



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

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Los Angeles, CA 90012-2952

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metro.net

**OPERATIONS COMMITTEE  
FEBRUARY 17, 2010**

**SUBJECT: REGIONAL FARE SYSTEM PLAN**

**ACTION: RECEIVE AND FILE REPORT ON REGIONAL FARE SYSTEM PLAN  
(RFSP)**

**RECOMMENDATION**

Receive and file report updating Regional Fare System Plan (RFSP) activities.

**ISSUE**

On November 18, staff brought forward an implementation timeline for a Regional Fare System Plan (RFSP) (attachment A). The intent of the RFSP is to create a seamless regional fare system that may be used cooperatively throughout the region. On December 9, the Board adopted an alternative motion (attachment B) that directed staff to: a) resolve outstanding issues brought forward by LACMOA and b) vet the RFSP with regional transit partners, before bringing the RFSP back to the Board. This report summarizes those actions.

**BACKGROUND**

The infrastructure is now in place to implement a seamless regional fare system. Using TAP as the technology and stored value as the transactional platform, a seamless fare system that enables patrons to conveniently transfer between participating transit providers may be created.

A timeline for migrating to a regional fare system that identifies past achievements and future milestones was developed (below) to serve as an outline for RFSP implementation.

Technology Selection	COMPLETE
System Procurement	COMPLETE
Regional Customer Service	COMPLETE
Maintenance Agreement	COMPLETE

Central Computer	COMPLETE
System Acceptance	COMPLETE
Operating Rules	COMPLETE
Regional Capital Installation	COMPLETE (95%)
Financial Reconciliation of Pilot	Q1 2011
Metro Stored Value	Q2 2011 (IN TESTING)
Routine Financial Settlement	Q2 2011
Anomaly Corrections	Q3 2011
Fare Media Conversion	Q3 2011
System Expansion	Q4 2011
Incremental RFS Conversion	Q1 2012
Transfer Conversion	Q2 2012

Concerns were raised about the plan not being properly vetted with regional partners and that outstanding issues remain with the overall TAP/UFS program. While individual operator issues are addressed by TAP personnel, TAP users meet monthly to address ongoing issues and move implementation forward, and GMs from all local transit operators are briefed monthly on TAP, there is a communications gap with regard to regional implementation of the overall fare system. The gap does not exist due to lack of effort:

In December 2009, staff requested municipal operators provide a list of all TAP issues and committed to resolving issues presented.

Throughout 2010, staff provided monthly TAP briefings at the General Manager's meetings.

In January 2010, a TAP workshop was held with interested General Managers to identify and address outstanding issues.

In February 2010, a TAP users group was created to address and resolve TAP operating and policy issues. The group meets monthly.

In September 2010, LACMOA submitted a letter providing a list of outstanding issues (attachment C).

In October 2010, staff responded to the LACMOA letter (attachment D) and committed to resolving technical issues and working collaboratively to advance a universal fare system.

In October 2010, at the request of Board staff, staff attempted to schedule a joint meeting with TAP personnel, Board staff and LACMOA members.

In December 2010, staff issued a summary of resolutions to the technical issues presented by LACMOA (attachment E)

In January 2011, LACMOA and Board staff met to further identify outstanding issues and discuss the RFSP. A new issues list was created (attachment F). LACMOA members are prioritizing the list at present.

In January 2011, General Managers recommended forming a joint committee to review the RFSP.

In January 2011, staff reviewed the latest issues list and provided responses (attachment G)

January 2011, Director Fasana, in the Board Operations Committee, suggested the Board establish an RFSP subcommittee.

### The Underlying Issue

Staff is confident that all technical issues presented, that are within the scope of the project, can be resolved and that all operating, administrative and policy issues directly related to TAP can be addressed cooperatively. Converting the TAP system into a regional fare system is a greater challenge. The original TAP participants are at various levels of implementation and system integration (see TAP Status Summary: attachment H). Moving those systems from independent to integrated requires a regional will. The proposed RFSP called for 'stored value' to be the common transactional platform used by the region. In this scenario, individual operators could both maintain their local fare structure as well as participate regionally through stored value or regional fare products. Customers would have seamless access to the entire regional system and service providers would have transactions reconciled through the regional computer. The regional computer is already fully operational accounting for over \$150 million in transactions over the past year. Reconciliation of those funds however has yet to take place. Absent clearing and settling rules, service providers today keep whatever revenue is collected regardless of trips taken or other systems used. For a regional fare system to work, there needs to be a regional approach in collecting and reconciling revenue and transactions. This requires sharing exact data.

Currently, local operators self-report transactional data. Using sampling, modeling and farebox key-punch data they project and provide transactional data that is used in calculating transfer agreements, EZ Transit Pass reimbursements and FAP calculations. TAP provides exact transactional data. To reconcile transactions and operate a regional system there has to be an exchange of this data. This is the underlying challenge to a regional approach and the implementation of an RFSP.

## Alternatives

There are multiple alternatives in moving forward:

*Independent Approach* – one approach is for each operator to move forward independently. Modify the system to meet their individual requirements and negotiate independently with other operators on transfer agreements. It does call into question the use of federal and regional funds for the development of independent fare systems and would limit regional transactions to paper transfers and EZ Transit Passes and potentially restrict access to the Metro Rail System.

*Incremental Approach* – another approach is to establish rules among TAP participants and enable service providers to join when they are ready to incrementally grow the regional program. This will create a solid foundation for those already on a common platform but will only delay the longer-term regional issues regarding transfer policy and seamless regional access

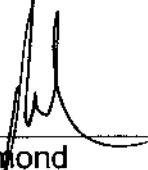
*Regional Approach* – a third approach is to take a comprehensive regional approach and design a regional fare system that all service providers comply with. This may have the greatest impact in the longer term but is much more difficult to achieve.

*Demonstration Project* – a final option is introducing the RFSP as a demonstration project - a three-year commitment from all regional partners to enter into a universal fare system without risk of TAP data impacting revenue streams. Data would still have to be exchanged but risk would be mitigated.

