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**OPERATIONS COMMITTEE
DECEMBER 4, 2008**

SUBJECT: TRANSIT ACCESS PASS (TAP) & RAIL FARE GATE STATUS

ACTION: RECEIVE AND FILE

RECOMMENDATION:

Receive and file the implementation status of Transit Access Pass (TAP) and the Metro Rail Fare Gate project.

ISSUE

TAP staff was directed to provide a regular status update of project milestones and deployment activities on the Transit Access Pass (TAP®) regional smart card. Also, with the inception of the Metro Rail Fare Gate project, staff was directed to report monthly on the progress of this project. This report serves to fulfill these requests.

DISCUSSION

The most critical activity for TAP Operation is the successful conversion of existing passes and transitioning the cash customer to have the convenience and safety of using TAP. As the Board has seen the progressive implementation of TAP for prepaid pass riders, the final step to convert cash riders to TAP will complete this vision - transforming the region to become seamlessly interoperable using one fare card across all operators and all transit modes. The cash customer today is burdened with having to carry exact change, and on bus boardings, struggles to insert bills and coins to pay fare. They do not have the advantage of protecting their cash with features such as "balance protection" without a TAP card. The final step of introducing TAP to this population of cash riders will achieve full TAP implementation. Cash riders represent 50% of our ridership. The attached TAP Implementation Plan (*Attachment A*) is a compendium of how all prepaid and cash riders will transition to TAP.

TAP Operation is now mobilizing Metro community affairs representatives to assist us in outreach efforts to inform the public and provide necessary information to assist customers in this conversion. To that end, the Marketing Department will be providing additional material as they described in their presentation to the Operations Committee in September 2008. More collateral information and public outreach is necessary to ensure the public is properly informed and prepared for this change. We have been working with the Communications staff and TAP Operation developed the TAP Implementation Plan precisely for this purpose to guide and assist the Marketing Department to develop essential information to assist our riders to transition to a fully TAP-enabled fare collection system.

A collaborated, integrated roll-out campaign to assist Seniors, Disabled and student riders is critical. Moreover the cash customer who will be buying Day Passes on TAP cards will be the key to the successful roll-out of the TAP program as the Board envisioned.

Conversion of the cash rider is particularly critical now as we prepare for the installation of rail fare gates. Cash riders will need some form of TAP fare media to get into and out of Metro's Red Line and Green Line, plus other strategic light rail stations within the next 12 months. Therefore, it is a key factor in the TAP implementation process.

In October, there were two Board motions which reference TAP; the Fasana Motion on Day Pass Fraud, and the Antonovich Motion on Transit Security. We will address the referenced TAP items in the broader context of the Strategic Business Unit Chiefs responsible for providing a comprehensive all-inclusive response to the Board on both of these motions.

The day to day operation of the TAP Operation department is summarized below and available in detail in *Attachment B*.

There are seven key areas related to regional TAP implementation that are detailed in the attached TAP Operation Monthly Report:

1. TAP Implementation Schedules
2. TAP Usage Data
3. TAP Fare Enforcement
4. TAP Sales Activity
5. Municipal Operator and Metrolink Update
6. Regional TAP Service Center Update
7. Gating Project Update

In the future, Visa-TAP status will also be included as activities ramp up with this program approved at the October 2008 Board meeting.

1. Status of Implementation Schedules

Four implementation schedules provide detailed timelines for transition to the TAP regional smart card based fare system. The attached TAP Operation monthly report provides high level schedules of the Regional Computer and Municipal Operator Schedule, Retail Third Party Merchants' Sales Device Installation Schedule, Metro's TAP Fare Products Rollout Schedule, and Metro Rail Gating Schedule. Detailed implementation schedules are shown in TAP Implementation Schedule (*Attachment A*) and TAP Operation monthly report (*Attachment B*). A summary of current activities is shown below:

1.a. Cubic's Regional Computer & Municipal Operator Schedule

- Migration of our data to the regional central computer was completed in August.
- TAP staff initiated extensive testing to validate the transferred data and the processing of current data by the regional central computer.
- In November, two Municipal Operators, Culver CityBus and Santa Clarita, will migrate their live data to achieve "interoperability" on the regional computer.
- A settling period will allow for continued validation before subsequent Municipal Operators (Munis) begin integration on the regional "back office" system.

