



CASHLESS TOLLING RISK ANALYSIS

June 2022

**CENTRAL
FLORIDA
EXPRESSWAY
AUTHORITY**

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EXECUTIVE SUMMARY

Overview

Background

On March 19th, 2020, the Central Florida Expressway Authority temporarily closed its manned lane terminals (MLTs) in response to safety concerns related to the COVID-19 pandemic. While CFX resumed cash collection for tolls on June 1st, 2020, other similar agencies opted to eliminate cash payments entirely for toll collections as part of an accelerating national trend. Approximately 50% of US tolling agencies are currently operating cashless.

As of the time of fieldwork for this review, cash collections represent approximately 4%, or \$24m of CFX annual toll revenue; the annual cost to CFX associated with collection is \$18m. By comparison, E-PASS and Pay By Plate account for approximately 76% and 20% of revenue, respectively, the majority of which is collected via electronic payments. In accordance with the national trend toward cashless tolling, CFX has planned for any future roadway construction projects to be cashless. Currently, one roadway within the CFX system, the Wekiva Parkway, is already fully cashless. While all-electronic tolling capability exists throughout the system, CFX continues to provide means for customers to pay for tolls using cash.

In accordance with the 2022 Internal Audit Plan, Internal Audit participated in workshop discussions held by CFX management and the Board of Directors to identify risks, opportunities, and stakeholder concerns relevant to a prospective conversion to All Electronic Tolling (AET).

Objectives

The objectives of this review were to support CFX with the identification of key risks and pitfalls inherent in the conversion to all electronic tolling (“AET”), document the plans in place to mitigate key risks, and provide perspective and a point of view on risks and lessons learned by other tolling agencies that have converted to AET.

Scope and Approach The scope and approach for the review were as follows:

- 1) Gained an understanding of developing AET conversion plans through interviews with CFX management and participated in a board workshop held to facilitate discussions on a potential conversion.
- 2) Performed benchmarking of similar tolling agencies that have undergone a conversion to AET to capture information regarding lessons learned, common pitfalls, and strategies employed to reduce the negative impacts of their conversions.
 - 1) Internal Audit gathered benchmarking information from the following tolling agencies and organizations: MTA Bridges and Tunnels, Pennsylvania Turnpike Commission, Illinois State Highway Toll Authority, United Bridge Partners, LLC, and Harris County Toll Road Authority (Protiviti Team). Information was gathered through interviews with staff and/or Protiviti personnel working with other agencies and reviews of related documents.

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