



**Customer Services, Operations, and Safety Committee**

**Board Information Item V-C**

**November 6, 2008**

## **Elimination of Paper Transfers**

Washington Metropolitan Area Transit Authority  
**Board Action/Information Summary**

<input type="radio"/> Action <input checked="" type="radio"/> Information	MEAD Number:	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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**TITLE:**

Elimination of Paper Transfers

**PURPOSE:**

To further provide information and analysis of the forthcoming elimination of paper transfers, January 4, 2009.

**DESCRIPTION:**

The Board action approving the Authority fare increase of January 2008 also provided for the elimination of paper transfers following a one year transition period. The Board has requested further information concerning the readiness of the Authority to institute this change as well as the fiscal impact of the action.

**FUNDING IMPACT:**

Reduced CIP requirement to replace rail transfer dispensers - \$2,000,000  
Reduced cost to procure paper transfers for FY 09 - \$180,000

Incurred cost to support elimination effort absorbed in FY 09 - \$623,000

Revenue growth projected for FY 09 - \$2,500,000  
Revenue growth projected for FY 10 - \$5,000,000

**RECOMMENDATION:**

Proceed with the elimination of transfers as scheduled January 4, 2009.



# Elimination of Paper Transfers

*Presented to the WMATA Board of Directors:*

**Customer Service, Operations, and Safety  
Committee**

November 6, 2008





# Purpose

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- Describe financial and operational impacts of eliminating paper transfers
- Provide update on the communications effort



Paper transfers will be eliminated  
on Jan 4, 2009



## Bottom line, up front

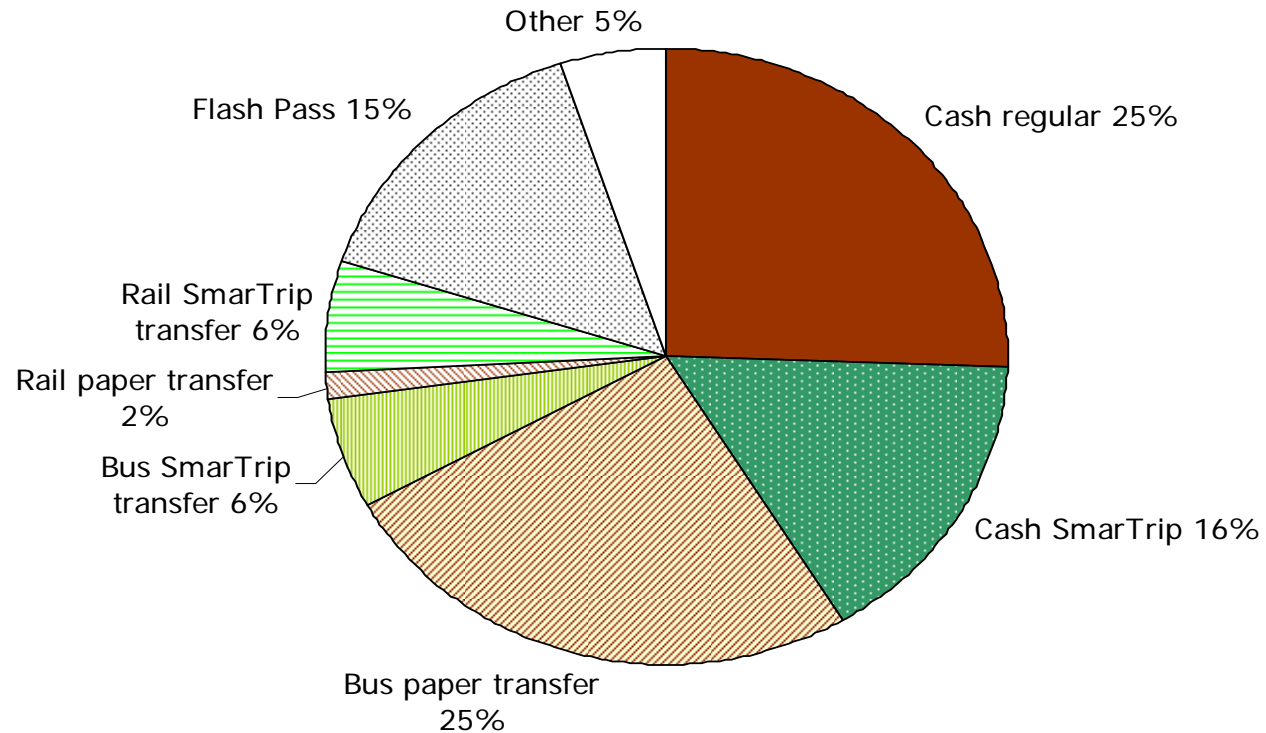
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- SmarTrip<sup>®</sup> penetration is deep enough to provide reliable data.
- Paper transfers used at nearly 3x the rate that SmarTrip<sup>®</sup> transfers are used.
- In eliminating paper transfers, other transit properties:
  - Realized significant unbudgeted revenue increases
  - Had significant increases in smartcard penetration
- Balanced transfers will have complex financial implications that are being analyzed.
- Initial simulations suggest a time advantage
  - Boarding time per passenger are ~2x as fast with SmarTrip<sup>®</sup> than with cash.
  - On-bus card loading would reduce this advantage somewhat.
- A robust communications program is underway.