1.b. Third Party Vendor Sales Device Installation Schedule

- A total of 160 out of approximately 450 pass sales locations completed conversion to sell passes on TAP cards.
- Another 50 – 75 retail outlets are transitioning to sell TAP passes in late October.
- The conversion of monthly/weekly pass sales is scheduled to be complete by December; however, a small number of vendors may roll over to January if they fail to resolve phone line access to install the sales device.

1.c. Metro's TAP Roll-Out Schedule

- Plans for conversion of reduced fare riders (Seniors, Los Angeles County Transit Operators Association ((LACTOA/Disabled), Students) are as described in Attachment A.
- Newly qualifying reduced fare riders will convert to TAP in January 2009, and all pre-existing reduced fare pass holders will convert during the following four to six months.
- This critical campaign will need to be completed before the installation of pilot rail gates starting in June 2009.

1.d. Metro Rail Gating Schedule

- Design requirement work and technical specification development is continuing with Booz Allen Hamilton providing technical oversight.
- Metro Red, Blue, Gold, and Green Line station surveys are complete, and Gold Line Eastside Extension station drawings are under review.
- Development is underway for the Eastside Extension underground stations at Soto and Mariachi to install the first gates in time for Revenue Operation.
- Civil Work including development of the “concept of operations” for the Closed Circuit Television (CCTV) and public telephones to assist patrons at gates is under development with Rail Operations, Metro Security, and Revenue. A procurement for the CCTV equipment will be initiated in the coming months.
- The Antonovich motion with reference to TAP implementation in the context of gating installation will be addressed with Transit Operations’ efforts to present a comprehensive transit security update.

1. TAP Usage Data

A critical performance indicator of TAP reliability is monitoring the use of TAP cards in Metro’s bus and rail system. From October 2007 to September 2008, more than 11.9 million TAPs have been recorded systemwide on Metro’s bus and rail service by over 50,000 active TAP card holders. *Please see Attachment B, Page 11 - 22.*

The most significant milestones are noted below:

- More than 3.5 million “taps” were recorded in September, which is the highest usage to date.
- The Monthly pass “taps” increased from 947,174 (August) to 1,223,740 (September).
- The Weekly pass “taps” increased from 1.3 million (August) to 1.8 million (September).
- TAP activity continued to be highest for Metro Bus with 3.2 million “taps”. For Metro Rail, the total number of “taps” was 372,872 with 51% occurring on the Red/Purple line.
- TAP boardings as a share of total ridership increased from 6.6% (August) to 8.64% (September).

As more retail merchant pass sales locations are converted from paper to TAP sales in the San Gabriel Valley and Westside in the months of September and October 2008, there will continue to be an increase in the total “taps” captured on the Metro bus and rail systems.

3. TAP Fare Enforcement (*Attachment B, Pages 24 – 26*)

Fare enforcement with TAP cards is achieved by the use of Hand Held Validators (HHV) on Metro Rail. Until rail gates are installed, the “proof of payment” policy requires either visual inspection for paper “flash” passes, or for fare inspectors to carry and use HHVs when inspecting the validity of TAP cards.

The most significant issues regarding TAP fare enforcement are noted below:

- The number of TAP cards inspected increased from 791 (August) to 1,037 (September).
- Valid card reads were only 34%, which indicates that customers may need more information on the requirement to TAP their cards on Stand Alone Validators before accessing rail lines and fare inspectors may need more training on operating the HHV's.

TAP Operation staff will continue to monitor and work with Transit Operations on improving the classification of cash fares and visually inspected paper passes. With the growing penetration of smart card sales within all bus sectors of the county, the ultimate goal is to reduce the reliance for bus operator initiated manual classification of fares and paper passes.

4. TAP Sales Activity (*Attachment B, Page 28 – 45*)

Currently TAP cards are sold to the general public for two pass types – adult Metro Monthly and Weekly passes. The locations selling “regular fare” monthly and weekly passes has increased from 121 to 160 outlets in the Downtown, Wilshire, San Fernando Valley, and San Gabriel Valley regions during the August to September period. By end of November, there will be close to 300 outlets selling TAP which will include Westside and Gateway regions of Los Angeles County. The remaining outlets will be converted over December

The most significant issues regarding TAP sales activity are noted below:

- A total of 39 merchant vendors converted to selling TAP passes in the San Gabriel Valley (along with some stragglers from former regions) in late September for October monthly and weekly passes.
- Conversion of 50 - 75 additional merchant vendors is scheduled for October and another 70 - 80 merchant vendors are scheduled for November in the Westside and Gateway regions.
- TAP monthly pass sales increased from 13,742 (August) to 18,158 (September).
- TAP weekly pass sales increased from a high of 15,778 to 21,980 during the 3rd week of September, with total weekly pass sales of 84,535 in September.
- Sales of monthly TAP passes from Metro Ticket Vending Machines increased by 31% in September.