## NEXT STEPS

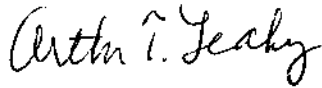
Staff will pursue creation of RFSP committees with its regional partners and the Board. Staff will continue to work with regional partners toward the resolution of technical, administrative, operational and policy issues. Staff will continue to implement the TAP system and report back to the board on a regular basis.

Prepared by: Matt Raymond, Chief Communications Officer



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Matt Raymond  
Chief Communications Officer



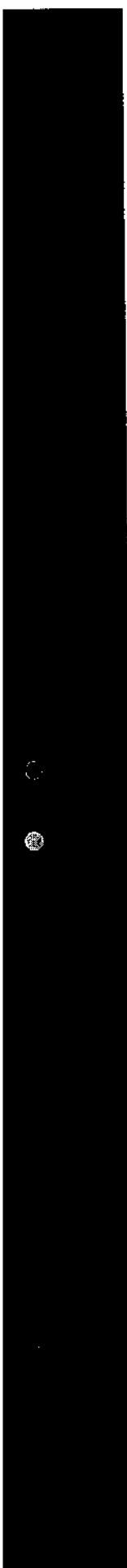
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Arthur T. Leahy  
Chief Executive Officer

# Regional Fare System Plan (RFSP)

Timeline for seamless regional fare structure

**M**

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- **Goal: seamless regional fare system**
  - **Objective: establish implementation timeline**
  - **Strategy: focus on regional policy issues**
  - **Key Issue: inter-agency transfers**
  - **Timeframe: 18-24 months**

# Milestones for Regional Fare System

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- Technology Selection → COMPLETE
- System Procurement → COMPLETE
- Regional Customer Service → COMPLETE
- Maintenance Agreement → COMPLETE
  - Central Computer → COMPLETE
  - System Acceptance → COMPLETE



## Milestones for Regional Fare System

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- System Fully Operational → COMPLETE
- Operating Rules Adopted → COMPLETE
- Regional Capital Installation → 95% COMPLETE
- Financial Reconciliation of Pilot → Q1 2011
- Launch Metro Stored Value → Q2 2011
- Routine Financial Settlement → Q2 2011



Metro

## Milestones for Regional Fare System

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- Correct Policy Anomalies → Q3 2011
- Fare Media Conversion → Q3 2011
  - System Expansion → Q4 2011
- Incremental RFS Conversion → Q1 2012
  - Transfer Conversion → Q2 2012

**DECEMBER 9, 2010  
REGULAR BOARD MEETING**

**MOTION  
BY DIRECTORS DUBOIS, O'CONNOR, NAJARIAN, VILLARAIGOSA**

The intent of the report recommending adopting a schedule for the timely implementation of Regional Fare System Plan (RFSP) is to have the Board adopt certain milestones for implementation.

This Board is committed to the implementation of an RFSP. In order to successfully achieve the goal of a Los Angeles County seamless fare system that enables customers to "conveniently transfer between transit services provided by different operators", outstanding issues articulated in a September 23, 2010 letter from the Los Angeles County Municipal Operators Association (LACMOA) must be addressed and resolved to the satisfaction of all parties.

Additionally, LACMOA members are regional partners in the RFSP and as such should be consulted on the components and timing of the implementation schedule before this Board adopts any timeline.

THEREFORE, we instruct the CEO to:

- A) Return in February of 2011 with the results of a meeting(s) with LACMOA addressing and resolving the outstanding issues and concerns as detailed in the LACMOA matrix and any additional comments prior to bringing the RFSP back to the Board; and Operations Committee
- B) Return with an implementation plan for the RFSP that has been vetted and discussed with the MTA's regional transit partners.



Los Angeles County  
Municipal Operators  
Association

antelope valley transit authority  
beach cities transit  
commerces municipal bus lines  
culver city bus  
foothill transit  
gardenia municipal bus lines  
long beach transit  
los angeles d.o.t.  
montebello bus lines  
norwalk transit system  
santa clara transit  
santa monica's big blue bus  
torrance transit  
arcadia transit  
claremont dial-a-ride  
la mirada transit

September 23, 2010

Arthur T. Leahy  
Chief Executive Officer  
Los Angeles County Metropolitan  
Transportation Authority  
One Gateway Plaza  
Los Angeles, CA 90012

**TRANSIT ACCESS PASS (TAP) PROGRAM**

Dear Mr. Leahy,

The purpose of this letter is to clarify the position of the Los Angeles County Municipal Operators Association (LACMOA) concerning Metro's Transit Access Pass (TAP) program. Recent newspaper articles about the TAP program have indicated that certain municipal operators will not be implementing TAP for their transit services. LACMOA would like to take this opportunity to express its support for the concept of a universal fare system in Los Angeles County as evidenced by almost eight years of participation in the EZ transit pass program. LACMOA members are also willing participants in the TAP program, subject to the resolution of issues and concerns to be discussed in this letter by Metro and its TAP vendor (Cubic). Further, LACMOA requests that Metro and Cubic not require any existing operators that have not currently installed TAP on their buses to do so until these issues are addressed to the mutual satisfaction of LACMOA and Metro.

The municipal transit operators agreed to join the universal fare system program approximately ten years ago based on assurances from Metro that the Metrocard and later TAP would serve as an electronic regional transit pass, or universal fare system, for Los Angeles County. The promise for the TAP program was that it would be able to effectively support the individual fare/pass structure of each transit operator, the countywide EZ transit pass and an electronic "purse" enabling riders to pay fares on the different transit systems in the county without using coins or bills. While all of the municipal operators and other operators in Los Angeles County now accept the countywide paper EZ transit pass, only a small handful of municipal operators have installed TAP on their fleets due to ongoing concerns about the program. A number of municipal operators, including Santa Monica, Long Beach, LADOT and Torrance, are still not part of the TAP program due to these ongoing concerns. Further, several operators that have installed TAP may be reconsidering their decisions due to concerns about

the program. TAP cannot aspire to become the universal countywide fare medium for Los Angeles County unless these concerns are addressed and all of the municipal operators choose to join TAP. In turn, failure to achieve support from all of the municipal operators raises the question whether TAP should continue to be promoted by Metro as the countywide pass for Los Angeles County (as opposed to the universally accepted paper EZ transit pass).

