



February 1, 1996

Los Angeles County  
Metropolitan  
Transportation  
Authority

TO: Board of Directors

FROM: Ronny Goldsmith 

One Gateway Plaza  
Los Angeles, CA  
90012

SUBJECT: Report on staff plans to develop an integrated regional fare collection system using new smart card/debit card technology

213.922.6000

**ISSUE**

Mailing Address:  
P.O. Box 194  
Los Angeles, CA 90053

An integrated regional fare collection system will require a significant capital investment as well as extensive discussion and decisions regarding:

- a) local and regional fare policies
- b) changes in MTA and service provider structures
- c) agreements between service providers
- d) relationships with third party financial institutions
- e) relationships with customers (rider needs)

**BACKGROUND**

Staff has reviewed alternative fare collection (AFC) models using smart card and debit card technologies and the systems needed to support them. Staff has met with project managers and planners involved in AFC systems in the region and in comparably-sized transit authorities, Federal Transit Administration Technical and Policy Staff, and representatives from financial service providers.

The following procedural steps will be implemented as part of this project:

- a) Identification of an internal working group
- b) Organize a regional advisory group to work with staff and consultants to:
  - assess individual service provider needs with regard to fare structure parameters and data collection
  - evaluate available technologies
  - identify ridership needs
  - identify fare collection costs
  - develop a regional business plan integrated with fare programs
  - develop agreements between users on shared systems
  - define operating agreements and establish system structure
  - develop performance requirements/characteristics for RFP
  - define financial management controls
- c) Implement a limited demonstration project
- d) Proceed with system-wide implementation

### **Preliminary Tasks and Project Schedule**

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|---------------|--|
| February 1996 | <ul style="list-style-type: none"><li>• Organize working group to define internal needs and objectives of new AFC system.</li><li>• Develop work plan and identify cost factors.</li><li>• Design a scope of work for consultant RFP.</li><li>• Organize workshops and discussion groups for staff and potential system users.</li></ul> |
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| July 1996         | <ul style="list-style-type: none"><li>• Organize meetings with transit service providers and form Regional Advisory Group.</li><li>• Evaluate and select consultant to develop business plan and design system models and support structures.</li><li>• Research financing options and participation of private sector.</li><li>• Report on technology comparisons, including costs and appropriateness of alternatives.</li></ul> |
| January 1997      | <ul style="list-style-type: none"><li>• Evaluate models and recommendations presented by consultant.</li><li>• Identify costs and funding issues</li></ul>   |
| July 1997         | <ul style="list-style-type: none"><li>• Proceed with RFP for limited revenue service demonstration.</li><li>• Evaluate program and develop transition plans.</li></ul>   |
| January-July 1998 | <ul style="list-style-type: none"><li>• Proceed with transition to full implementation.</li></ul>  |