



Supplemental Report to Agenda Item No. 4

MEMORANDUM

TO: President Janet Reilly and Members, Board of Directors

FROM: Janet S. Tarantino, Secretary of the District

DATE: January 21, 2011

SUBJECT: **QUESTIONS AND ANSWERS RELATIVE TO THE STRATEGIC DEVELOPMENT PLAN FOR ALL ELECTRONIC TOLL COLLECTION ON THE GOLDEN GATE BRIDGE**

For your review, attached is a Questions and Answers document prepared by the Auditor-Controller's Office as a result of the discussion led by the members of the Board of Directors present at the January 13, 2011 meeting of the Finance-Auditing Committee.

JST:plw

Attachment

QUESTIONS AND ANSWERS
RELATIVE TO THE STRATEGIC DEVELOPMENT PLAN
FOR ALL ELECTRONIC TOLL COLLECTION ON THE GOLDEN GATE BRIDGE

Below are answers to the questions raised at the January 13, 2011 Meeting of the Finance-Auditing Committee.

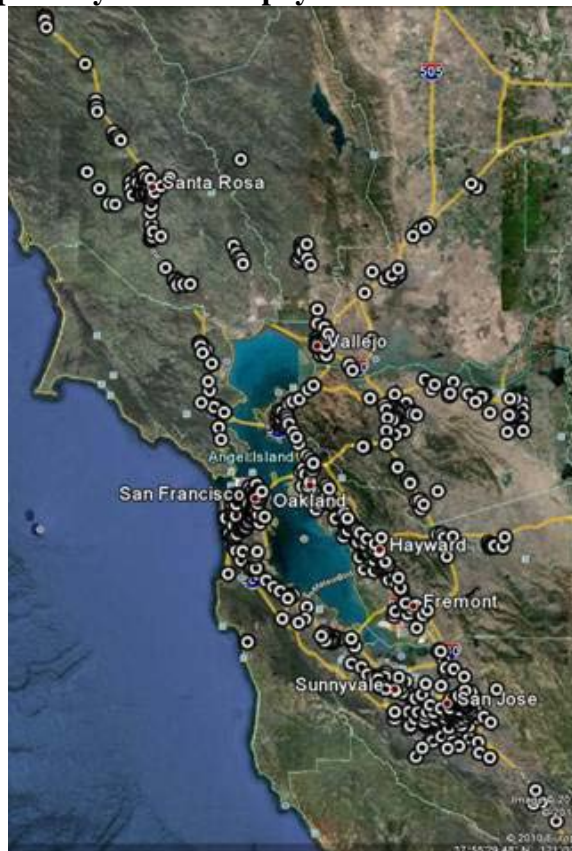
1. *Toll collectors provide a service to visitors as ambassadors for the Golden Gate Bridge and the City of San Francisco, how will this be accomplished in AET?*

Information and directions for visitors will be provided away from the toll plaza to prevent traffic congestion, preserving the improved traffic flow and environmental benefits of AET. Today, information for visitors is widely available online from sources such as tourist sites and mapping services. Planning currently underway for the 75th Anniversary will result in an opportunity to create an environment that provides information about the bridge and San Francisco in a relaxed setting, away from the roadway.

2. *How can we ensure that cash customers will have convenient means of paying the toll, including those who wish to be anonymous?*

There are multiple cash payment networks currently operating in the Bay Area. These are used to pay for things such as utility and cell phone bills as well as online purchases and can be accessed at places such as Chevron gas stations and 7-Eleven convenience stores. Staff has met with several providers of these payment networks and all have expressed interest in providing toll payment services. A sample map of locations currently serviced by these providers is as follows:

Sample: Bay Area cash payment network locations



Working with these payment network services will enable the District to provide customers with cash toll payment locations throughout the Bay Area. In addition to accepting payment for license plate toll invoices and regular FasTrak accounts, the cash payment network can also serve those customers with anonymous FasTrak accounts. No name, address, or vehicle information is required to establish an anonymous FasTrak account today. This would remain unchanged under AET, while options for adding funds to anonymous accounts would be greatly expanded.

3. Does the financial analysis take into consideration all the costs of AET, including invoice generation and mailing, and customer services?

Yes, the financial analysis takes into account all costs of toll collection under AET. These include invoice generation and mailing, transaction processing, image review, cash payment network fees, customer outreach, and management. The costs of automatic transaction processing remain flat and may decrease over time based on volume and technological advances while the costs of operating the current system increase over time due to ongoing salary and benefit increases. TTI, our consultant for this project, based the model on work with the District, meetings with vendors and their experience with toll agencies throughout the country.

4. Will we see a decrease in overall revenue if more customers choose FasTrak?

We do not anticipate any lost revenue with AET conversion. Taking into account the experiences of other toll agencies that have converted to AET the initial estimates of toll revenues are based on conservative assumptions about customers shifting to FasTrak. These agencies did not experience significant increases in customers signing up for pre-paid toll accounts. Looking at alternative scenarios, with lower and higher rates of FasTrak usage under AET results in the following anticipated financial impact:

AET – 10-Year Financial Scenarios

<i>AET Toll Payment</i>	<i>Current Forecast</i>	<i>Conservative Forecast</i>	<i>Aggressive Forecast</i>
FasTrak Tolls	74%	79%	73%
License Plate Tolls	26%	21%	27%
<i>Net Deficit Reduction</i>	<i>\$19.2</i>	<i>\$16.1</i>	<i>\$21.4</i>

Note: numbers are in millions; the net revenue figures for AET and Current System correspond to the eight years that AET will be in operations.