Enclosed is a table that summarizes the current concerns regarding TAP based on the implementation of TAP to-date by selected municipal operators. These concerns are categorized into three categories, including administrative, operational/program and technical concerns, and are listed by operator.

A major concern regarding TAP that is shared by all municipal operators is of the accurate and timely reconciliation of revenues among the participating agencies. This is an aspect of the TAP program that has yet to be fully tested due to the fact that Metro has yet to implement the electronic cash purse and EZ transit pass on the TAP card. Given the shortfall of funding faced by all transit operators in Los Angeles County, no operator can afford to see a further reduction in fare revenues due to implementation of the TAP card and any associated negative impacts on revenues. LACMOA believes that revenue reconciliation to be conducted by the contracted TAP clearinghouse (ACS) is a critical element that needs to be tested and evaluated now before additional operators are required to participate in the program. Therefore, LACMOA is requesting that Metro work with the existing municipal operators involved with TAP to demonstrate the revenue reconciliation process by implementing the cash purse and possibly EZ transit pass on the TAP card.

LACMOA is requesting to meet with you at your convenience to further discuss our concerns. If TAP isn't providing a benefit to all regional customers, it doesn't make sense to switch to something that is sub-par. We look forward to the opportunity to discuss these issues with you. Further, LACMOA is committed to working cooperatively with Metro staff to address these issues.

Sincerely,



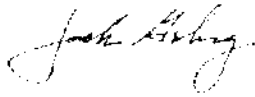
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Randy Floyd  
Antelope Valley Transit Authority



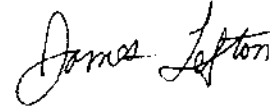
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Art Ida  
Culver City Bus



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Jack Gabig  
Gardena Municipal Bus Line



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James Lefton  
LADOT



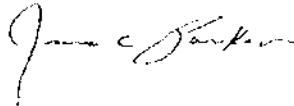
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Larry Jackson  
Long Beach Transit



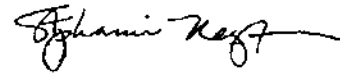
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Aurora Jackson  
Montebello Bus Line



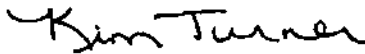
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James Parker  
Norwalk Transit



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Stephanie Negriff  
Santa Monica Big Blue Bus



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Kim Turner  
Torrance Transit

Enclosure

C: Metro Board of Directors  
Paul Taylor, Deputy CEO

## MUNICIPAL AGENCIES CONCERNS REGARDING TAP

AGENCY	ADMINISTRATIVE CONCERNS	OPERATIONAL/PROGRAM CONCERNS	TECHNICAL CONCERNS
<p><b>Culver City Bus</b></p>	<ul style="list-style-type: none"> <li>☐ There needs to be a more extensive marketing campaign to educate passengers on the difference between a TAP pass, and all other Metro produced TAP associated fare media, versus a TAP stored value card to help minimize confusion among TAP customers.</li> <li>☐ When will Metro move forward with testing the clearinghouse?</li> <li>☐ Finalize the business rules.</li> <li>☐ Information, such as upgrades/new features that a TAP agency receives from Cubic should be shared with all of the agencies. This would allow each agency to determine if they would like the new upgrade/feature.</li> <li>☐ All TAP enabled agencies should receive the "Draft Position Summary" report monthly, not just upon request. This report shows what each agency would owe to the region if the clearinghouse was operational. Metro originally promised to send this report automatically; however, we do not receive the report on a consistent basis. Also, by not having this report available to us in a consistent manner, we are unable to consistently reconcile to ensure its accuracy.</li> <li>☐ Metro should inform all TAP enabled agencies of meetings or when TAP related matters are going before the board. On a couple of instances, we were told a day or less than a</li> </ul>	<ul style="list-style-type: none"> <li>☐ Metro Bus Operators are running out of transfers and issuing written notes on courtesy cards. Is Metro limiting the amount of IAT transfers that are produced?</li> <li>☐ Metro to Muni transfers have the language "NOT VALID ON METRO BUS AND METRO RAIL," pre-printed on them. Metro Bus Operators have been instructed to use their punches to punch out the word "not" in order to sell the transfer as a day pass to passengers who do not have a TAP card. When the passengers board our bus with a modified transfer, as a normal practice, our bus operator takes the transfer from the passenger. Without an alternative fare media, the passenger then becomes upset with our operator because they paid Metro for a day pass. Due to our concern with this continual occurrence, we asked Metro staff about their practice. They informed us that their Operators are trained to see these modified transfers as day passes when a passenger does not have a TAP card; however, Metro's staff did not anticipate that passengers would try to use them on muni buses and this issue needs to be resolved.</li> <li>☐ We would like the ability to issue day passes to our passengers. It is not realistic to force passengers to have a TAP card in order to get a day pass. It seems, from the recurrent scenario stated above, this is not working out as planned for Metro.</li> </ul>	<ul style="list-style-type: none"> <li>☐ Passengers should be able to purchase a TAP stored value card through ACS. Therefore, the necessary documentation should be drawn up to this end. There should be an agreed upon check and balance to make certain the monies are being distributed according to sales vs. rides.</li> <li>☐ We would like to have access to our farebox data in order extract information in a more usable format. For example, in order to perform routine analysis on our BruinGo! Program, we would have to pull a report (which will contain a lot of data which is not specific to BruinGo! Program) and we will have to take the extra steps to process the data in order to get the specific data we need. The report system should be flexible enough to accommodate any kind of specific data query we need.</li> </ul>

