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Metropolitan Transportation Authority

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**MAY 18, 2016**

**TO: BOARD OF DIRECTORS**

**THROUGH: PHILLIP A. WASHINGTON** *PAW*  
**CHIEF EXECUTIVE OFFICER**

**FROM: JOSHUA L. SCHANK** *JLS*  
**CHIEF INNOVATION OFFICER**

**SUBJECT: METRO SIGNS EXPO + UBERPOOL PARTNERSHIP**

**ISSUE**

Today, Metro signed a groundbreaking agreement with Uber Technologies, Inc. The agreement creates the 'Expo + UberPOOL' promotional partnership centered around the Grand Opening of the Expo Line Phase II connecting Downtown Los Angeles to Santa Monica. The terms of the agreement represent a new kind of partnership between a Transportation Network Company (TNC e.g. Uber, Lyft, etc.) and a transit agency involving promotional discounts and direct marketing, designed to encourage travelers to use Uber to connect with and ride Metro's new rail service. Not only will the agreement help to further promote the opening of Phase II of the Expo Line and alleviate the challenging parking and access issues with some of the new stations, but it will give Metro valuable information about how our service and those like Uber can complement each other to improve mobility for Angelinos and ease traffic in the County.

**BACKGROUND**

On March 29, 2016 Metro's Office of Extraordinary Innovation (OEI) received an unsolicited proposal (UP) from Uber. During the analysis, the OEI recognized that the broader proposal contained the seeds of a time sensitive opportunity which, after several collaborative iterations, was spun off of the existing UP to become Expo + UberPOOL. The OEI would not have been able to prioritize and act on this opportunity so quickly without the Board's direction and leadership, as well as the dedication and expertise of staff from many departments, including Civil Rights, Community Relations, Marketing, Risk Management, County Counsel, Security, and Rail Strategic Planning.

In January 2016, Motion #44 by Directors Garcetti, Solis, Bonin and Najarian titled **“Technology & Transportation Investments to Improve Customer Service”** provided clear direction to pursue a partnership of this type and the goals intended within it. In addition to highlighting the potential for technology to improve customer service and integrate modes, the motion moved that the CEO “work with transit technology companies to develop connectivity and demand-response systems that integrate with MTA’s fixed-route transit lines to provide first-mile/ last-mile connections in various modes.” Expo + UberPOOL accomplishes this goal, and it does so along a corridor where parking is scarce and notorious congestion is a serious challenge on the nearest freeways. Expo + UberPOOL will help customers establish a connection to transit that makes transit work for them.

In April 2016, a motion by Directors Antonovich and Kuehl titled **“Metro Partnerships with Rideshare/Ridesourcing Services”** directed the CEO to “return to the Board within 120 days with a comprehensive plan that identifies strategies to develop effective partnerships with ridesource companies. This plan will also include an identification of obstacles in partnering with these companies, strategies to overcome these obstacles, and a review of benefit to the public as a result of partnering with these companies.” This motion provided timely support and vision that proved critical in realizing this opportunity, and in keeping the broader strategic vision of what these services can offer and how best to maximize them in mind. Through Expo + UberPOOL, Metro has already learned, and will continue to learn, lessons that will inform future efforts. Expo + UberPOOL will provide a foundation to continue to develop effective partnerships.

## **DISCUSSION**

Expo + UberPOOL is the first formal collaboration between Metro and a TNC, made possible by a number of critical Board actions framing partnerships with TNCs as an opportunity to enhance the customer experience and provide greater mobility for Los Angeles County.

Through this two week exclusive cross promotional partnership Metro has agreed to:

1. Facilitate pick up and drop off of riders at Metro’s new Expo Line stations and existing Culver City station with strategically and tactically placed wayfinding materials.
2. Promote the UberPOOL option for Metro customers through traditional and digital media channels, including promotional signs at each station.
3. Develop and share lessons learned in analyzing the impact of the partnership.

Uber has agreed to:

1. Provide ride discounts of \$15 for new riders and \$5 for all other riders on UberPOOL trips that begin or end at Metro's new Expo stations and the existing Culver City station.
2. Promote newly available Metro Expo Line services to UberPOOL customers through the Uber application and traditional and digital media channels.
3. Develop and share lessons learned in analyzing the impact of the partnership.

Forged in less than six weeks, this agreement offers significant benefits to Metro. Uber launched in Los Angeles 4 years ago. Today, more than 100,000 people take UberPOOL every week in Los Angeles, with 14% of those trips starting or ending near a Metro station. UberPOOL allows users to share a ride and share the cost. Its shared use technology, which aligns routes and sequences pickups and drop offs dynamically, poses significant benefits to transit and the environment. It allows for more efficient use of roads, vehicles and gasoline. It also replaces trips that would normally require parking—a huge benefit to the Westside, all while helping to introduce a new set of potential customers to Metro.

A recent American Public Transportation Association (APTA) report, "Shared Mobility and the Transformation of Public Transit" found that shared modes complement public transit, and that the more people use shared modes, the more likely they are to use public transit, own fewer cars, and spend less on transportation overall. In light of the rapid growth of shared mode options and customer adoption, the report suggested that public entities engage with shared modes to ensure that benefits are widely and equitably shared.

Despite this, transit agencies nationwide have struggled to develop meaningful partnerships with TNCs. This partnership proves it can be done, and that our services can be integrated in a way that provides the mutual benefit identified in the APTA report. Though brief, this partnership lays the groundwork for longer and more significant collaboration, including through Unsolicited Proposals currently under review from several similar transportation technology companies.

## **NEXT STEPS**

After the promotion period, Metro staff will convene to debrief and analyze the key findings. These lessons learned will be applied to future pursuits.

