



Toll By Plate: Impact on Fleets & Best Practices for Management

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Executive Abstract

The rise of all-electronic tolling across the United States has led to an increase in unplanned toll by plate, which can impact fleets in myriad ways, especially with additional administrative fees and delayed billing for toll transactions.

If your fleet operates on toll roads, bridges, or other facilities, then it is vital to understand how toll by plate works and how it could impact your fleet operations, potentially leading to unnecessary expenditures of both time and money.

There are several ways that fleets can respond to this evolving tolling environment, including using internal or external resources, but fully understanding how toll by plate works and how it uniquely impacts fleets is the critical first step to properly managing toll by plate transactions and exposure.



About the Author

Heather Nolan is the Vice President of Products and Services for Bestpass. She joined the company in 2009 with nearly 20 years of systems analysis, design, software development, and project leadership experience. She has been instrumental in the evolution and rapid growth of Bestpass from a discounted toll service to a nationwide commercial toll management provider.



Rise of All-Electronic Tolling

All-electronic tolling (AET), also known as cashless tolling, is an increasingly prevalent option for toll revenue collection in the United States. There are already more than 150 AET facilities across the country, according to the International Bridge, Tunnel, and Turnpike Association, and that number is on the rise.

For example, the Massachusetts Department of Transportation converted the Massachusetts Turnpike to AET in 2016, removing toll booths and the option to pay cash. Now, vehicles using the turnpike can only pay via transponders or by waiting for a toll by plate invoice in the mail.

Looking to the future, the New York State Thruway Authority is in the process of converting all the state's toll roads to AET, the Pennsylvania Turnpike Commission has plans to go cashless by fall 2021, and the Kansas Turnpike Authority will convert to AET over the next five years. With the rise of AET for toll facilities across the country, fleets will have to make business decisions about transponder coverage and toll by plate coverage. For drivers, cash is no longer a reliable default.

AET means that there are no manned toll booths and that there is no stopping or slowing down to pay for toll. While fleet vehicles can continue to travel with or without a transponder, using an AET facility without a transponder can expose fleets to additional administrative fees and a significant delay in reporting the transaction.

What is Toll by Plate and How Does it Work?

While many tolling authorities and toll facility operators focus on transponders as the primary means for capturing toll transactions, they have also implemented a toll by plate system as a backup. As a truck or other vehicle travels through a gantry or other toll reader, the incumbent system will first look for a transponder, then capture an image of the vehicle's license plate.

If the toll reader does not identify a transponder in the vehicle, or if the toll system is unable to match the transponder with a valid account, then the tolling authority will seek to identify the vehicle owner by reviewing license plate capture images and matching the information with plates active on existing accounts, or by referencing Department of Motor Vehicle (DMV) records in the relevant state. This additional processing adds expense for the authority, which then results in increased cost for the facility user.

Once the tolling authority identifies the vehicle owner, it will either post the toll to an active account or issue a toll by plate invoice via mail. Either way, an administrative fee will likely be added to the toll amount, resulting in a greater expense than a transponder-based transaction. There will also be a delay in the fleet receiving the charge due to the additional processing time required by the tolling authority, especially in the case of the mailed paper invoice.

How Does Toll by Plate Impact Fleets?

Regardless of fleet size, paying for toll usage based on license plate capture can have a significant impact on operations and the bottom line. In addition to the administrative fees and delayed billing, each tolling authority has different business rules, and toll by plate introduces significant complexity for fleet operations, including challenges related to trailer plates, leased equipment, and identical plate numbers used by different states and for different vehicle types or classes.

Whether or not the fleet has deployed toll transponders on a national or regional level, maintaining up-to-date vehicle lists, including license plates, is essential to fully cover the fleet's vehicles when using tolled facilities. Many tolling authorities require transponders to be associated with tractor plates when they are activated on the account, but this is not a universal practice.

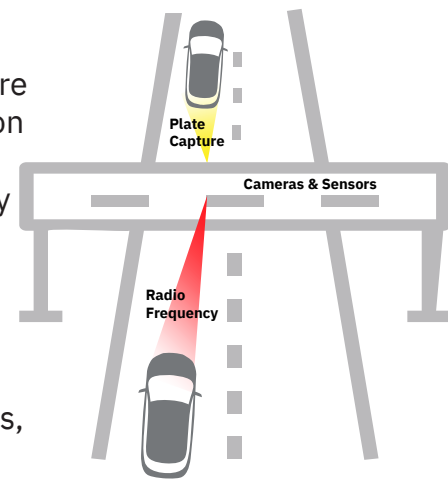
There are also complications that arise when plates are transferred from one owner to another, or when the equipment is leased or rented. For larger fleets that are constantly replacing older pieces of equipment with newer units, these complications are amplified by the need to track license plate and transponder information, and then update that information in a timely manner with relevant tolling authorities to mitigate any gaps in coverage.

