

AFC 2.0: THE NEXT GENERATION OF MBTA FARE COLLECTION

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Agenda

July 18: Request for Qualification issued
September 22: Statements of Qualification received – robust response

Today: Ensure the FMCB is briefed on policy implications written in RFP

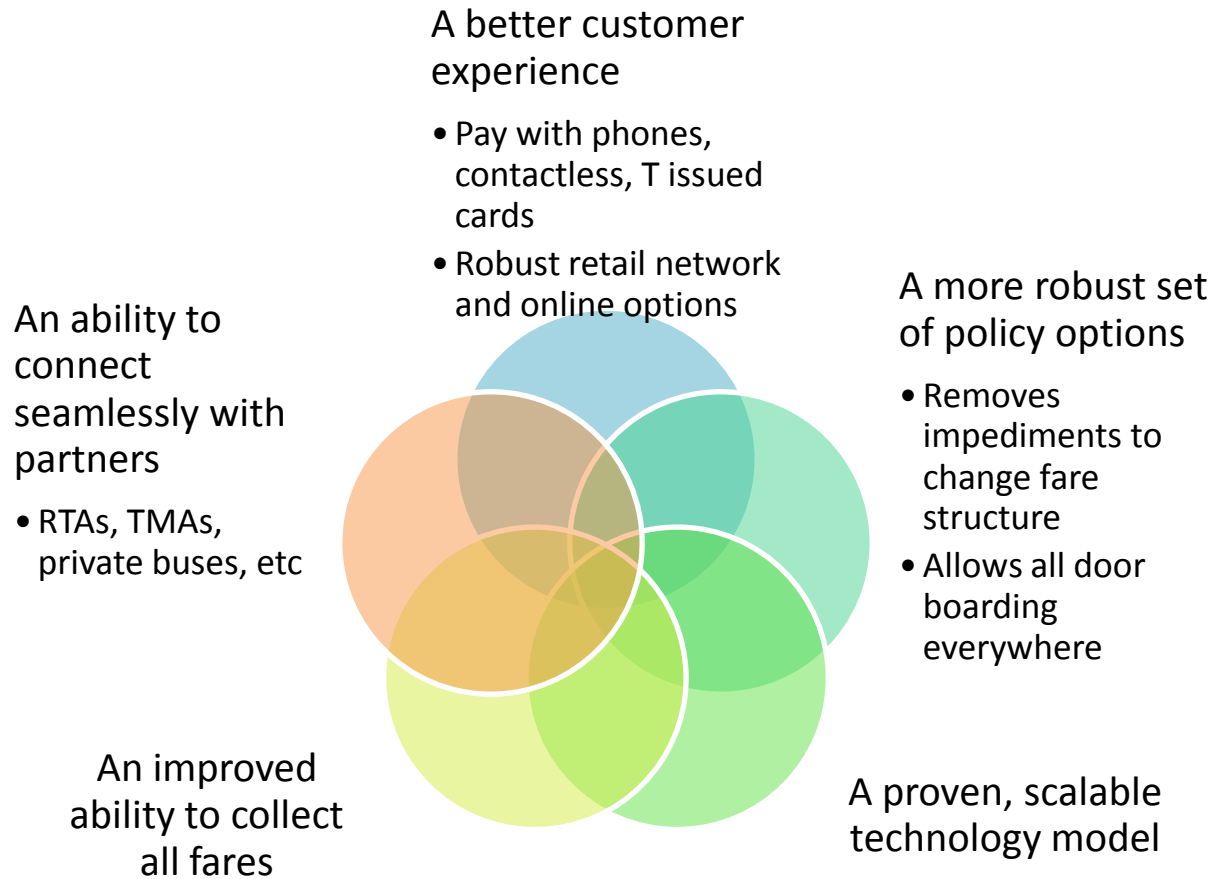
- Recap
- The Rider's Journey on AFC2
- Key policies embedded in RFP

Next:

- Shortlist recommendation
- Schedule and process going forward



What AFC2 Enables



- **Enable a policy, technology, and commercial framework for the next decade plus**
- Align responsibility and accountability through a design-build-finance-operate-maintain model
- Create a superior customer experience for our riders, while controlling MBTA operating costs