# Context: How Bus Riders Pay Today

Bus payment method: August 2008



In August, ridership was 11.7 million trips on Metrobus



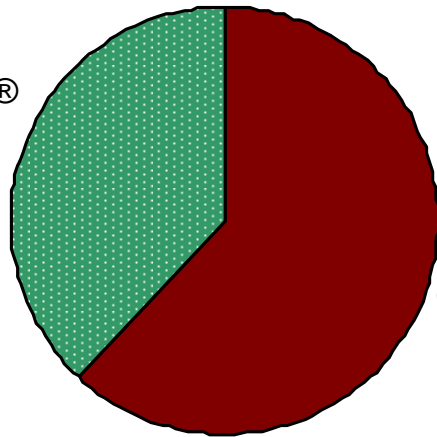
# Over $\frac{1}{3}$ of regular bus boardings are paid with SmarTrip®

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Regular Bus Boardings:  
August 2008



SmarTrip®  
38%



Cash  
62%

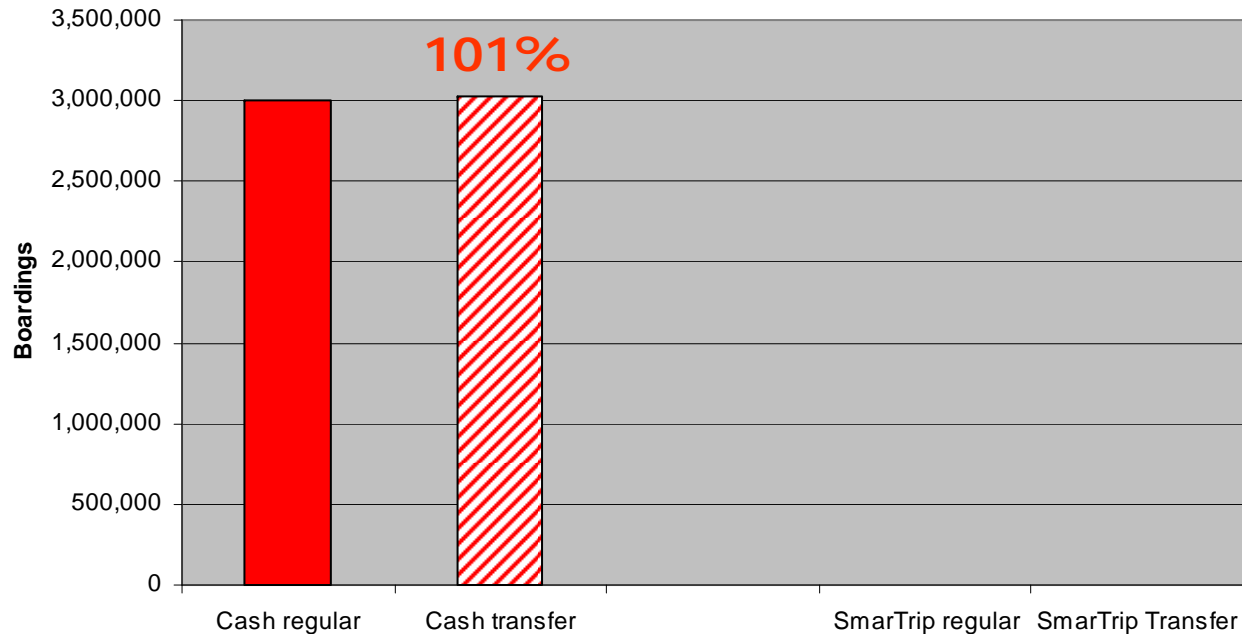


“Regular” means initial boarding paying full fare, and excluding transfers and passes



