AFC 2.0
Quarterly update to the Fiscal & Management Control Board

David Block-Schachter, Chief Technology Officer
David Sikorski, AFC 2.0 Program Manager

21 May 2018
Overview

AFC 2.0 PROJECT UPDATE

- New Program Manager
- 60-Day Plan
- Project Team
- Functional Org Chart
- Design Review
- DB Timeline
David Sikorski

AFC 2.0 PROGRAM MANAGER

• 30+ years experience in engineering, development and investment in large scale infrastructure projects

• Expertise in alternative procurements, including Public Private Partnerships (P3)

• Previous roles
  • Vice President and Senior Bid Director with the equity development entity of Parsons Corporation
  • Project Director for Vinci Concessions
  • Co-bid director for a shortlisted team for the Fargo Moorhead Diversion P3 Project
  • Technical lead for Parsons in their successful bid for the Regina Bypass project
  • Deputy bid director with a consortium pursuing the Purple Line LRT project in Maryland
  • Project Director and initial CEO for the project company for the successful bid of the East End Crossing 35-year concession project – part of the Ohio River Bridges program

• Education and affiliations
  • Bachelors Degree in Civil Engineering from Lehigh University
  • MBA in Finance from the Stillman School of Business at Seton Hall University
  • US Council member for the International Project Finance Association (IPFA)
David Sikorski – 60 Day Plan

- **On-boarding and Project Intel**
  - Internal MBTA Coordination for AFC 2.0
  - Project Agreement
  - SI coordination

- **Staff Augmentation**
  - Key positions to fill

- **Design-Build Contract**
  - Begin DB Procurement
  - Progress DB RFP and Contract
  - Progress design development with SI

- **Work with OpCo as they develop their organization**
  - Develop relationship with CEO
  - Project Office build-out
Project Team

• **Systems Integrator**
  - OpCo (project company) formed
  - Doug Grunewald named CEO
  - Cubic’s product and system design teams mobilized
  - Leasing local project office

• **MBTA Project Office**
  - Recruitment of key positions is underway:
    - P3 Finance Manager
    - Contracts Manager
    - Manager of Project Controls
    - AFC 2.0 Program Counsel
    - Technical Project Manager for System Implementation
    - Technical Project Manager for Policy Implementation
  - Three stage design review process in progress
Design Review

Design review is progressing through a three stage process on 15 different tracks, grouped by theme. All design work is scheduled to be complete by the end of the calendar year (2018).

<table>
<thead>
<tr>
<th>Conceptual Designs</th>
<th>Preliminary Designs</th>
<th>Final Designs</th>
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Massachusetts Bay Transportation Authority

AFC 2.0: AUTOMATED FARE COLLECTION
DB TIMELINE

DB PROCUREMENT IS ONGOING, AS WELL AS DESIGN DEVELOPMENT WITH THE SI

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AFC 2.0
Outreach plan

Laurel Paget-Seekins, Director of Fare Policy and Analytics

21 May 2018
AFC 2.0 Benefits

**Improve service**
- Speed up buses and Green Line trains

**More equitable fare collection**
- Fares collected more consistently, especially on Green Line and Commuter Rail
- Eliminates difference between cash/CharlieTicket and CharlieCard fares

**More convenient and flexible**
- More ways to pay and locations to get and add value to fare cards
- Ability for MBTA to offer more fare products
Goals

- Speed up buses and Green Line trains
- Make it easier to pay
- More flexibility in fare options
- Protect customer data privacy

System Design

- All door boarding
- No cash onboard, charge for the card to allow negative balance
- Standards for sales locations
- Ability to implement different fare structures and products
- Technical requirements to partition customer data and travel data

Supporting Policies/Programs

- Proof of Payment inspections
- Access to fare cards
- Fare vending machines placement
- Process to set new fare structure and fare products
- Customer data privacy policy
Key Policy Tradeoffs

Key Policy Tradeoffs will guide the public outreach conversations.

Operational improvements to speed up service

Fare inspections

Flexible and new fares products

Revenue impacts for the MBTA
Four Main Policy Areas

SOME POLICY AREAS IMPACT ALL CUSTOMERS AND SOME ARE FOCUSED ON SMALL MAJORITY OF CUSTOMERS WHO MAY BE IMPACTED

• **Policy Area 1: Data Privacy**
  • AFC 2.0 will enable an increased amount of passenger and travel data. Policy Area 1 aims to mitigate any potential data privacy issues that may arise due to this increased information.

