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Take Control of Toll: How Violations Work and How to Minimize Fleet Impact

Bestpass Thought Leadership Series

Contents

Executive Abstract

A violation is a toll transaction that is issued on paper because the transponder or license plate that was read on the vehicle cannot be matched to a valid toll account. Violation is a term used by some toll authorities, while other common terms are toll by mail, plate toll bill or plate toll invoice. We will refer to these notices as violations throughout the rest of this white paper, but the terms can be used interchangeably.

Any commercial fleet that operates on tolled roads or bridges is subject to the possibility of violations, which most often come with additional cost and delayed processing time. A diligent and comprehensive approach to toll management requires anticipating violations, actions to minimize their occurrence, and understanding how to handle them when they do occur.

The challenge in understanding how violations work is compounded by differences in policies and procedures between the many toll facility operators throughout the nation. However, there are several key steps that can support a strategy to mitigate violations and make an overall positive impact on fleet operations and the bottom line.

About the Author

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How Violations Work

Simply put, toll violations and paper toll bills occur when a vehicle passes through a toll booth or toll gantry without the transaction being recorded and validated in a standard way. While many toll facility operators focus on transponders as the primary means for capturing toll transactions, they also often implement a toll by plate system as a backup. As a truck or other vehicle travels through a gantry or other toll reader, the system will look for a transponder but also capture an image of the vehicle's license plate.
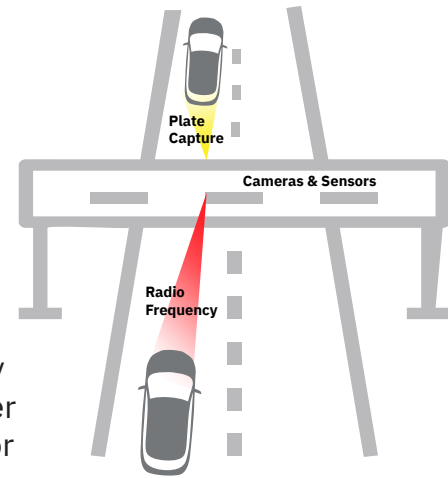
If the toll system does not identify a transponder in the vehicle, or is unable to match the transponder with a valid account, then the tolling authority will seek to identify the vehicle owner by reviewing license plate capture images and matching the information with plates active on existing accounts. Once all these options are exhausted, and no match is found, the transaction is likely to turn into a violation.

If the toll facility operator is unable to identify a transponder or a license plate on a known account, then it will attempt to reference the Department of Motor Vehicle (DMV) records in the relevant state. This additional processing adds time and expense for the authority, which then results in increased cost for the fleet.

Once the tolling authority identifies the vehicle owner, it will either post the toll to an active account or issue a plate toll 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. In some cases, a tolling authority will have three toll rates: a transponder rate, a plate by toll rate, and finally a toll by mail rate, with the latter being the most expensive. 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.

Interoperability Challenges Across Toll Facilities

Most tolling authorities focus on transponders as the primary means for capturing toll transactions. However, over time, multiple transponder protocols have evolved, which means that different areas of the country require different devices. If a fleet operates nationally, or even across two incompatible regions, then it will need to consider a toll management plan that uses multiple transponders to avoid violations.

One of the main challenges for fleets that decide to manage their own violations is that each tolling authority has different policies and business rules. So, the fleet will have to assign a person, or even multiple people, to research the violation requirements and procedures for each tolling authority within the fleet's operational footprint. The larger the fleet, or the farther it travels, the more complexity it must deal with in respect to violation prevention and processing.

Minimizing Violations for Fleets

While a fleet can never truly eliminate the possibility of violations on its vehicles there are several key steps that can significantly minimize violations, and, in turn, their impact on fleet operations and the bottom line. In addition, if a fleet does receive a violation, it is important to review the transaction to ensure that it is accurate and belongs to a vehicle in the fleet.

Install the Right Transponders

Installing the right transponder or transponders in a vehicle is the best way to minimize the risk of violations, especially with the rise of cashless tolling across the United States, which has resulted in new challenges for commercial fleets, especially heavy toll facility users with a national footprint. Strategically managing transponder deployment across a fleet helps lessen the impact of higher toll rates, administrative fees, and delayed billing associated with toll by plate and violations transaction.

If a fleet reallocates or rebills its toll fees as a standard business practice, then the delay created by violations can disrupt accounting and financial reporting, resulting in, at best, a delay in billing or, at worst, the inability to recoup the expense. With a transponder, transactions post as quickly as possible, typically between 24 and 72 hours.

Pay Attention to License Plates

If a fleet has deployed toll transponders on a national or regional level, maintaining up-to-date vehicle lists with all tolling authorities, 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 vehicle plates when they are activated on the account, but this is not a universal practice.

Larger trucking 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 license plates, 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 and cost, especially if the toll transaction is initially assessed to the trailer rental or leasing company and then reallocated to the lessor's fleet.

Handling Mystery License Plate Violations

At some point, or possibly on multiple occasions, a fleet might receive a violation on a license 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 a Violation Mitigation Strategy

Depending on fleet operations, from geographic footprint to availability of internal resources, there are multiple viable approaches to more efficiently and effectively engage a toll management plan that includes comprehensive violation mitigation.

DIY Toll Management

Fleets can administer their toll management 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, as well as how violations are processed. As an example, 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 tthe company's commitment to keeping fleet data as up to date as possible, ideally notifying toll authorities of equipment changes daily or at least weekly. Typical equipment changes include fleet expansion, replacing transponders and swapping out older pieces of equipment for newer ones. As a best practice, fleets should not only update tolling authorities on a daily or weekly basis, but they should also conduct a complete equipment audit on a quarterly basis.

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Third-Party Providers

For commercial fleets, there are a few companies that specialize in and provide robust toll management services, with a focus on the deployment of transponders based on operational needs. 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 core business objectives.

One of the primary benefits of a third-party toll management provider is the cost savings and efficiencies realized by centralizing all toll activity across theentire fleet, which will benefit from consolidated data and analytics, a single point for customer service contact, and the broadest range of options for toll coverage and violation mitigation.

Another significant benefit is that toll management providers 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 for violations issued and processed by each tolling authority. Leveraging this expertise can provide immense value to a fleet of any shape or size.

Conclusions

With the rapid adoption of cashless tolling across the country and the associated benefit in transponder deployment for operations and the company's bottom line, it is now more important than ever for fleets to develop an informed toll management strategy, which will in turn help minimize exposure to violations.

For a viable toll management program, it is vital to compile a comprehensive fleet record, including existing transponders and associated accounts, license plates for tractors and trailers, 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 violations.

Whether toll 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.

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