AGENCY	ADMINISTRATIVE CONCERNS	OPERATIONAL/PROGRAM CONCERNS	TECHNICAL CONCERNS
Culver City - cont.	<p>day before a particular Tap policy was going to be presented to a committee or board. As a regional partner in the TAP system, Culver City feels that it should have adequate advance notice on TAP-related issues and meetings.</p> <ul style="list-style-type: none"> <li>☐ Communication and coordination of new TAP products. When Metro issues a new TAP fare product, they need to make sure all of the TAP stakeholders are adequately notified. This will help in minimizing the confusion among TAP operators and passengers.</li> </ul>		
Montebello Bus Line	<ul style="list-style-type: none"> <li>☐ Cost of printing marketing material for each agency?</li> <li>☐ Direction of TAP program to exclude cash customers who do not have a TAP card?</li> <li>☐ Inter-Agency transfer agreement with agencies not on TAP?</li> <li>☐ The inter-agency made no provisions to replace the inter-agency transfers.</li> <li>☐ To date, Metro still does not issue IAT on the TAP card. Metro does, however, issue paper IAT. In addition, Metro issues a paper IAT as an improvised Day Pass which is confusing MBL operators. MBL operators are trained to tear IAT's which caused confrontation with MBL operators.</li> </ul>	<ul style="list-style-type: none"> <li>☐ Communication, coordination and oversight responsibilities with customer service contractor.</li> <li>☐ Generic TAP logo confuses patrons using multiple transit providers.</li> <li>☐ Metro is not issuing transfers. Also Foothill is not accepting Montebello Transfers?</li> </ul>	<ul style="list-style-type: none"> <li>☐ Will Bus Operators be able to read another agency's media to inform patrons of the product loaded on the TAP Card?</li> <li>☐ Have all issues affecting the central computer been resolved?</li> <li>☐ Revenue loss issues with TAP? Montebello Transit has identified significant loss of passenger revenues resulting from the implementation of TAP. As a result, Montebello is encouraging the sale of tokens and paper day passes to its riders in lieu of TAP cards. Currently, less than 1% of Montebello's riders are using TAP.</li> </ul>



AGENCY	ADMINISTRATIVE CONCERNS	OPERATIONAL/PROGRAM CONCERNS	TECHNICAL CONCERNS
Norwalk Transit	<ul style="list-style-type: none"> <li>Why would it be unreasonable for transit agencies to seek reimbursement from Metro since the fareboxes cannot deduct fare or read fare products on the TAP cards? Metro has collected their revenue and other agencies cannot. Approximately 35-40% of Norwalk's riders are Metro pass holders (translating to "Free Rides"). Still have passengers that board with bad Tap cards, eventually we would like to get reimbursed.</li> </ul>	<ul style="list-style-type: none"> <li>Just wanted to make sure that any service that is offered to one agency is also available for others, keep open communication.</li> <li>While the new TAP/Visa card (as announced today) offers additional convenience to the patrons on the front-end, there is still the issue of reimbursement on the back-end that needs to be addressed for munis. Who's the trusted source to serve as the clearinghouse for those monies?</li> </ul>	<ul style="list-style-type: none"> <li>Norwalk recognizes that future expenses will be borne by the munis (i.e. - software upgrades, fare product updates, etc.) as a reoccurring cost to maintain the system - which is reasonable. Right now the services is part of the "contract", at what point will Cubic/Metro start charging for these services.</li> <li>Norwalk continues to have the issue of unrecoverable fare revenue due to bad TAP cards (we still allow Metro pass holders to get on board for free).</li> </ul>
Los Angeles DOT	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>LADOT's main general concern is that we agreed to join TAP in order to be part of the long discussed countywide pass program. However, currently only six of 16 operators have TAP installed on their buses. It is also our understanding that a number of the current TAP operators have issues with TAP. Meanwhile, the EZ transit pass, which is accepted by all municipal operators, has proven to be a successful alternative to TAP as a countywide pass</li> <li>LADOT remains committed to joining the TAP Program if the collective issues of the municipal operators are adequately addressed by Metro and Cubic.</li> <li>We have noticed problems with users who want to purchase a monthly TAP pass but did not use their TAP card during the</li> </ul>	<ul style="list-style-type: none"> <li>There appears to be a problem with applications for reduced fare TAP cards processed by Metro and ACS. We are seeing large volumes of reduced fare passengers with multiple cards. Many have three or four cards and do not know which one to use. It appears that this sometime occurs when the user requests a replacement card, but some have commented that TAP services sent them additional cards without being requested. This situation is a source of confusion and inconvenience for our customers, and results in delays on the buses.</li> <li>We are seeing problems with users who have pre-loaded cards by Metro and ACS (Cityride, Institutional TAP, University TAP, etc.). There have been a number of examples where the pre-loaded cards were not loaded correctly and one or more</li> </ul>

AGENCY	ADMINISTRATIVE CONCERNS	OPERATIONAL/PROGRAM CONCERNS	TECHNICAL CONCERNS
Los Angeles, DOT - cont		<p>previous month. We have had to instruct individuals to leave the Transit Store and tap their card on a bus or at a train station, then return to the Store to purchase their monthly pass. This is a significant inconvenience to our customers.</p>	<p>months are missing.</p> <ul style="list-style-type: none"> <li>■ Another issue we have observed with pre-loaded TAP card is that if the card is not validated by the user by a certain date (such as the 10th of the month), the monthly pass will not be loaded for that month.</li> <li>■ We have also seen problems with TAP cards being validated/activated on the buses. There may be issues with the data from all buses being uploaded to the central computer/database on a regular and timely (same day) basis. It appears this does not always occur regularly.</li> <li>■ We are experiencing problems with the TAP card devices (CPOS) that load the TAP cards at the Transit Store. During busy times of the month the devices often go down for approximately 45 minutes while the information stored in the devices is uploaded to the main server. This can happen in the middle of a transaction and is a significant inconvenience to our customers.</li> </ul>
Foothill Transit	<ul style="list-style-type: none"> <li>■ Update/Change/Modify Fare Tables: Foothill Transit currently does not have the ability to establish, test and implement changes in Foothill Transit business rules, e.g. fares, transfers, types of fare. This now requires a third party (ACS) to implement these changes. The process and needed forms to change/update fare tables are currently being</li> </ul>	<ul style="list-style-type: none"> <li>■ Proof of Payment (POP): A process/procedure is needed to issue POP receipts. Options for the POP include loading POP on TAP cards, Limited Use Smart Cards. Similarly, the use of paper tear-off transfers needs to be minimized to the greatest extent possible.</li> </ul>	<ul style="list-style-type: none"> <li>■ Hummingbird Report Interface: The report should not list options and/or variables that are not available/applicable to Foothill Transit. Also, several reports have data that is not easily discernable. While these reports may be helpful, without clear descriptions/column headings they are not.</li> </ul>