• **Policy Area 2: Access to Fare Cards and Sales Locations**
  • A goal of AFC 2.0 is to make paying for the system easier. Policy Area 2 will consider the policy implications of removing cash onboard, including requirements for fare machines and sales locations, and charging for fare cards, including programs for free cards.

• **Policy Area 3: Fare Inspections/Proof of Payment**
  • In order to achieve the benefit of increasing the speed of vehicles through all door boarding, fare inspection and proof of payment will be needed. Policy Area 3 will determine equitable, fair, and efficient methods for deploying a proof of payment/inspection program.

• **Policy Area 4: Fare Structure and Products**
  • The technology advancements in AFC 2.0 will allow for a broad range of fare structure changes and new fare products. Policy Area 4 will identify potential changes in the fare structure, pricing, passes, programs, and other products.
Outreach Principles

These principles will guide the public outreach process and decision-making for AFC 2.0 policy decisions

• **Accountable**
  • Prioritize gathering input directly from communities and people most impacted by changes
  • Gather both opportunities and concerns and attempt to solve the root causes of problems
  • Establish mechanisms to get people answers to questions that cannot immediately be answered
  • Acknowledge there can be disagreement with proposals/decisions and provide space for that dialogue

• **Accessible and Proactive**
  • Meet people where they are: go to community meetings and events, schedule events at convenient times in accessible locations, provide translation as needed, develop online tools for input
  • Allow feedback on all components of the project (and MBTA in general) at all meetings/events regardless of their focus and share that feedback with relevant MBTA departments and decision-makers
  • Actively seek out feedback from communities most impacted by decisions
  • Information in multiple languages

• **Transparent**
  • Provide clear information about the project, what decisions have been made, what decisions still need to be made, how those decisions will be made, and how and when people can provide input
  • Provide access and explain data used in decision-making

• **Iterative**
  • Provide opportunities for input at multiple stages of the policy development
  • Understand that problems identified in one policy area might be solved with solutions in a different area
  • Develop relationships with community organizations so there are channels for feedback during and after implementation
Outreach Tactics

THE OUTREACH FOR AFC 2.0 WILL USE A VARIETY OF TOOLS AND TACTICS TO FIT EACH COMMUNITY AND POLICY AREA

• Multiple stages of input:
  • Education and listening to concerns/opportunities,
  • Brainstorming solutions to main concerns, feedback on proposals
  • Presenting proposed outcomes before final decisions

• Types of outreach activities
  • Focus groups with impacted communities facilitated by/with community partners
  • Shadowing customers to identify key issues
  • Open discussion sessions with experts in each area
  • Attendance at community meetings and events, coordination with other MBTA outreach
  • Online tools
  • Standard public meetings and public hearings
  • Workshops with stakeholder groups on proposed options or policy tradeoffs
  • Briefings for elected officials

• Iterative feedback mechanisms
  • Build relationships with community organizations
  • Establish regular update and input meetings on these policy components of AFC 2.0
AFC 2.0 Timeline for Outreach and Policy Implementation

2018
Q1  Q2  Q3  Q4

Technology

2019
Q1  Q2  Q3  Q4

Data Privacy

Access to Fare Cards/Locations

Fare Inspections

Fare Structure & Products

Customer Education on AFC2.0 and how to use the new system

2020
Q1  Q2  Q3  Q4

AFC2 pilots

Develop policy

Finalize FVM network

Develop fare inspections principles for each service type

Develop new model and data collection

Discuss changes to fare structure

Internal implementation of PoP

Technology

Inspections

Fare Changes

Evaluate program

Implement program(s)

Evaluate program

New fare media

AFC 1 turned off

Fare gates transition

Public input periods

For policy development and discussion only
Appendix
AFC 2.0 Project Organization
Public Outreach Coordination

PUBLIC OUTREACH FOR AFC 2.0 WILL BE COORDINATED WITH CONCURRENT MBTA PROJECTS

Better Bus Project
Making transit better together

Phase 1 | Needs and Opportunities
- 2018 SPRING:
  - Goals and Objectives
  - Lessons from Peer Systems
- 2018 SUMMER:
  - Menu of Service Elements

Phase 2 | Evaluate Service Alternatives
- FALL 2018:
  - Identification of eight service alternatives
- SPRING 2019:
  - Evaluation Results

Phase 3 | The Vision
- SUMMER:
  - Draft Recommendations
- FALL:
  - Final Vision
Policy Area 1: Data Privacy

THE MBTA HAS A PRIVACY POLICY ADOPTED IN 2006 WITH THE IMPLEMENTATION OF AFC 1.0. IT NEEDS TO BE UPDATED AS THE AFC TECHNOLOGY IS CHANGING