# There are more paper-transfer boardings than regular cash boardings...

Regular and Transfer Bus Boardings:  
August 2008

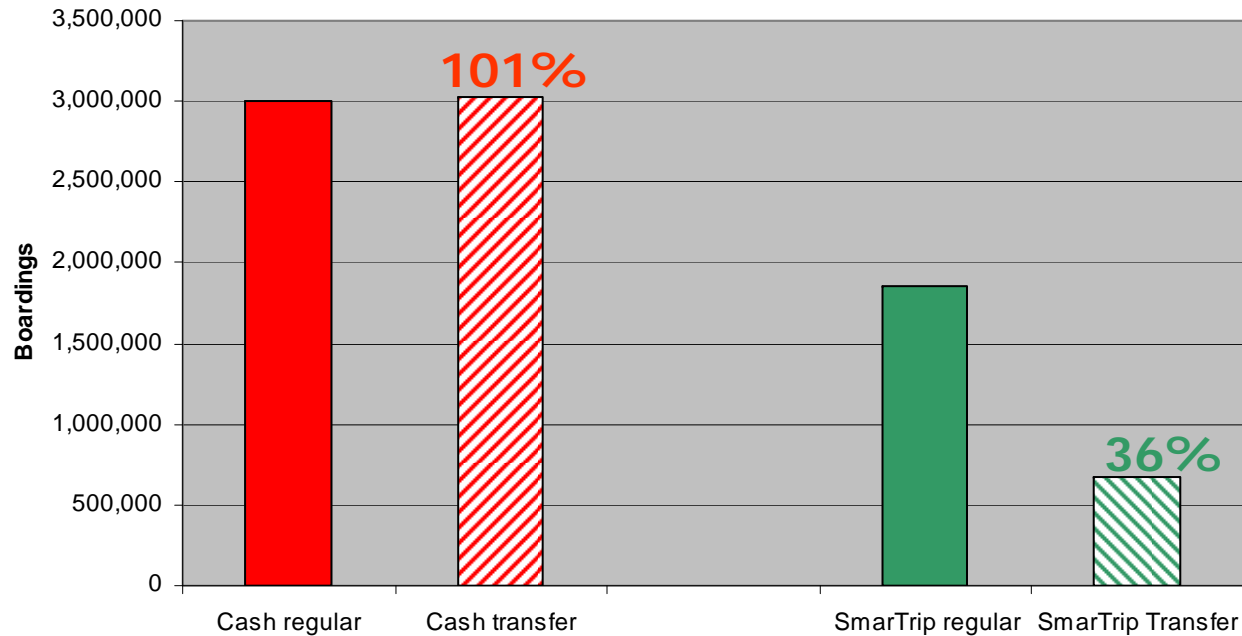






...but only about  $\frac{1}{3}$  as many SmarTrip<sup>®</sup> transfers as SmarTrip<sup>®</sup> boardings

Regular and Transfer Bus Boardings:  
August 2008





## Causes are not clear, but the financial impacts to the Agency could be large

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- Causes could be a range of factors
- Results for other transit properties after eliminating paper transfers:
  - Chicago:           +\$17M revenue than budgeted
  - Boston:           +\$14M revenue
- Initial estimates for Metro are substantial
  - FY09 (6 mo):   +\$ 2.5M revenue
  - FY10:           +\$ 5.0M revenue



# Fiscal Impact

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## Capital Cost Avoidance

- Replacement of Rail Transfer dispensers \$2,000,000

## Operating Cost Avoidance

- Bus Paper transfers 180,000

**Total Cost Avoidance** **\$2,180,000**

## Incurred Costs

- Communication materials \$ 250,000
- Fare media preparation 23,000
- Cost of SmarT rip® Cards 350,000

