

## **New York, Houston to let rental cars use toll lanes**

DALLAS — Avis and Budget say they will equip some rental cars with electronic devices that let customers zip through high-speed toll lanes instead of stopping to pay in cash.

The service will start next month in the New York area and Houston, the companies said Monday. They will charge \$1.50 per day in New York and \$2 per day in Houston, plus any tolls the drivers rack up.

Avis Rent A Car and Budget Rent A Car, subsidiaries of Cendant Corp., said they hope to expand the service in the Northeast, the rest of Texas and in Florida and Illinois later this year.

Toll-road officials believe that bringing rental cars into the electronic-payment system will cut down on the number of scofflaws who use toll lanes without paying.

Electronic toll systems use radio frequencies to transmit an identification code in a car to a reader at the toll lane. Improved technology has allowed for readers that can receive a signal from a car traveling at highway speed without the need to slow down.

Cendant said it tested the service in rental cars for 18 months using Budget vehicles at the Newark, N.J., airport and that customers requested a car with a toll pass 25,000 times. Officials said they'd never seen a similar response to any other offering.

In the New York area — local airports, Manhattan, northern New Jersey and southern Connecticut — the cars will carry transponders for E-Z Pass, a service of Highway Toll Administration LLC that is used in several parts of the Northeast.

In Houston, most vehicles also use transponders, but the Avis and Budget will sign up to use a competing system from American Traffic Solutions Inc., which uses cameras to record license plate numbers and bill the vehicle owner. The Harris County Toll Road Authority began using that system last month for commercial fleet vehicles.

Tolls will be charged to the same credit or debit card that the renter used to pick up the car, but will be processed as a separate transaction, Avis and Budget said.

Officials for both the rental companies and the highway systems hope it reduces the number of drivers who speed past electronic toll-reading checkpoints without paying.

Scott Deaver, a marketing vice president for Cendant's rental companies, said the company is losing close to \$1 million a year trying to collect tolls that customers rang up.

"Most customers are good about paying what they owe us, but there was an administrative cost (to bill them) and some uncollected tolls," he said.

Under Texas law, toll authorities can send violation notices to the car-rental companies, which then have 30 days to pay the toll or turn over the customer's name and address.

Tracy Smith, manager of toll enforcement for the Harris County toll authority in Houston, said it costs 60 cents in labor and postage to send a violation notice and that Avis and Budget customers account for 330 transactions on an average day, although she didn't know how many of them stopped to pay the toll in cash.

The Harris County agency handles 5.6 million transactions per week on more than 100 miles of toll roads.

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