A Rider's Journey

Step 1: Obtain Fare Media



Fare Vending Machine



Retail Location



Social Service Agency



Bring Your Own: Contactless Credit & Smartphone

A Rider's Journey

Step 2: Add Value or Pass



Fare Vending Machine



Retail Location



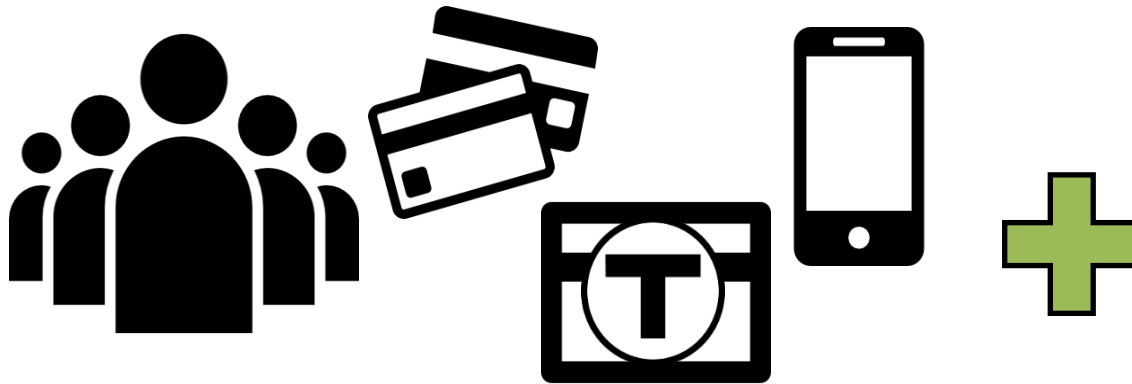
Online or via app



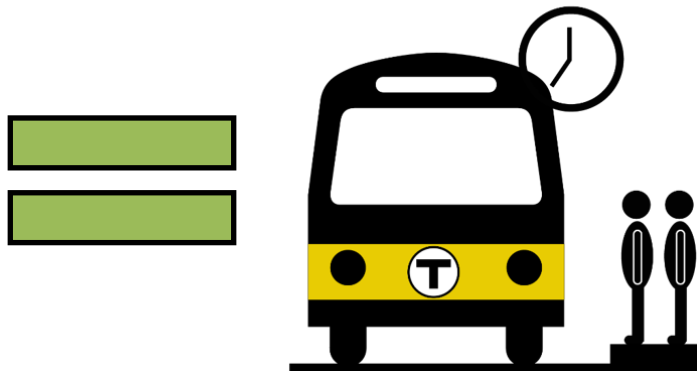
A Rider's Journey

Step 3: Get on Board!

Everyone has fare media




No cash transactions
on board




Boarding through every door
means shorter lines and faster
trips

Key Policies in RFP

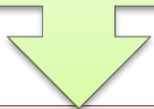
Remove cash from on-board vehicles
while ensuring access for all riders



Enable all-door boarding & proof of payment:
Readers at all doors



Charge for fare media and distribute for free to those in
need



Make investments now to allow future fare policies that
require tap-out

Key Policy 1:

Remove cash from on-board vehicles

Benefits

Challenges

- IN RFP: Remove fareboxes from all buses and Green Line vehicles
- 3.8% current cash payment on board
- 3.3% current Charlie reload on board
- 93% of all riders currently encounter a FVM weekly
- London cashless since 2014
- Standard will require 95% of journeys to start or end at payment location
- Outreach underway to local stakeholder groups

Lowers MBTA cash handling costs

Allows all-door boarding

Reduces dwell time and improves travel speeds

Requires affirmative effort to ensure access

- Peer and equity review completed
- Address through new vending locations and retail network



If OK, move to policy 2

Key Policy 2: Enable all-door boarding & proof of payment

Benefits

Challenges

- IN RFP: Install readers at all doors
- Both San Francisco and NYC do this now
- NYC evasion rates dropped from 6.7% to 4.2%
- NYC installed significant off board infrastructure, driving up costs
- San Fran inspects ~2% of all riders, and issues citations to 2.6% of those
- 40-50 inspectors in SFMTA, preliminary studies suggest similar magnitude here