Metro will also report back to the Board in August, per the above referenced motion by Directors Antonovich and Kuehl, with a comprehensive plan that identifies strategies to develop effective partnerships with ridesource companies. Expo + UberPOOL will serve as an experience based case study in this report.

## **ATTACHMENTS**

1. Motion: Item 44: Technology & Transportation Investments to Improve Customer Service, Increase Ridership and Further MTA's Goals to Ease Congestion, Clean our Air and Keep Our Economy Moving
2. Motion: Metro Partnerships with Rideshare/Ridesourcing Services



## Board Report

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**File #:**2016-0086, **File Type:**Motion / Motion  
Response

**Agenda Number:**

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**REGULAR BOARD MEETING  
January 28, 2016**

**Motion by:**

**MAYOR ERIC GARCETTI, SUPERVISOR HILDA SOLIS,  
DIRECTOR MIKE BONIN & DIRECTOR ARA NAJARIAN**

January 28, 2016

**Item #44; File ID 2015-1783  
Technology & Transportation Investments to Improve Customer Service**

The quality of the customer experience is directly relevant to how attractive the MTA system is to potential riders, and more riders translates into the furthering of MTA's goals of easing congestion, cleaning our air and keeping our economy moving.

Technological sophistication is expected by today's customers within all economic and demographic strata.

A majority of people across all economic and demographic strata carry cellular and/or internet enabled devices on their person.

People want to be constantly connected to cellular and Internet service, especially when traveling.

Transportation information applications are among the most downloaded smart-phone programs.

Technology has the potential to improve customer service, "first-mile, last mile" connections by linking the transit system with car sharing, taxi, bike and other modes of transportation; provide real-time bus and train timetables; streamline transfers; and more.

As MTA proceeds with its unprecedented expansion of Los Angeles County's transportation network, it is essential that these investments are complemented by the best possible technology.

**MOTION by Garcetti, Solis, Bonin, Najarian that the Board direct the CEO to:**

- A. Prioritize and accelerate the **full** installation of cellular and Wi-Fi infrastructure and service in MTA tunnels, underground stations, and provide a status report on the execution of agreements with cellular service providers, with the goal of a system with no "dead zones" for cellular and

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internet users.

- B. Begin the development of a next-generation Transit Access Pass (“TAP”) for customer payment of non-MTA services, including but not limited to Metrolink, taxicabs, ride-hailing companies, bikeshare, parking garages, etc.
- C. Identify existing transit applications that do not use real-time MTA data and explore the feasibility of sharing real-time data to enhance the user experience.
- D. Work with transit technology companies to develop connectivity and demand-response systems that integrate with MTA’s fixed-route transit lines to provide first-mile/last-mile connections in various modes.
- E. Improve real-time arrival service information, including, but not limited to:
  - 1. Set a goal of repairing faulty displays within 24 hours of failure
  - 2. Ensure consistency between countdown clocks displays at each rail station
  - 3. Create true real-time feeds of bus and rail arrival times rather than the current practice of information feeds at set intervals.
  - 4. Work with Metrolink and Amtrak to install real-time arrival information at regional rail stations.
- F. Work with county transit municipal operators to help improve bus speeds at key corridors where traffic signal priority technology exists.
- G. Identify and utilize technology to better align arrivals and departures of different lines to streamline transfers.
- H. Report back on all the above during the April 2016 MTA Board cycle.



## Board Report

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File #:2016-0375, File Type:Motion / Motion  
Response

Agenda Number:45

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**REVISED**  
**REGULAR BOARD MEETING**  
**APRIL 28, 2016**

**Motion by:**

**DIRECTORS ANTONOVICH AND KUEHL**

April 28, 2016

### **Metro Partnerships with Rideshare/Ridesourcing Services**

A recent American Public Transportation Association (APTA) report, *Shared Mobility and the Transformation of Public Transit* (March 2016), highlighted four key findings regarding the emerging intersection of shared use mobility and public transit.

The key findings are as follows:

- The more people use shared modes, the more likely they are to use public transit, own fewer cars, and spend less on transportation overall
- Shared modes complement public transit, enhancing urban mobility
- Shared modes will continue to grow in significance, and public entities should engage with them to ensure that benefits are widely and equitably shared
- The public sector and private mobility operators are eager to collaborate to improve paratransit using emerging approaches and technology

These findings mirror what is happening in Los Angeles County, as shared use mobility-especially ridesourcing services like Lyft and Uber-has emerged as a first mile/last mile connection to the Metro transit system-notably at Metro Rail stations. According to the APTA report, improving the use of these services will enhance ridership on our rail system and become even more necessary as these services become more prevalent in providing connections to the Metro Rail system.

Furthermore, the need for paratransit services will continue to grow in Los Angeles County, creating a demand for innovative approaches to provide mobility and quality of life for the region's aging demographic.

In light of APTA's study and key findings-and to provide our patrons with more options to access our services with greater efficiency, reliability, and convenience-Metro should develop a comprehensive plan that identifies strategies to develop effective partnerships with ridesource companies, including a review of obstacles to partnering with ridesource companies and strategies to overcome those

obstacles. As a public agency, Metro should also clearly highlight the public benefit achieved by creating these partnerships on behalf of its patrons.

**MOTION by Directors Antonovich and Kuehl** that the Metro Board directs the CEO to return to the Board within 120 days with a comprehensive plan that identifies strategies to develop effective partnerships with ridesource companies. This plan will also include an identification of obstacles in partnering with these companies, strategies to overcome these obstacles, and a review of benefit to the public as a result of partnering with these companies.