AGENCY	ADMINISTRATIVE CONCERNS	OPERATIONAL/PROGRAM CONCERNS	TECHNICAL CONCERNS
<p><b>Foothill Transit - cont.</b></p>	<p>prepared/documented. These procedures when completed will be codified in the TAP Regional Business Rules that will include timelines and responsibilities to assure timely and accurate fare changes.</p> <ul style="list-style-type: none"> <li>▪ Notification of software configuration changes: A system is needed to be established giving Foothill Transit the ability to review and approve regional software configuration changes that affect farebox functionality. Written documentation should be provided to Foothill Transit and signed off by senior management prior to implementation of any operational software changes. It is understood that the approval process will be included in the previous item "update/Changes/Modify fare Tables"/jgfkto.khy./.</li> <li>▪ Agency Separation: The elimination of agency separation in the fare collection system removes the ability of each of Foothill Transit's operations contractors to maintain their own data without being able to view and/or modify the other contractor's data.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Electronic TAP transfers: A process is needed to allow for a simplified method of loading transfers on TAP media which are accepted by all TAP agencies. Options include loading transfers on TAP cards, Limited Use Smart Card. Metro will ensure the Regional Business Rules are adopted including enhancements detailing the acceptance of TAP Transfers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Handheld Validators (HHVs)/Mobil Phone Validators (MPV). The implementation of the TAP card eliminated the visual inspection option requiring a card reader (HHV/MPV). Delivery of functional Units, HHV/MPV has been delayed until mid to late October. These units are a necessary element for the implementation of rear door boarding on our express service which was suspended because HHV/MPV were not available (two units were included in original purchase).</li> </ul>
<p><b>Santa Clarita</b></p>	<ul style="list-style-type: none"> <li>▪ The Business Rules need to be finalized and presented to the Muni's for adoption.</li> <li>▪ Without the business rules in place individual operators can not seek reimbursement for passengers using the cash purse option from other operators.</li> <li>▪ This is a critical step in allowing SCT to move forward with the further implementation of the TAP program including on-line loading of the cash purse option or the on-line purchase.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>

AGENCY	ADMINISTRATIVE CONCERNS	OPERATIONAL/PROGRAM CONCERNS	TECHNICAL CONCERNS
AVTA	<p>(through ACS) of monthly passes.</p> <p><input type="checkbox"/> We believe that communication between Metro and the Muni as a whole has not been very good. The staff AVTA has worked with has been excellent and has resolved any issues rapidly. The other muni's have not had the same success and/or attention to their problems. Also, we don't find out if there are changes Metro is making or information from other muni's that would be helpful until after the fact.</p>	<p><input type="checkbox"/> We are concerned that Metro has not turned on the "cash purse" functionality of the TAP system. Cash debit from the TAP card is the real Universal Fare we have been trying to achieve. If Metro doesn't have confidence in the "cash purse" on their system, other systems are having a difficult time committing. AVTA currently vends cash onto the TAP card and Metro accepts it, so this is not an issue at AVTA, other than the fact that other muni's won't sign up which limits the ability of our patrons to transfer to other systems seamlessly.</p> <p><input type="checkbox"/> There are six of sixteen muni's currently TAP enabled. There needs to be a demonstration of the automatic clearinghouse functionality to provide the other muni's with confidence that they will not lose money through the clearing process. Since AVTA has few of these transactions we may be a good test bed for this environment.</p>	<p><input type="checkbox"/> None</p>
AVTA - cont.			
Gardena MBL	<p><input type="checkbox"/> System in place, TAP not accepted. All issues have been resolved at this time.</p>	<p><input type="checkbox"/> None</p>	<p><input type="checkbox"/> None</p>
Long Beach Transit	<p><input type="checkbox"/> Complete implementation of Metro TAP, including cash purse transactions.</p>	<p><input type="checkbox"/> Continuation of extensive GPS ridership data currently provided by LBT's system</p>	<p><input type="checkbox"/> None</p>

AGENCY	ADMINISTRATIVE CONCERNS	OPERATIONAL/PROGRAM CONCERNS	TECHNICAL CONCERNS
	<ul style="list-style-type: none"> <li>■ A satisfactory communication process regarding the rules and procedures for integrating TAP-embedded systems.</li> <li>■ Establishment of a proven and tested clearinghouse functions for reconciliation and revenue reimbursements among regional systems.</li> </ul>	<ul style="list-style-type: none"> <li>■ Incorporation of LBT's successful mag-stripe day pass, and the ability to issue this on the bus</li> <li>■ Incorporation of LBT's various established mag-stripe pass programs, including the CSULB's UPASS, City of Long Beach ID cards, LBT Senior</li> <li>■ Resolution of the IAT issue</li> <li>■ Availability of standalone/flight validators for installation on interested municipal systems.</li> </ul>	
Torrance Transit	<ul style="list-style-type: none"> <li>■ Currently does not have TAP fareboxes but is negotiating with Cubic per contract to install pending resolution of the concerns listed.</li> <li>■ Complete implementation of Metro TAP, including cash purse transactions.</li> <li>■ A satisfactory communication process regarding the rules and procedures for integrating TAP-embedded systems.</li> <li>■ Establishment of a clearinghouse functions for reconciliation and revenue reimbursements among regional systems.</li> <li>■ Development of business rules that will ensure the fair and equitable distribution of fare revenues.</li> </ul>	<ul style="list-style-type: none"> <li>■ Availability of standalone/flight validators for installation on TTS (and select other) municipal systems.</li> <li>■ Resolution of outstanding connectivity issues that allow TAP to be integrated among all participating transit systems.</li> <li>■ Separation of the EZ pass program from the TAP systems until such time all EZ pass participants agree.</li> </ul>	