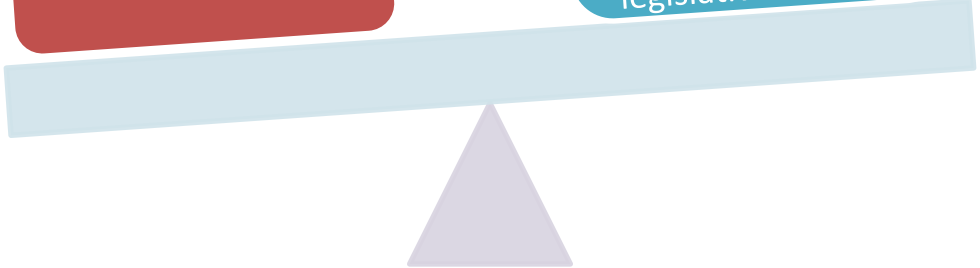
Similar to most peers

Improves travel speeds

Reduces dwell time

Requires enforcement

- Internal working group to address legislative needs



If OK, move to policy 3

21 of the 25 largest US transit properties that use smartcards charge for a card



CHICAGO



\$5 Card Fee

PHILADELPHIA (SEPTA)



\$4.95 Card Fee

Key Policy 3: Charge for fare media and distribute for free to those in need

Benefits

Challenges

- IN RFP: Fixed cost pricing from vendor
- MBTA has issued ~18 Million cards in 10 years
- Cards will cost \$2-3 to produce
- 21 of the 25 largest US transit agencies with smartcards charge
- “One more trip” overdraft: If a user has a card they can use it to access a bus immediately, and at anytime so long as they have a positive balance
- Free cards provided through social service agencies and senior/youth centers
- Partners will be accountable for distribution

Creates an incentive to hold on to the card

“One more trip” overdraft protection enabled

Don't leave any rider behind

\$5 card charge can be barrier to access

- Provide free cards through our partners



Key Policy 4: Make investments to allow future fare policies that require tap-out

Benefits

Challenges

IN RFP: Readers on the inside of all gates

No sharing of fare media between people on a single trip

Media distribution to be focused on unconnected and unbanked

Don't reinvent the wheel: replicate policies in place in other tap out systems

Small add on now; harder in the future

Freedom for future fare policies that require tap-out

Significant improvement to data and planning

Every individual 12 and over must have own media

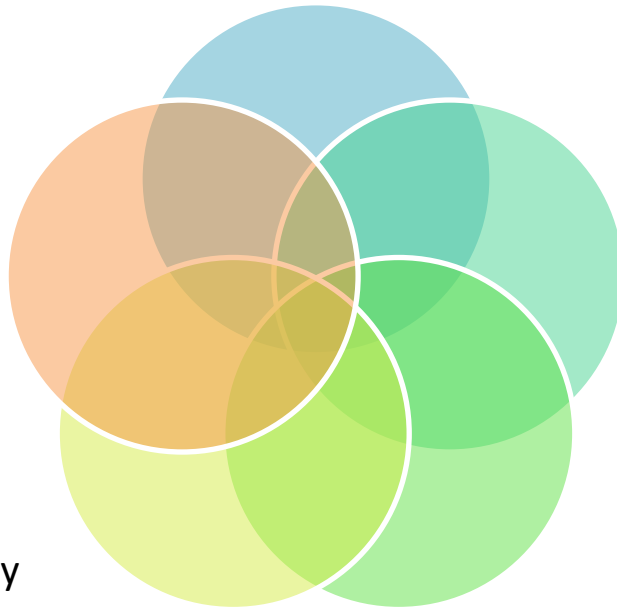
What AFC2 Enables

A better customer experience

- Pay with phones, contactless, T issued cards
- Robust retail network and online options

An ability to connect seamlessly with partners

- RTAs, TMAs, private buses, etc



An improved ability to collect all fares

A more robust set of policy options

- Removes impediments to change fare structure
- Allows all door boarding everywhere

A proven, scalable technology model

