

Good afternoon.

My name is Al Carr and I represent the residents of the 18th legislative district in the Maryland house of delegates.

Thank you for the opportunity to testify on the toll rate setting process.

I would like to highlight the problems that already exist with Maryland's existing tolling system and voice my concern that these be perpetuated or worsened in the process of partnering with a private company to widen and introduce tolling on the American Legion Bridge, Interstate 495 and Interstate 270.

The tolls themselves are not the only costs to motorists. MDTA has collected enormous amounts of revenue in recent years from late fees.

The first cashless toll road in Maryland was the Intercounty Connector also known as the ICC or route 200. It opened in 2014 and runs between Montgomery and Prince George's counties. Our constituents here have unfortunately borne the brunt of MDTA's failed tolling policies. The entire system went cashless in 2020.

If you drive on a cashless toll road in Maryland, you can pay using E-ZPass, OR if you don't have an E-ZPass transponder you can pay through the video tolling process. With video tolling, the license plate is photographed, a lookup is done, and a toll bill is sent in the mail to the registered owner.

The problems with this system as practiced in Maryland, are the punitive and predatory late fees, and the failure to address leakage - to collect non-E-ZPass revenue from out of state vehicles. For many years, the late fee in Maryland was \$50 per

transaction, on a toll as low as a dollar fifty. On a road like the ICC, it is very easy to rack up thousands of dollars in toll debt in a short amount of time. The toll debt is comprised mostly of late fees, not the underlying tolls. If you have a Maryland E-ZPass, you can still be subjected to video tolls at a higher rate, and to hundreds or thousands of dollars in late fees if a hiccup happens with the associated credit card or bank account. And the video tolling system relies on the U.S. mail which has become slower and more problematic since the program's inception.

To their credit, the MDTA did reduce the late fee from \$50 to \$25 in 2020. However a \$25 late fee on a dollar fifty or \$3 toll is still too high. and we still have an unfortunate policy of suspending vehicle registrations for toll debt. A better model would be the one used in Massachusetts. That state is able to Collect tolls using modest late fees and flagging of registrations. Maryland should follow the example of Massachusetts.

Maryland motorists are still recovering from these failed policies. The garnishing of income tax refunds to collect toll debt began under our current governor. Our district courts are clogged with tens of thousands of contested video toll late fee transactions. I am contacted on a weekly basis by marylanders who have been caught up in this broken system and owe thousands of dollars. These are often regular working people who fell through the cracks of our system. Recently MDTA missed an opportunity to introduce departmental legislation that would have prevented the sunset of their ability to clawback toll debt from our Central Collections Unit.

According to the MDTA's own report to the Maryland General Assembly, the most effective way to collect toll debt from out-of-state motorists is through reciprocity agreements with surrounding states. However, MDTA has ignored their own

advice. They have stubbornly resisted the idea of working collaboratively with neighboring states to establish reciprocity. They claim that negotiating reciprocity agreements is too complicated and too difficult. Meanwhile, other states are establishing these reciprocity agreements and using them with great success. Massachusetts, New York and the other New England states have had reciprocity agreements for years and they work well. More recently, Pennsylvania and Delaware entered into reciprocity agreements. Instead, Maryland wants to follow the predatory model used in Texas and Georgia in which out-of-state toll debt is sold to the highest bidder, and consumers are subjected to predatory collection practices. As a fellow small state, the Massachusetts model is the way to go. We in Maryland don't follow Texas or Georgia when writing our voting laws, and we shouldn't follow them in adopting failed toll road debt collection policies.

Pennsylvania followed by Delaware would be the perfect candidates to begin a toll reciprocity pilot program. Virginia is a little more complicated but if the governor's claim that he's working closely with the Virginia governor on expanding the capacity of the American Legion Bridge then surely we can begin addressing the challenges involved in establishing reciprocity and at least more consistency with the toll road system in Virginia.

Another pro-consumer policy that Maryland could and should adopt from Massachusetts is to allow 3 years to dispute a toll transaction. MDTA currently only allows 120 days. Because of this, I am put in the unfortunate position of recommending to my constituents that they obtain their E-ZPass account and transponder from Massachusetts instead of from Maryland.

MDTA's anti-consumer policies such as the punitive late fees, aggressive debt collection and the selling of out-of-state toll

debt to private debt collectors came from the private sector. In one aspect Maryland already has a public-private partnership component to our toll roads. For years, MDTA had outsourced the operations of our tolling infrastructure to a private company called Conduent. Around 2014, Conduent duped Maryland into adopting the \$50 video toll late fees, a profitable model that they have promoted in a number of states. Conduent has since been replaced by Kapsch and TransCore. TransCore has had their own issues in other states.

My fear is that under the P3 model, the private concessionaire will have every incentive to push Maryland and MDTA to perpetuate or expand harmful and predatory tolling policies that hurt consumers but fatten their bottom line.