transportation Code to promote the use of a transportation project by appropriate means, including advertising or marketing as the Mobility Authority determines appropriate; and

WHEREAS, the Mobility Authority has previously implemented incentive periods upon the opening of a new toll project in order to encourage the use of interoperable transponders by its customers; and

WHEREAS, the cost to the Mobility Authority of collecting Pay By Mail tolls is substantial and continues to increase; and

WHEREAS, in an effort to reduce the costs and risks associated with collecting Pay By Mail tolls, the Mobility Authority staff has developed a Toll Payment Account Incentive Program to encourage customers to create pre-registered toll payment accounts; and

WHEREAS, the Executive Director recommends amending the Mobility Authority Policy Code by adopting a revised Chapter 3, Article 9, Subchapter A, Section 301.005 regarding Incentive Programs and Promotional Efforts in the form attached hereto as Exhibit A.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors of the Mobility Authority hereby amends the Mobility Authority Policy Code by adopting a revised Chapter 3, Article 9, Subchapter A, Section 301.005 regarding Incentive Programs and Promotional Efforts in the form attached hereto as Exhibit A; and

BE IT FURTHER RESOLVED, that prior to the implementation of a Toll Payment Account Incentive Program, the Board of Directors must determine whether such Program serves a public purpose, furthers the mission of the Mobility Authority, and will result in a net benefit to the Mobility Authority.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 20<sup>th</sup> day of November 2019.

Submitted and reviewed by:

Approved:

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C. Brian Cassidy, Counsel for the  
Central Texas Regional Mobility Authority

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Robert W. Jenkins, Jr.  
Chairman, Board of Directors

**Exhibit A**

## **301.005 Incentive Programs and Promotion Efforts**

(a) A primary objective of the authority's communication and marketing program is to encourage enrollment of as many customers as possible in interoperable pre-registered toll account programs. In order to fulfill this objective, the authority may implement an incentive program in a manner described in subsections (b) and (c).

(b) During the initial start-up phase of tolling on a particular project, the executive director may implement an incentive program for customers which may include:

(1) incentives associated with each new toll project for a temporary period not to exceed 90 days from project opening to encourage usage; and

(2) other discounts for transponder users which increase the differential from the toll amount paid by Pay By Mail toll customers and encourage increased transponder usage.

(c) Upon a finding by the board that a toll payment account incentive program will serve a public purpose, further the mission of the authority, and result in a net benefit to the authority, the board may authorize the implementation of a toll payment account incentive program for defined periods which may include:

(1) an introductory discounted toll rate or a one-time credit for first-time pre-registered transponder account customers establishing a transponder account with a private party meeting the qualifications under subsection (g) or a public toll agency; and

(2) an introductory discounted toll rate or a one-time credit for first-time pre-registered license plate-based account customers.

(d) A program authorized under subsection (c)(1) may include either:

(1) a reduced toll rate of up to 50% of the standard transponder rate for up to 30 days following the verification under subsection (f); or

(2) if using a public toll agency transponder, a credit to the customer's transponder account of up to \$10.00.

(e) A program authorized under subsection (c)(2) may include either:

(1) a reduced toll rate of up to 50% of the standard Pay By Mail rate for up to 30 days following the verification under subsection (f); or

(2) a credit to the customer's newly-created pre-registered license plate-based account of up to \$10.00.

(f) The authority shall verify that customers enrolling in a program authorized under subsection (c) did not previously have a pre-registered toll payment account and that the customer does not have any outstanding authority Pay By Mail bills.

(g) The authority shall offer an open application process to private party transponder providers to qualify in order for its customers to be able to enroll in a program authorized under subsection (c)(1). In addition to other qualification requirements set by the authority, the authority shall require that the private party provider be able to process and pay toll transactions through the Central United States Interoperability Hub and operates an existing customer service/call center that is able to distribute toll transponders, address billing issues, and otherwise be responsive to customer inquiries.

