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**AD HOC CONGESTION PRICING COMMITTEE
APRIL 17, 2013
SYSTEM SAFETY AND OPERATIONS COMMITTEE
APRIL 18, 2013**

**SUBJECT: LA COUNTY CONGESTION REDUCTION DEMONSTRATION
PROGRAM: EXPRESSLANES MONTHLY ACCOUNT MAINTENANCE
FEE UPDATE**

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file this update on the ExpressLanes monthly account maintenance fee for the Los Angeles County Congestion Reduction Demonstration Program.

ISSUE

At the January 2013 Board meeting, Director Yaroslavsky made a motion to eliminate the monthly maintenance fee for the program all together. This report presents additional information to supplement prior information provided to the Board.

DISCUSSION

Every person who opens an account with the Metro ExpressLanes is subject to a \$3 per month account maintenance fee. This fee is agreed to when the person opens the account and agrees to the terms and conditions. The monthly fee can be waived, if the combination of all transponders on an account, total 4 or more one way trips per month, on either the 10 or 110 ExpressLanes. Qualifying trips include those made while carpooling, vanpooling, as a solo driver, or using a registered TAP card on transit that runs along either freeway. In January Director Yaroslavsky brought forth a motion to eliminate the \$3 fee in its entirety stating that it was a barrier to entry for those occasional users of the ExpressLanes.

Since the introduction of the motion at the December 2012 Board meeting, the motion has continued to be carried over and has been amended along the way. At the January meeting the motion was revised to state that the monthly maintenance fee be waived for 6 months for all participants who either work or reside in Los Angeles County and that staff is to continue to gather and analyze data and provide the Board with quarterly

updates. Director Fasana amended the motion to terminate accounts after 6 months of non-use. Since the January meeting, the Board has asked for supplemental data analysis for the ExpressLanes monthly account maintenance fee.

Below are responses to questions raised by the Board:

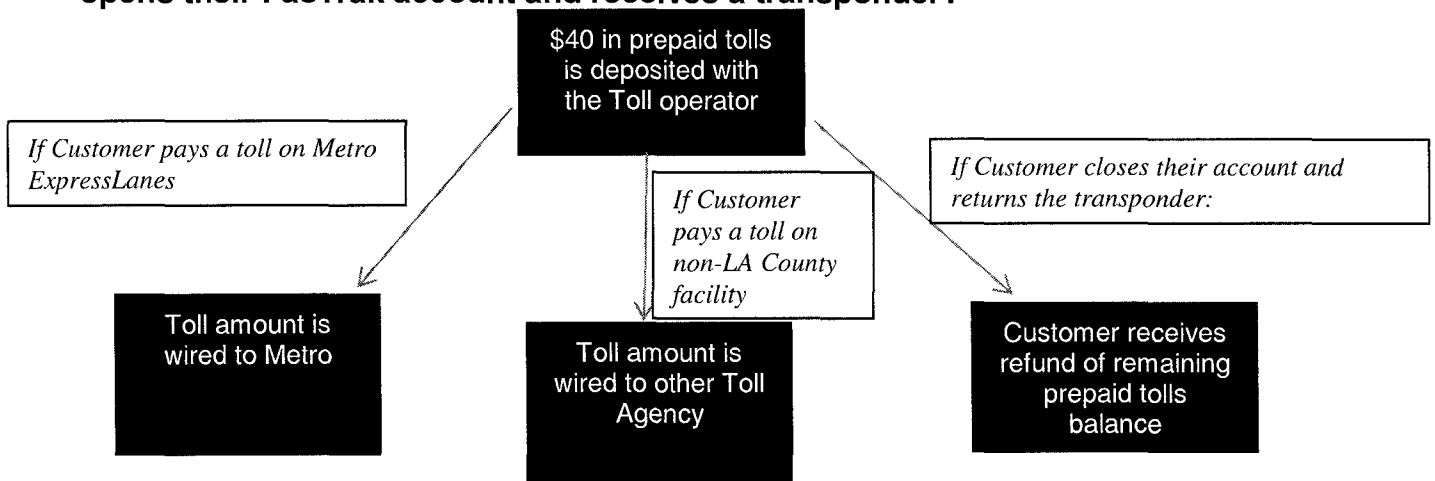
1. What is the amount of interest earned on the \$40 prepaid toll balance?