**Decisions made**: Technology requirements & data privacy provisions in design of AFC system to separate customer information from travel data

**Key decisions to be made**: Timeframes for data retention at what levels of aggregation, permissions for keeping customer information, access to customer data by third parties, what anonymized data to be released publicly

**Deliverable**: Customer Data Privacy Policy adopted by the FMCB

**Outreach Plan**

*Key stakeholders*: privacy advocates, criminal justice community, researchers and data users

*Outreach strategy*:
- Consult with external stakeholders in policy development
- Hold public hearing on proposed draft
- Incorporate public comment into final draft
Policy Area 2: Access to Fare Cards and Sales Locations

ACCESS TO FARE MEDIA INCLUDES THE AVAILABILITY OF FARE VENDING MACHINES AND RETAIL LOCATIONS AND ACCESS TO FARE CARDS FOR VULNERABLE COMMUNITIES

**Decisions made:** No cash onboard, charge for the fare card, requirements for fare vending machines and retail sales locations, fare card available in vending machines

**Key decisions to be made:** Finalize fare vending machines locations, programs for distributing cards for free, one ride on a negative balance conditions

**Deliverables:** Vending machine locations and procedure for adding locations after AFC 2.0 implementation, program and guidelines for distributing fare cards for free, negative balance conditions in initial tariff

**Key stakeholders:** community and social service organizations working with populations most likely to be impacted including homeless, immigrants, seniors, people with disabilities, youth, and local elected officials
Fare Card Access Outreach Strategy

KEY GOALS WILL BE CREATING PROGRAMS AND PROCEDURES TO ENSURE ACCESS TO FARE CARDS AND PAYMENT LOCATIONS AFTER AFC 2.0 IS IMPLEMENTED

• Focus groups with current cash users to identify concerns and brainstorm solutions
• Shadow customers to identify potential problems
• Meet with local elected officials and neighborhood groups on locations for additional fare vending machines and develop procedure for evaluating requests for machines
• Work with community organizations and social service agencies to develop programs for distributing cards for free
• Discussion forum with experts on the future of banking, focused on unbanked communities
Policy Area 3: Fare Inspections

THE GOAL OF FARE INSPECTIONS IS GETTING OPERATIONAL BENEFITS OF ALL DOOR BOARDING WHILE ENSURING FAIR PAYMENT BY PASSENGERS AND FAIR INSPECTIONS BY THE MBTA

**Decision made**: All door boarding requiring Proof of Payment inspections, non-criminal citations

**Key decisions to be made**: What type of team is doing inspections, procedure for inspections for each MBTA service type, adjudication steps and penalties

**Deliverables**: Inspection principles adopted by FMCB, possible legislative changes, implementation plan

*Key stakeholders*: community organizations representing immigrant and low-income communities, civil rights organizations, elected officials
Fare Inspections: Outreach Strategies

Key goals will be identifying root causes of fare evasion or underpayment and setting up mechanisms to ensure fair inspection procedures

- Focus groups to talk about root causes of fare evasion or underpayment and how to address them
- Meetings with Bus/Green Line operators about current fare evasion
- Discussion sessions on how to avoid implicit bias and discrimination in inspections
- Discussion sessions on asking for identification and relationships with law enforcement
- Discussion sessions on adjudication and penalties
- Legislative briefings
Decisions made: Tap on and off for commuter rail, multiple readers at all bus and Green Line doors and at subway exits to enable future decisions, farebox recovery ratio target in fare policy

Key decisions to be made
Structure: Possibilities for time of day pricing, distance pricing, capping, pass break-even points
Products/Programs: passes (length of time and validity on which services), reduced fare programs
Transfers: Between which services, how many transfers, time windows
Prices: How much each ticket and pass costs
Revenue: Revenue targets and considerations

Deliverables: Initial tariff for AFC 2.0, revised Fare Policy, tariff for when implementation done, process for analyzing and making changes after AFC 2.0 implemented, possible legislative change

Key stakeholders: General public, elected officials, RTAs and other mobility providers
Fare Structure & Products: Outreach Strategy

OUTREACH WILL DISCUSS THE TRADEOFFS BETWEEN DIFFERENT OPTIONS AND IMPLICATIONS FOR MBTA REVENUE

- Collecting suggested changes throughout other outreach activities and online tool
- Workshops on fare structure changes with stakeholder groups and general public
- Online tool for people to explore proposed structure changes
- Discussions with other transit providers about joint payment options
- Legislative briefings
- Public meetings and public hearings once final scenarios identified