(h) To the extent permitted by the authority's governing law, and upon a finding by the board that an agreement under this subsection (h) will serve a public purpose, further the mission of the authority, and result in a net benefit to the authority, the authority may enter into agreements with a private party transponder provider that meets the qualification requirements under subsection (g) to use the provider's logos and/or promotional materials on the authority's website, on social media posts, through direct mail, on bill inserts, in newsletters and on other communication resources such as roadway signs. The agreement may allow the qualified private party provider to use the authority logo, toll shields or other marketing material to promote the private party provider's pre-registered toll payment account services.

## Policy Code Change Comparison Document

### 301.005 ~~Discounts~~Incentive Programs and ~~Incentives~~Promotion Efforts

~~(a)~~ (a) A primary objective of the authority's communication and marketing ~~and public information~~ program is to encourage enrollment of as many customers as possible in interoperable transponder pre-registered toll account programs. ~~Transponder programs that are interoperable with In order to fulfill this objective, the authority's facilities are listed on the authority's website. The board will determine appropriate introductory and marketing activities on a project-by-project basis by separate resolution, which may include, but not be limited to, those~~authority may implement an incentive program in a manner described in ~~subsection~~subsections (b) and (c).

~~(b)~~ (b) During the initial start-up phase of tolling on a particular project, ~~incentives to the executive director may implement an incentive program for~~ customers ~~may be offered depending on the level of toll tag enrollment, such as the following discounts and incentives~~which may include:

(1) ~~The authority may offer~~ incentives associated with each new toll project ~~that is opened for a temporary period not to exceed 90—days from project opening~~ to encourage ~~ridership usage; and~~

(2) ~~The authority may offer~~other discounts for transponder users which increase the differential from the toll amount paid by Pay By Mail toll customers: ~~and encourage increased transponder usage.~~

(c) Upon a finding by the board that a toll payment account incentive program will serve a public purpose, further the mission of the authority, and result in a net benefit to the authority, the board may authorize the implementation of a toll payment account incentive program for defined periods which may include:

(1) an introductory discounted toll rate or a one-time credit for first-time pre-registered transponder account customers establishing a transponder account with a private party meeting the qualifications under subsection (g) or a public toll agency; and

(2) an introductory discounted toll rate or a one-time credit for first-time pre-registered license plate-based account customers.

(d) A program authorized under subsection (c)(1) may include either:

(1) a reduced toll rate of up to 50% of the standard transponder rate for up to 30 days following the verification under subsection (f); or

(2) if using a public toll agency transponder, a credit to the customer's transponder account of up to \$10.00.

(e) A program authorized under subsection (c)(2) may include either:

(1) a reduced toll rate of up to 50% of the standard Pay By Mail rate for up to 30 days following the verification under subsection (f); or

(2) a credit to the customer's newly-created pre-registered license plate-based account of up to \$10.00.

(f) The authority shall verify that customers enrolling in a program authorized under subsection (c) did not previously have a pre-registered toll payment account and that the customer does not have any outstanding authority Pay By Mail bills.

(g) The authority shall offer an open application process to private party transponder providers to qualify in order for its customers to be able to enroll in a program authorized under subsection (c)(1). In addition to other qualification requirements set by the authority, the authority shall require that the private party provider be able to process and pay toll transactions through the Central United States Interoperability Hub and operates an existing customer service/call center that is able to distribute toll transponders, address billing issues, and otherwise be responsive to customer inquiries.

(h) To the extent permitted by the authority's governing law, and upon a finding by the board that an agreement under this subsection (h) will serve a public purpose, further the mission of the authority, and result in a net benefit to the authority, the authority may enter into agreements with a private party transponder provider that meets the qualification requirements under subsection (g) to use the provider's logos and/or promotional materials on the authority's website, on social media posts, through direct mail, on bill inserts, in newsletters and on other communication resources such as roadway signs. The agreement may allow the qualified private party provider to use the authority logo, toll shields or other marketing material to promote the private party provider's pre-registered toll payment account services.