The amount of interest earned from July 2012 through March 2013 is \$2,367.48.
The interest rate is 0.2% per annum.

2. What is the gross toll revenue to date (in 000s)?

Nov '12	Dec '12	Jan '13	Feb '13	Mar '13	Total
\$526	\$783	\$945	\$987	\$1,294	\$4,535

3. What happens to the \$40 prepaid toll balance received when the customer opens their FasTrak account and receives a transponder?



4. What is the percent and number of frequent and infrequent users by account?

Usage by Account	Nov '12*	%	Dec '12	%	Jan '13	%	Feb '13	%	Mar '13	%
Frequent: Trips >=4	21,267	55%	31,803	56%	37,386	54%	45,788	53%	64,765	60%
Infrequent: Trips <4	12,517	32%	13,093	23%	15,763	23%	21,911	25%	23,293	22%
Infrequent: No Usage	5,129	13%	12,142	21%	16,117	23%	19,478	22%	19,863	18%
Total	38,913	100%	57,038	100%	69,266	100%	87,177	100%	107,921	100%

*covers the period November 10, 2012 – November 30, 2012

Since November we saw a 5% growth in accounts that had made more than 4 trips during the month. Therefore, the infrequent user percentage as whole has decreased by 5% to 40%. However, despite the growth of account openings, the ratio of no usage accounts has increased from 13% in November to 18% in March. The increased ratio of accounts with no usage would seem to signify that the \$3 per month account maintenance fee is not a barrier to people opening accounts.

5. What is the percent and number of frequent and infrequent users (LA County vs non-LA County)?

Frequent Trips >=4	Nov	%	Dec	%	Jan	%	Feb	%	Mar	%
LA County	19,971	94%	29,997	94%	35,125	94%	42,459	93%	59,584	92%
Non- LA County	1,296	6%	1,806	6%	2,261	6%	3,329	7%	5,181	8%
Totals	21,267	100%	31,803	100%	37,386	100%	45,788	100%	64,765	100%

Infrequent Trips <4	Nov	%	Dec	%	Jan	%	Feb	%	Mar	%
LA County	16,704	95%	19,755	78%	14,377	45%	23,000	56%	27,620	64%
Non- LA County	942	5%	5,480	22%	17,503	55%	18,389	44%	15,536	36%
Totals	17,646	100%	25,235	100%	31,880	100%	41,389	100%	43,156	100%

6. What is the number of accounts that have been charged the maintenance fee?

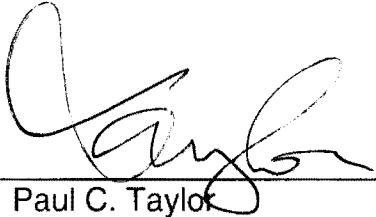
The maintenance fee did not go into effect until February 24, 2013 so the first assessment began on March 24, 2013. Based on preliminary data, as of March 31, 2013 the total number of accounts that were charged the \$3 maintenance fee is 4,725 which represents 4.38% of the total number of accounts.

7. Can Metro establish an account plan for infrequent users?

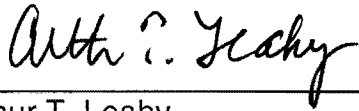
Yes. In addition to a Standard account plan with a monthly account maintenance fee, the 91 Express Lanes offers a “Convenience Plan” for infrequent users. This Plan waives the monthly account maintenance fee but does require a one-time enrollment fee of \$75 per transponder in addition to their \$40 or \$50 pre-paid toll deposit and any transponder deposit (where applicable). Once they are enrolled in this Plan, there is no minimum toll usage required and they are not assessed the monthly account maintenance fee. Approximately 35% of the 91 Express Lane account holders have enrolled in the Convenience Plan.

Given that there is a comparable ratio of non-LA County residents that have minimal use, Metro could elect to establish a similar plan to address the infrequent user or those commuters who anticipate minimal use of the ExpressLanes from outside LA County. Similar to the 91 ExpressLanes, Metro customers who wish to enroll in this Convenience Plan would be required to pay a one-time non-refundable enrollment fee of \$25 in addition to their \$40 or \$50 pre-paid toll deposit and any transponder deposit (where applicable). Once they are enrolled in this Plan, there are no minimum number of trips required and they are not assessed the monthly account maintenance fee.

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