

**Metro**Los Angeles County  
Metropolitan Transportation AuthorityOne Gateway Plaza  
Los Angeles, CA 90012-2952213.922.2000 Tel  
metro.net**AD HOC CONGESTION PRICING COMMITTEE  
May 18, 2011****SUBJECT: METRO EXPRESSLANES FASTRAK® TRANSPONDER  
DISTRIBUTION PLAN****ACTION: APPROVE RECOMMENDATIONS****RECOMMENDATION**

- A. Receive and file the Metro ExpressLanes FasTrak® Transponder Distribution Plan
- B. Authorize the CEO to execute a trade promotional agreement with the Automobile Club of Southern California (AAA) to advertise the Metro ExpressLanes
- C. Authorize the inclusion of retail sales as an element of the Metro ExpressLanes Program in order to increase transponder accessibility.

**ISSUE**

Transponder distribution is a critical element of the Metro ExpressLanes Demonstration Program. Key to the distribution is to ensure availability for commuters through various channels. This report outlines the key distribution channels proposed for the Metro ExpressLanes FasTrak® transponder.

**DISCUSSION**

Commuters will be able to receive a transponder by opening an account online, over the phone, or at walk-in centers. A mobile unit will also be used to attend key events and business functions as an opportunity to allow commuters to open their account. Companies will also be able to establish commercial accounts for fleets and/or their employees. In order to enhance the availability of transponders, staff is recommending the inclusion of a retail sales component to the Metro ExpressLanes Program. Toll agencies such as Orange County Transportation Authority (OCTA) and Bay Area Toll Authority (BATA) have a retail component that allows transponders to be sold at retailers such as Costco and Walgreens. In 2010, 71% of BATA accounts were opened from retail sales, so this is an effective distribution channel.

Further, staff is recommending a non-cash promotional agreement with the Automobile Club of Southern California (AAA). AAA has a strong membership presence in Los

Angeles County with a household penetration of more than 50%. Partnering with Metro to provide advertisement online and in its publications in exchange for promotional discounts to AAA members will greatly increase awareness of the Metro ExpressLanes Program and increase distribution. If approved by the Metro Board, the agreement would be the first in California for AAA.<sup>1</sup> AAA has entered into a similar agreement with the state of Texas for their toll program.

### **FINANCIAL IMPACT**

The promotional agreement with AAA does not require an exchange of cash. AAA will advertise to its customers at no cost to Metro. Metro will provide the discount to AAA members through the promotional marketing budget for Project 210120 at no cost to AAA. The Marketing department has conducted an analysis to determine that the value of the AAA advertising package is greater than the value of the Metro discount.

### **NEXT STEPS**

Upon approval, staff will request the inclusion of the retail element to the Atkinson Contract.

Prepared by: Stephanie Wiggins, Executive Officer, Congestion Reduction Initiative

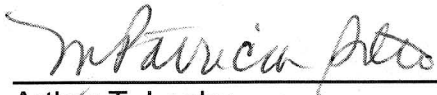
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<sup>1</sup> While OCTA does offer a discount to AAA members for the 91 express lanes, it is not a formal AAA program.



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Douglas R. Failing, P.E.  
Executive Director, Highway Program



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Arthur T. Leahy  
Chief Executive Officer