In terms of back-office administration, if a fleet reallocates or rebills its toll fees as a standard business practice, then the delay inherent in plate-based transactions can disrupt accounting, resulting in, at best, a delay in billing, or, at worst, the inability to recoup the expense.

Don't Neglect Your Trailers

Larger fleets often have multiple trailers for every tractor, adding significantly to the complexity of tracking, processing, and paying toll transactions. Some tolling authorities will accept trailer plates on active accounts, but others will not. Since many gantries and other toll readers will capture the license plate at the rear of the vehicle, it is common for toll by plate transactions to be assessed based on the trailer rather than the tractor.

For commercial carriers that rent or lease trailers, it can be difficult for tolling authorities to identify who owns the license plate, and, therefore, who is responsible for the toll. This can result in additional accounting delays, especially if the toll transaction is initially assessed to the trailer rental or leasing company and then reallocated to the fleet.



Mystery Toll by Plate

At some point, or possibly on multiple occasions, nearly every fleet will receive a toll by plate invoice on a plate that they have never owned or on a plate that no longer belongs to the company. So, what do they do next? How can they dispute the transaction and, more importantly, ensure that it does not happen again?

The invoice was sent because the state's DMV has a record that points to the fleet as the registered owner of that license plate number. Someone from the fleet's back office will have to contact the DMV directly.

If the fleet did once own that plate, but no longer does, then they would need to produce a bill of sale that notes both the vehicle and the license plate in question. If they turned the plates in prior to the date of the toll transaction, then they would need to produce the receipt showing they submitted those plates.

The other option is to obtain a registration or title abstract from the DMV on the plate in question. This is a summary of registration history on the plate. Requirements vary from state to state, and a fee is typically involved. If the fleet never owned the plate, or did not at the time of the transaction, then this will provide proof.

Developing the Right Toll by Plate Strategy

Depending on fleet operations, including geographic footprint and internal resources, there are several viable approaches to more efficiently and effectively manage toll by plate transactions and exposure.

DIY Toll Management

Fleets can manage their toll by plate strategy internally, especially if they operate regionally, which reduces the number of tolling authorities that will be charging them for toll facility usage. Whether a fleet operates regionally, across multiple regions, or even nationally, the first step is compiling accurate data about all pieces of equipment and associated transponders across the entire fleet.

The second step is to cultivate a comprehensive understanding of the business rules and standard practices for each relevant tolling authority, including how vehicle lists are submitted and maintained. Some authorities provide web portals for account updates, for example, while others rely on email communication. It is also important to understand which authorities will accept trailer license plate lists and which ones require a transponder to be associated with a license plate to be active.

Finally, the third step is to commit to keeping fleet data as up to date as possible, including when transponders are replaced, or older pieces of equipment are swapped out for newer ones. As a best practice, fleets should try to conduct a

complete equipment audit on a quarterly basis.

Fleet Management Software

There are several companies in the industry that provide comprehensive fleet management software, which often includes a wide variety of tools to manage fleet operations, from electronic logging device compliance and GPS tracking to fuel tax reporting and vehicle diagnostics.



Some of these companies, as part of their portfolio of services, also offer license plate coverage to help reduce administrative fees and the time it takes toll transactions to post to the fleet's account. This can be an effective approach for fleets with light toll usage, or as a back-up system in regions where the fleet does not frequently operate, but for areas of high toll volume, the cost will likely be greater than a transponder-based approach to toll management.

Third-Party Providers

For commercial fleets, there are a few companies that focus on and provide more robust toll management services. A fleet considering a third-party provider for toll management should consider not only monetary savings across its entire toll program, but also how much time it can save in the back office, freeing up internal resources to focus on other responsibilities.

One of the primary benefits of a third-party toll management provider is that they are already well versed in the tolling landscape for commercial fleets, including overarching trends like the rise of AET and the unique characteristics and requirements of each tolling authority. Leveraging this expertise can provide immense value to a fleet of any shape or size.

Conclusions

With the rapid adoption of AET across the country and the associated increase in toll by plate transactions, it is now more important than ever for fleets to develop an informed toll management strategy that mitigates any adverse impact to operations and protects the bottom line.

For toll by plate specifically, it is vital to compile a comprehensive fleet record, including license plates for tractors and trailers, transponders in vehicles, and regular travel patterns. It is equally critical to develop a solid understanding of the requirements for how each tolling authority accepts vehicle updates and processes plate-based transactions.

Whether toll by plate management occurs internally or externally, it is an important initiative to undertake and, properly executed, can have a significant positive impact on overall fleet operations.