As a TAP fare product, A-TAP and B-TAP continue to be a popular and growing segment of Metro bus and rail riders, numbering over 10,712 active card holders year-to-date in 2008.

5. Municipal Operator and Metrolink Update

With integration of the Regional Central Data Computer System (RCDCS), we will begin the migration of Santa Clarita and Culver City systems onto the RCDCS in November. The preliminary stages for conversion of other municipal operators to TAP is currently underway. Due to municipal operator requests for technical support, TAP Operation will be recommending technical oversight from Booz Allen Hamilton on behalf of the municipal operators and local transit system subcommittee (LTSS) operators in October 2009. The following is the status of current, significant Metrolink and Municipal Operator TAP transition activities:

- **Metrolink** – In August, the Metrolink Board approved proceeding with fare strategies development for TAP implementation. A Memorandum of Understanding (MOU) is currently in development between Metrolink and us. A recommendation for Booz Allen Hamilton consultant oversight services will be presented to our Board once an MOU has been developed. This month, our meeting with Metrolink resulted in discussions that offer potential fare policy solutions that work around achieving technical integration on their proprietary ticketing system. Such possibilities include changes to transfer agreements on certain Metrolink ticket types and using TAP with other Metrolink passes so that transfers are loaded for use on regional bus and rail systems but are not sold from the Metrolink vending machines. This would eliminate physical changes to their equipment until their policies affecting regional connectivity could first be developed with other touching counties. Currently, OCTA is in the process of completing a Fare Technology Feasibility Study, and in part would provide opportunities to explore how they and the entire Southern California region would achieve regional connectivity.
- **Culver City Bus** - Culver City Bus was the first Municipal Operator to “cut over” their system to full TAP functionality earlier this year. In November, Culver City Bus data will migrate from the Metro Central Computer to the Regional Central Computer system. Interagency transfers now on paper are a concern. Discussions for limited use paper smart cards are ongoing.
- **Santa Clarita** - Santa Clarita completed their fare box installation and began cash revenue operation in August 2007. In November, Santa Clarita data will migrate to the RCDCS, and TAP functionality will be added to their fare options in subsequent months.
- **LADOT** – LADOT and TAP Operation are working with Metro Capital Planning Department to ensure funding requests are submitted for additional equipment requirements.
- **Norwalk Transit** – A kick off meeting occurred in early September to begin the process of transitioning Norwalk Transit to TAP in January 2009. Bi-weekly meetings are scheduled to discuss implementation tasks for migration to TAP.
- **Montebello Bus Lines** – TAP Operation staff has met with Montebello to discuss their new fare structure and to develop strategies for transition of TAP in early 2009. Staff turn-over has caused Montebello to defer immediate TAP implementation until they complete their organizational restructuring.
- **Foothill Transit** - TAP Operation staff has met with Foothill to identify and resolve issues related to transition of TAP in early 2009. Bi-weekly meetings are scheduled to discuss implementation tasks for migration to TAP. On November 23, Foothill will conduct a Board Workshop to discuss their conversion and implementation plan. Metro staff will participate in this Workshop.
- **Gardena Municipal Bus Lines** - TAP Operation staff has met with Gardena Municipal Bus Lines to begin planning for transition of TAP in early 2009.
- **Torrance Transit** - TAP Operation staff has met with Torrance Transit to begin planning for transition of TAP in early 2009. Additional planning meetings are anticipated to review existing fare policies.

6. Regional TAP Service Center Status (*Attachment B, Pages 53 – 56*)

Since 2007, the TAP service center has been supporting TAP customers using I-TAP, A/B-TAP, TAP card holders with Metro monthly/weekly passes and third party retail merchant locations. The deployment of the 1.866.TAPTOGO number and TAPTOGO.net website has also facilitated customers seeking assistance to register for “balance protection” for lost or stolen cards. A summary of calls to the call center from cardholders is shown below:

- The preponderance of calls (46%) continue to be for cardholders seeking assistance with user questions to better understand TAP fare rules and fare policies.
- Balance protection inquiries accounted for 34% of calls.
- Cardholder comments accounted for 5% of calls, and primarily revolved around patron and operator familiarity with the program.

