E-Z Pass in Virginia

June 2005

Barbara W. Reese
Chief Financial Officer
E-Z Pass

Trade name of the Electronic Toll Collection system (ETC) operated primarily in the Northeastern states
“...technology had to be implemented at a regional level. To do so, however, each agency had to cooperate with one another and even give up some of its autonomy.”

— Chairman of TRANSCOM, Michael Ascher

E-Z Pass Origins

7 Original Agencies

- NYSTA
- MTA
- PANYNJ
- NJ Turnpike
- NJ Highway
- So Jersey
- PA Turnpike
E-Z Pass Today

Largest interoperable toll collection system in the World

- 22 participating agencies in 11 states
- over 7.5 million account holders
- nearly 11 million transponders
- nearly 750 million annual transactions
- over $1 billion dollars annually for the agencies
E-Z Pass Today

• Provides uniformity in IAG Member tolling operations through:
  - Mark IV transponder technology
  - Application of ETC policies and operational activities
  - Similar handling of user privacy, data sharing, confidentiality
  - Unanimous consent for adjustments to technology, new uses for technology or E-Z Pass copyright
Virginia’s Road to E-Z Pass

• August 2003 – Governor Mark Warner announces “merger” and intent to implement reciprocity by Fall 2004

• November – 2003 Virginia officially accepted as Full Member in IAG

• January 2004 - VDOT began effort to meet Fall 2004 deadline with VITA approval

• October 2004 began accepting transactions
Virginia’s E-Z Pass Experience

Number of E-Z Pass transactions on toll roads in Virginia continues to increase

<table>
<thead>
<tr>
<th>Month</th>
<th>Total ETC Transactions</th>
<th>E-Z Pass Transactions</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2004</td>
<td>10,703,386</td>
<td>118,448</td>
<td>1.11%</td>
</tr>
<tr>
<td>November 2004</td>
<td>10,166,947</td>
<td>372,178</td>
<td>3.66%</td>
</tr>
<tr>
<td>December 2004</td>
<td>10,337,118</td>
<td>428,761</td>
<td>4.15%</td>
</tr>
<tr>
<td>January 2005</td>
<td>10,163,625</td>
<td>425,720</td>
<td>4.19%</td>
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<tr>
<td>February 2005</td>
<td>9,796,839</td>
<td>428,212</td>
<td>4.37%</td>
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<tr>
<td>March 2005</td>
<td>11,290,630</td>
<td>519,643</td>
<td>4.60%</td>
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<tr>
<td>April 2005</td>
<td>11,046,847</td>
<td>537,943</td>
<td>4.87%</td>
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<tr>
<td>May 2005</td>
<td>11,103,025</td>
<td>573,819</td>
<td>5.17%</td>
</tr>
</tbody>
</table>
E-Z Pass Benefits

• Operation of a “seamless” system
• Reduction of out of state cars in manual toll collection queues
• Increased ETC patron satisfaction – 49% increase in applications in early months
• Consistent operational rules and policies for PPTA toll opportunities
• Long-term decrease in operating costs due to IAG “buying power”
• Stronger voice in shaping national toll policy
E-Z Pass Benefits

• Ability to leverage knowledge and skills of other IAG Members
  – “E-Z Pass on the Go” – retail sales of pre-paid tags

• Shared cost for exploring new technology, operational concepts and policy issues
  – Customer service centers
  – 5.9 technology
  – E-Z Pass in parking garages
  – “Sale” of public-owned toll facilities
E-Z Pass Challenges

• Achieve equity among all Member Agencies
  – “Home” Agency bears most of the operating costs
  – Historic imbalance because agencies that joined early had customers opening accounts in areas that are now served by agencies that joined later

• Achieving consensus as the number of member agencies continues to increase
E-Z Pass Challenges

• Periodically upgrade software to achieve better reciprocity and allow more agencies to join
  – Patents on components of existing technology are nearing conclusion
  – Next Generation Task Force formed to explore alternatives – Virginia is part of Task Force
  – Cost and timing of such upgrades are key considerations
E-Z Pass Challenges

• Differences in the ownership of toll facilities
  – DOT’s
  – Political subdivisions
  – Private entities
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