AGENCY	ADMINISTRATIVE CONCERNS	OPERATIONAL/PROGRAM CONCERNS	TECHNICAL CONCERNS
Santa Monica BBB	<ul style="list-style-type: none"> <li><input type="checkbox"/> Complete implementation of Metro TAP, including cash purse transactions.</li> <li><input type="checkbox"/> A satisfactory communication process regarding the rules and procedures for integrating TAP-embedded systems.</li> <li><input type="checkbox"/> Establishment of a clearinghouse functions for reconciliation and revenue reimbursements among regional systems.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Availability of standalone/light validators for installation on BBB (and select other) municipal systems.</li> <li><input type="checkbox"/> Resolution of outstanding connectivity issues that allow TAP to be integrated among all participating transit systems.</li> </ul>	
Beach Cities Transit	<ul style="list-style-type: none"> <li><input type="checkbox"/> No response</li> </ul>		
Commerce MBL	<ul style="list-style-type: none"> <li><input type="checkbox"/> No response</li> </ul>		
Arcadia Transit	<ul style="list-style-type: none"> <li><input type="checkbox"/> No response</li> </ul>		
Claremont Dial-a-Ride	<ul style="list-style-type: none"> <li><input type="checkbox"/> No response</li> </ul>		
La Mirada Transit	<ul style="list-style-type: none"> <li><input type="checkbox"/> No response</li> </ul>		



Los Angeles County  
Metropolitan Transportation Authority

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Los Angeles, CA 90012-2952

213.922.1000 ext.  
metro.net

# Metro

October 5, 2010

LACMOA  
Los Angeles County  
Municipal Operators Association

Re: TAP Program

Dear LACMOA members:

Thank you for sharing your concerns regarding the TAP program and your continued support for establishing a universal fare system for Los Angeles County. Art asked me to respond and to set up a meeting to address your specific concerns.

UFS (and TAP) was created jointly by Metro and participating municipal operators. It is now fully operational, processing over 15 million transactions and clearing \$9 million in revenue each month. However, no system operates without issue. Below is an initial response to your concerns. We will review the complete list at the meeting with Art.

Regarding TAP performance; in review of LACMOA concerns, it was difficult to identify specific technical or system issues with the TAP program or that would threaten daily revenue collection. Most items raised appeared to be more based in policy, procedure and local customization. Please know that Metro is committed to working with TAP participants to aggressively resolve issues and that participants have access to a direct 24/7 "call in" number to report any specific technical issues.

Regarding TAP participation; while Federal and regional funding was secured as a collective, each signatory agency entered into its own agreement with Cubic and is responsible to meet individual contract obligations. Metro is not party to any individual agreement by and between Cubic and any municipal operator. That being said, Cubic has ensured us that it will continue to work with individual operators to address specific concerns within the scope of each contract and ease transition into the TAP system. To date, six of nine fare systems have been installed by Cubic and accepted by individual operators.

Regarding financial clearing; more than \$50 million TAP sales transactions have been processed through the regional clearing house over the last 3 years with no technical difficulties. If LACMOA members require additional review of the clearing process, we would be more than happy to accommodate such requests. With regard to clearing, the plan is to begin reconciliation of TAP participant accounts in the first quarter of next year followed by the rollout of stored value sales on the Metro system and other willing TAP participants.

Moving forward; in summarizing the issues presented by LACMOA, it appears we should jointly focus on improving communications between us, sharing data and information, finalizing business rules, adopting an acceptable transfer policy and advancing a universally accepted stored value system. Metro is committed to bringing a universal fare system to Los Angeles County and working with all TAP participants to address concerns, resolve issues and move the program forward.

With gating complete and the TAP system fully operational, over the next several months, our focus will be on improving acceptance of TAP. Currently, 50% of Metro customers use TAP and 72% prefer it over paper fare media. Metro will continue to integrate TAP further into new and existing markets. The new paper smart (or limited-use) cards make it possible to create a new K-12 student TAP program; a TAP-enabled EZ Transit Pass that can also be visually inspected; and distribution of TAP Day Passes on buses and TAP tickets from TVMs.

These are challenging times but, together we can work through them to create a regional program that will benefit us and our customers. I will work with Kim and Art to arrange a meeting and provide detail response and discussion to the issues raised.

Thank you again for sharing your concerns,

Regards,

A handwritten signature in black ink, appearing to read 'Matt Raymond', with a long horizontal flourish extending to the right.

Matt Raymond  
Chief Communications Officer

CC: Metro Board of Directors  
Art Leahy, CEO  
Paul Taylor, Deputy CEO





**Metro**

**JANUARY 11, 2011**

**TO: BOARD OF DIRECTORS**

**THROUGH: ARTHUR T. LEAHY** *AL*  
**CHIEF EXECUTIVE OFFICER**

**FROM: MATTHEW RAYMOND** *MR*  
**CHIEF COMMUNICATIONS OFFICER**

**SUBJECT: LACMOA LETTER OF SEPTEMBER 30, 2010**

**ISSUE**

The Los Angeles County Municipal Operators Association (LACMOA) sent a letter dated September 30, 2010 to CEO, Art Leahy and the MTA Board of Directors regarding various items related to the Transit Access Pass (TAP) Program. This report provides a status on actions to resolve the issues raised by LACMOA members.

**DISCUSSION**

In September 2010, staff received correspondence from various LACMOA members outlining their concerns regarding the TAP program. Since that time, Staff has been working with the various Municipal Operators to resolve these items. Attachment A provides an update on the various technical items. Overall, the majority of technical issues have been resolved.

**NEXT STEPS**

Staff will work jointly with participating Municipal Operators to focus on improving communications and reporting the on-going progress of various policy, operational and technical issues at each month's respective Board Committee meetings. We will also support any follow-up meetings with the Board and Board staff as needed.

**ATTACHMENT**

A. Technical Issues Resolution Summary

## Technical Issues Resolution Summary

### CONCERN

### STATUS

#### Culver City

Passengers should be able to purchase a TAP stored value card through ACS; therefore the necessary documentation should be drawn up to this end. There should be an agreed upon check and balance to make certain the monies are being distributed according to sales vs. rides.

**RESOLVED:** ACS can load stored value onto TAP cards. Policy issue as to when.

We would like to have access to our farebox data in order to extract information in a more usable format. For example, in order to perform routine analysis on our BruinGo! Program, we would have to pull a report (which will contain a lot of data which is not specific to BruinGo! Program) and we will have to take the extra steps to process the data in order to get the specific data we need. The report system should be flexible enough to accommodate any kind of specific data query we need.

**RESOLVED:** P120 BruinGo report was created and shared with CC bus. Workshop was conducted at CC.

#### Montebello

Will bus operators be able to read another agency's media to inform patrons of the product loaded on the TAP Card?