5. With the toll booths remaining in the toll plaza, how will we prevent customer confusion?

The toll booths will remain with AET. This is due to the configuration of the toll payment equipment and the cost of demolishing the toll plaza and installing new infrastructure.

Prior to implementation we will investigate how best to treat the toll booths to prevent customer confusion. Signs and messages at the toll plaza will be one part of a comprehensive public outreach and education campaign. The toll booths will also provide customers with a clear indication of where toll payment occurs.

6. *Is it feasible to operate in an AET hybrid configuration, accepting cash in one lane for tourists and having all others be AET?*

We currently operate in a hybrid environment, offering both fully automated (FasTrak only) and mixed use lanes that accept manual (cash) toll payment. Other agencies that have implemented AET in a phased approach, as we plan on doing at the Golden Gate Bridge, found that few cash customers converted to license plate or transponder-based tolling prior to the elimination of cash toll payment at the toll plaza.

Given the geometry of the toll plaza and the experiences of other agencies we believe that maintaining cash toll payment in one or two lanes would result in traffic quickly backing up to the north, pinching off access to the remaining AET lanes. This would negate the community benefits of AET as congestion on the bridge would eliminate the travel time and environmental gains that AET can provide. In addition, the cost of maintaining any level of manual toll collection would greatly reduce the financial benefits of AET.

7. *Most of the agencies you've spoken to are toll roads, what can we as a bridge learn from the experiences of toll roads?*

While most facilities currently in AET operations are toll roads implementation on a bridge is actually less challenging. Toll roads have multiple tolling points that must be managed and they face the challenge of communicating with customers about distance-based toll rates. Bridges, on the other hand, have a single tolling point, a limited number of toll lanes, and a simpler rate structure. We will remain in communications with agencies we've already contacted to share lessons learned, as appropriate.

Staff and our consultant team have had informal discussions with the Port Authority of New York and New Jersey as they prepare for all electronic tolling conversion on their bridges and tunnels. In addition, staff is in contact with the New York Metropolitan Transportation Authority as they prepare for an AET pilot on the Henry Hudson Bridge and the Evergreen Point Floating Bridge in Seattle as they rollout AET in the spring of 2011. The Evergreen Point Floating Bridge carries 115,000 vehicles per day. Smaller bridges include the Leeville Bridge in Louisiana which began AET operations in July 2009 and the Wabash Memorial Toll Bridge in Indiana which began AET operations in January 2011.

8. *Please review the community benefits of AET.*

In addition to operational cost savings, AET conversion will provide benefits to users of the Golden Gate Bridge and the community at large.

- The anticipated reduction in traffic congestion at the toll plaza, similar to the impact that FasTrak rollout had on the weekday morning commute, will reduce travel times and get bridge customers to their destinations quicker. We most frequently experience southbound backups at the toll plazas on weekends and periodically during the evening weekday commute. With AET southbound customers using the bridge at any time of day should expect smooth traffic flow through the toll plaza.

- The reduction in congestion and reduced travel times will limit vehicle emissions, providing environmental benefits for all in the Bay Area.
- Toll payment will be facilitated for those customers without cash on hand as well as those that inadvertently use the FasTrak-Only lanes. Currently Golden Gate Bridge customers that fall into this category must go through a time consuming manual exception process or they receive a violation notice in the mail. AET will ease toll payment for these customers.
- Eliminating stopping in the toll plaza and the removal of District staff from the lanes will enhance safety for both motorists and employees.

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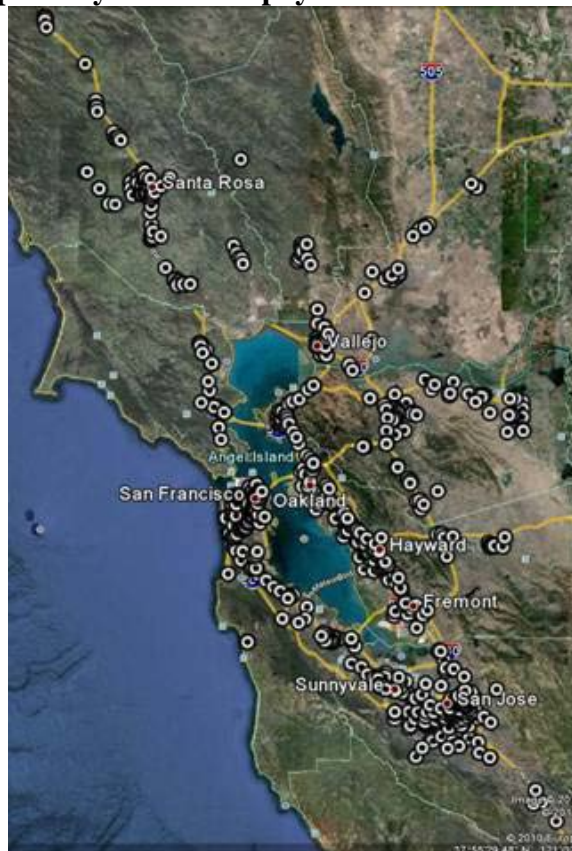
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