Bus car cards, rail advertising inserts, “Take Ones”, and other marketing campaigns will assist customers; however, calls are expected to increase with continued TAP expansion then decrease as marketing efforts train customers on use of the new system.

7. Metro Rail Gating Status (*Attachment B, Schedule - page 9 and Detail - page 58*)

The gating project is divided into four separate and inter-connected teams. The details on the status of each of the teams is shown below:

Team 1 – Technical Integration

- System testing of the RCDCS is underway.
- Conditional approval of the gating functional requirements has been achieved.
- Metrolink gating discussions are still in process (see above).

Team 2a. Civil Work Cubic

- Phase I schedule for sequence of work activities in under development.
- Staff will be meeting with Cubic to finalize and approve their submittals by the end of December 2008.

Team 2b. Civil Work Metro

- Exit Calculations study by Booz Allen Hamilton consultants is complete.
- Contractor sample station layout drawings have been reviewed and comments provided.
- Patronage figures for Metro Red, Green, Blue, and Gold lines have been updated.
- Development of the gating model to predict passenger queuing at turnstiles in ongoing.
- NPF 130 and issues related to Fire Life Safety are under discussion
- A draft Concept of Operations has been completed for CCTV, PTEL, PA, and SCADA.

Team 3. Maintenance

- Cubic’s proposed maintenance plan and a new service agreement have been submitted and review meetings are scheduled.
- An entirely new master service agreement is under development that will compliment the lease agreement.

Team 4. Lease

- Draft submittal of lease agreement is under review by County Counsel.
- County Counsel has engaged the services of outside counsel to assist staff in completing an entirely new master service agreement which will include the new Gold Line extension and Exposition Line.

NEXT STEPS

- Respond to Fasana and Antonovich motions
- Deploy marketing campaigns to improve public awareness, including websites for Internet/Intranet (Communications has under development);
- Return to Board with Contract Modifications for Metrolink and Municipal Operators to ensure technical oversight assistance by Booz Allen Hamilton
- Develop and issue the RFP for CCTV cameras and public telephones

ATTACHMENT(S)

- A. TAP Fare Implementation Plan
- B. TAP Operation Monthly Report (September 2008)

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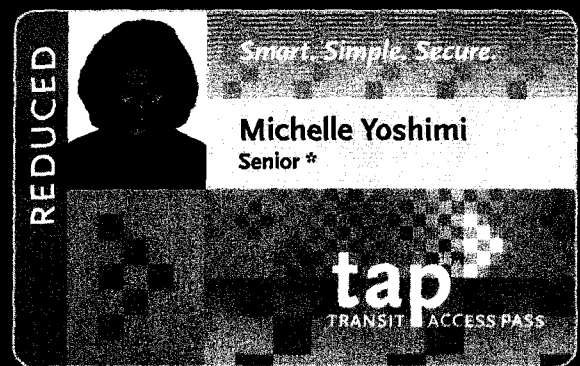
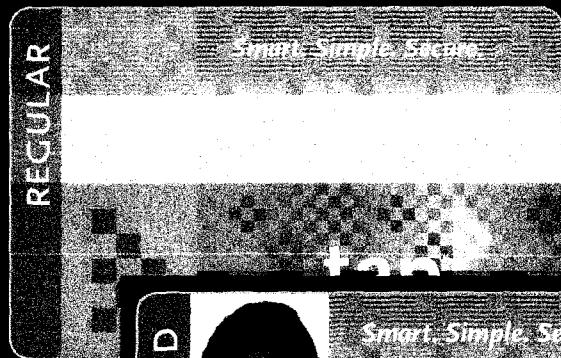


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TAP Fare Implementation



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Senior Monthly Pass

Disabled Monthly Pass

Student Monthly Pass

College / Vocational Monthly Pass

EZ Transit Pass

Bus Base Cash Fare

Day Pass – Bus and Rail

Rail One-Way Cash Ticket

Inter-Agency Transfer – Bus and Rail

Special Programs

- A/B TAP
- County Buy Down
- Immediate Needs Program (paper script)

Appendix – Glossary of Terms & Acronyms