**NOT RECOMMENDED:** May encourage confrontations.

Have all issues affecting the central computer been resolved.

**RESOLVED:** Central computer performing to scope.

## Technical Issues Resolution Summary

### CONCERN

### STATUS

#### Montebello(continued)

Revenue loss issues with TAP?  
Montebello Transit has identified significant loss of passenger revenues resulting from the implementation of TAP. As a result, Montebello is encouraging the sale of tokens and paper day passes to its riders in lieu of TAP cards. Currently less than 1% of Montebello's riders are using TAP.

**UNSUBSTANTIATED:** Requires comparative data for analysis.

#### Norwalk

Norwalk recognizes that future expenses will be borne by the munis (i.e. - software upgrades, fare product updates, etc.) as a re-occurring cost to maintain the system - which is reasonable. Right now the services is part of the "contract", at what point will Cubic/Metro start charging for these services?

**RESOLVED:** Local customization and farebox maintenance are the responsibility of each agency.

Norwalk continues to have the issue of unrecoverable fare revenue due to bad TAP cards (we still allow Metro pass holders to get on board for free).

**RESOLUTION:** Can modify Norwalk fareboxes to identify Metro passes. Training of bus operators is required.

## Technical Issues Resolution Summary

### CONCERN

### STATUS

#### LADOT

There appears to be a problem with applications for reduced fare TAP cards processed by Metro and ACS. We are seeing large volumes for reduced fare passengers with multiple cards. Many have three or four cards and do not know which one to use. It appears that this sometime occurs when the user requests a replacement, but some have commented that TAP services sent them additional cards without being requested. This situation is a source of confusion and inconvenience for our customers and results in delays on the buses.

**RESOLVED:** Processing of senior TAP applications and duplicate cards have been addressed by the Regional TAP center. No reported problems at this time.

We are seeing problems with users who have pre-loaded cards by Metro and ACS; (Cityride, Institutional TAP, University TAP, etc.). There have been a number of examples where the pre-loaded cards were not loaded correctly and one or more months are missing.

**RESOLVED:** Addressed by the Regional TAP center. No reported problems at this time.

Another issue we have observed with pre-loaded TAP card is that if the card is not validated by the user by a certain date (such as the 10th of the month), the monthly pass will not be loaded for that month.

**RESOLVED:** Addressed by the Regional TAP center and TAP user education. No reported problems at this time.

We have also seen problems with TAP cards being validated/activated on the buses. There may be issues with the data from all buses being uploaded to the central computer/database on a regular and timely (same day) basis. It appears this does not always occur regularly.

**RESOLVED:** Addressed by the Regional TAP center and adjustments to daily operations by active agencies. No reported problems at this time.

## Technical Issues Resolution Summary

### CONCERN

### STATUS

#### LADOT (continued)

We are experiencing problems with the TAP card devices (CPOS) that load the TAP cards at the Transit Store. During busy times of the month, the devices often go down for approximately 45 minutes while the information stored in the devices is uploaded to the main server. This can happen in the middle of a transaction and is a significant inconvenience to our customers.

**RESOLVED:** Addressed by the Regional TAP center. No reported problems at this time.

#### Foothill Transit

Hummingbird Report Interface: The report should not list options and/or variables that are not available/applicable to Foothill Transit. Also, several reports have data that is not easily discernable. While these reports may be helpful, without clear description/column headings they are not.

**In process:** We will continue to work with the contractor and Foothill for potential local changes and customization.

Handheld Validators (HHVs)/Mobile Phone Validators (MPV). The implementation of the TAP card eliminated the visual inspection option requiring a card reader (HHV/MPV). Delivery of functional units. (HHV/MPV) has been delayed until mid to late October. These units are a necessary element for the implementation of rear door boarding on our express service which was suspended because HHV/MPV were not available (two units were included in original purchase).

**RESOLVED:** Five MPVs were delivered to Foothill on 10/29. Operation manuals and training were provided.

ADMINISTRATIVE CONCERNS	OPERATIONAL PROGRAM CONCERNS	TECHNICAL CONCERNS
<ul style="list-style-type: none"> <li>All reporting should be regional, not MTA internal, this includes everything</li> <li>Finalize the business rules</li> <li>Meetings should be all inclusive, especially relating to Board items</li> <li>Fare media</li> <li>Oversight/Policy control</li> <li>Clearinghouse functionality</li> <li>Whenever possible, Muni independence/Autonomy should be observed</li> <li>Conduct Annual Audit</li> <li>Funding/Reimbursement guidelines/MOU'S</li> <li>Munis need to be reimbursed for MTA TAP cards that do not work and all other valid reimbursement issues</li> <li>ACS: should be Regional Cash</li> <li>Marketing addressing confusion regarding TAP pass vs. stored value card, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Written notes from MTA Operators instead of transfers</li> <li>Transfer issues</li> <li>Ability to issue day passes and other day pass issues</li> <li>Issues with customer service contractor (ACS)</li> <li>Confusing logo</li> <li>Muni transfer acceptance issues</li> <li>Equal Operations for all services</li> <li>Reimbursement (TAP/VISA) not regional program as EZ pass, which was the reason for joining. Can't purchase TAP if not used prior month</li> <li>POP ISSUES</li> <li>Electronic TAP process needed</li> <li>Cash purse function not turned on</li> <li>GPS ridership data</li> <li>Incorporate LBT's mag-stripe passes</li> <li>IAT issues</li> <li>Stand alone/light validations</li> <li>Connectivity issues needing resolution</li> <li>Separation of EZ pass from TAP</li> </ul>	<ul style="list-style-type: none"> <li>TAP eliminated visual inspection need handheld validations</li> <li>TAP cards not validated by certain date will not allow monthly pass loading</li> <li>Uploading data to central computer database not done on regular basis</li> <li>Problems with CPOS loaded at transit store takes 45 minutes to upload</li> <li>MTA/ACS – large volumes of multiple cards</li> <li>Pre-loaded MTA/ACS issues</li> <li>Will operators be able to read all agency media downloaded</li> <li>Central computer issues resolution</li> <li>Revenue loss w/TAP – Munis have identified significant losses</li> <li>Sales vs. rides issues</li> <li>Farebox data sharing</li> </ul>

<p align="center"><b>ADMINISTRATIVE CONCERNS</b></p>	<p align="center"><b>Response</b></p>
<ul style="list-style-type: none"> <li>• All reporting should be regional, not MTA internal, this includes everything</li> <li>• Finalize the business rules</li> <li>• Meetings should be all inclusive, especially relating to Board Items</li> <li>• Fare media</li> <li>• Oversight/Policy control</li> <li>• Clearinghouse functionality</li> <li>• Whenever possible, Muni independence/Autonomy should be observed</li> <li>• Conduct Annual Audit</li> <li>• Funding/Reimbursement guidelines/MOU'S</li> <li>• Munis need to be reimbursed for MTA TAP cards that do not work and all other valid reimbursement issues</li> <li>• ACS: should be Regional Cash</li> <li>• Marketing addressing confusion regarding TAP pass vs. stored value card, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Any TAP data can be reported regionally, or for each operator</li> <li>○ COMPLETE</li> <li>○ Agree</li> <li>○ Plastic TAP and Limited Use in future</li> <li>○ TAP Operating Group advances to Muni GMs</li> <li>○ Financial positions report sent for last 18 months</li> <li>○ Already in TAP basic design</li> <li>○ COMPLETE</li> <li>○ Draft procedures through TAP participants</li> <li>○ Few card malfunctions reported to TAP Service Center</li> <li>○ Can launch now</li> <li>○ Metro stored value sales will address confusion</li> </ul>

OPERATIONAL CONCERNS	Response
<ul style="list-style-type: none"> <li>• Written notes from MTA Operators instead of transfers</li> <li>• Transfer issues</li> <li>• Ability to issue day passes and other day pass issues</li> <li>• Issues with customer service contractor (ACS)</li> <li>• Confusing logo</li> <li>• Muni transfer acceptance issues</li> <li>• Equal Operations for all services</li> <li>• Reimbursement (TAP/VISA) not regional program as EZ pass, which was the reason for joining. Can't purchase TAP if not used prior month</li> <li>• POP ISSUES</li> <li>• Electronic TAP process needed</li> <li>• Cash purse function not turned on</li> <li>• GPS ridership data</li> <li>• Incorporate LBT's mag-stripe passes</li> <li>• IAT issues</li> <li>• Stand alone/light validations</li> <li>• Connectivity issues needing resolution</li> <li>• Separation of EZ pass from TAP</li> </ul>	<ul style="list-style-type: none"> <li>○ Collect base fare</li> <li>○ Implement regional Fare System Policy (FSP)</li> <li>○ At local discretion</li> <li>○ Normal performance metrix in place</li> <li>○ Okay</li> <li>○ Implement regional Fare System Policy (FSP)</li> <li>○ Okay</li> <li>○ TAP/Visa is a pilot funded by Visa. Patrons must validate monthly pass for each use</li> <li>○ POPs issued from TVMs unless gate locked; limited use cards available for bus</li> <li>○ TAP is an electronic process</li> <li>○ Policy decision</li> <li>○ GPS is a "smart bus" function</li> <li>○ An integrated mag stripe system is an option in the existing base contract</li> <li>○ Implement regional Fare System Policy (FSP)</li> <li>○ DCU Available; new validator requires NRE (non-recurring engineering)</li> <li>○ Implement regional Fare System Policy (FSP)</li> <li>○ Currently separate. Policy decision</li> </ul>



<b>TECHNICAL CONCERNS</b>	<b>Response</b>
<ul style="list-style-type: none"> <li>• TAP eliminated visual inspection need handheld validations</li> <li>• TAP cards not validated by certain date will not allow monthly pass loading</li> <li>• Uploading data to central computer database not done on regular basis</li> <li>• Problems with CPOS loaded at transit store takes 45 minutes to upload</li> <li>• MTA/ACS – large volumes of multiple cards</li> <li>• Pre-loaded MTA/ACS issues</li> <li>• Will operators be able to read all agency media downloaded</li> <li>• Central computer issues resolution</li> <li>• Revenue loss w/TAP – Munis have identified significant losses</li> <li>• Sales vs. rides issues</li> <li>• Farebox data sharing</li> </ul>	<ul style="list-style-type: none"> <li>• 300 cell-enabled handhelds available for regional application and use</li> <li>• Monthly pass holders must TAP their card each month</li> <li>• Data is transmitted from bus garages to Central when vehicle is probed</li> <li>• If currently occurring, report to TAP Service Center per established procedures</li> <li>• Please report to TAP Op when occurs</li> <li>• Please report to TAP Op when occurs</li> <li>• Each agency sees their own data</li> <li>• Please report problem to TAP Op</li> <li>• Please explain and submit analysis for review with TAP participants</li> <li>• Sales reports are different from ridership reports and ridership data</li> <li>• Each agency sees their own data</li> </ul>

ATTACHMENT H

# Regional Operator TAP Implementation Status

	Contract with TAP Equipment Supplier	TAP Hardware Installed	TAP Functionality in Use	TAP Stored Value Sold	Paper Passes in use	EZ transit pass (Paper)		Paper Interagency Transfer Operator
						Accepts	Sells <sup>2</sup>	
Antelope Valley	YES	YES	YES	YES	No	Yes	Yes	Yes
Culver City	YES	YES	YES	YES	N/A	Yes	Yes	Yes
Foothill	YES	YES	YES	YES	No	Yes	Yes	Yes
Metro	YES	YES	YES	YES		Yes	Yes	Yes
Montebello	YES	YES	YES	YES		Yes	Yes	Yes
Norwalk	YES	YES	YES	YES	N/A	Yes	Yes	Yes
Santa Clarita	YES	YES	YES	YES	No	Yes	Yes	Yes
ASI		In Process	In Process					
Commerce						Yes		Yes
Gardena	YES	YES				Yes		Yes
LADOT	YES					Yes	Yes	Yes
Long Beach	YES					Yes	Yes	Yes
Metrolink								
Santa Monica						Yes	Yes	Yes
Torrance <sup>3</sup>	YES	In Process				Yes	Yes	Yes