**Total Incurred Costs** **(\$ 623,000)**

**Net Cost Avoidance (Total Cost Avoidance-Total Incurred Costs)** **\$1,557,000**

## Revenue Impact (preliminary estimate)

- Will be evaluated Jan-June 09, but estimated FY09 **\$ 2,500,000**

**FY 09 Total Revenue Impact** **\$4,057,000**

**FY 10 Revenue Projection** **\$5,000,000**

**FY 09-10 Impact (FY09 Total Revenue Impact + FY10 Revenue Projection)** **\$9,057,000**



# Implementation of balanced transfers requires more financial analysis

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- Today:
  - No bus-to-rail transfer discount
  - 90¢ rail-to-bus transfer discount
- SmarTrip® technology makes possible a balanced transfer
- Resolution 2004-30:
  - Authorized creation of balanced bus-to-rail and rail-to-bus transfers
  - Set at 50¢ discount each way
  - Takes effect only after installation of SmarTrip® on all buses operating in region
- Shifts revenue:
  - Between operating modes
  - Between Metro and regional partners
- Staff continues to assess the impact and proposes to return to the Board with an update after the end of the 3<sup>rd</sup> quarter of FY09



## Simulations were done to estimate boarding-time gains from SmarTrip®

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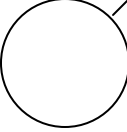
- In-house simulations using fully functional bus fare box
- Boarding times per passenger were  $\sim \frac{1}{2}$  as long with SmarTrip® than with cash
- On-bus card loading would reduce this advantage somewhat





# Communications have been far-reaching

- **Metro staff has taken significant steps to prepare for this action:**
  - Meetings with advisory groups throughout the region, including Jurisdictional Coordination Committee (JCC), Riders Advisory Council (RAC), Advisory Neighborhood Commission (ANC), etc.
  - Outreach to social service agencies
  - Preparation of a broad spectrum of advertising and public information materials for both bus and rail (See Appendix)
  - Identification of best ways to reach under-represented rider groups
  - Preparation with contractors for immediate needs as well as high-priority requirements going forward
- **Negotiations to sell SmarTrip® cards at a major business in the region**
  - Expected by mid-December
  - Would create a significant presence in all jurisdictions



A partir del 4 de enero de 2009, Metro no emitirá ni aceptará boletos de transferencia de papel.

Para obtener el descuento de tren a autobús o para transferirse gratis de autobús a autobús\*, usted tendrá que usar la tarjeta SmarTrip®.

Pagar su tarifa de autobús con la tarjeta SmarTrip® es más fácil que pagar con dinero. Además, es 10¢ más barato pagar con la tarjeta SmarTrip® que con dinero.

La tarjeta SmarTrip® también facilita la transferencia y le ahorra dinero a ustedes, nuestros clientes y a Metro en costos de papel y de impresión. Esta es la razón por la cual estamos discontinuando el uso de boletos de transferencia de papel. Recuerde que después del 4 de enero de 2009, usted tendrá que usar la tarjeta SmarTrip® para beneficiarse del descuento en la tarifa del autobús cuando se transfiera del tren al autobús. También, la tarjeta SmarTrip® le permitirá transferirse gratis de autobús a autobús\*.

Otra ventaja del cambio a la tarjeta SmarTrip®, es que el periodo para realizar la transferencia se extenderá de dos horas, como es actualmente, a tres horas. También continuaremos la venta del pase semanal de Metrobus de \$11.

Para más información, o detalles sobre cómo comprar la tarjeta SmarTrip®, por favor visite el sitio [MetroOpensDoors.com](http://MetroOpensDoors.com) o comuníquese al 202-637-7000 (para personas con dificultades auditivas TTY 202-638-3780). Gracias por su cooperación durante nuestro cambio a un sistema más eficiente y sin uso de papel.



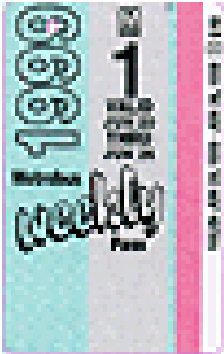
\* Excepto cuando se transfiera a un autobús cuya tarifa sea más alta.

320,000 hangers will be distributed on bus, in English and Spanish



## Reminder: All Passes and discounted fare media will still be sold

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- Weekly Bus Pass
- \$11
- 35,000 sold/week



- Weekly Short Trip rail pass\*
- \$26.40
- 1,800 – 2,100 sold/week



- Weekly unlimited Fast Pass for rail\*
- \$39.00
- 3,000 -3,600 sold/week



- Senior SmarTrip®
- \$5.00
- Entitles customers 65 and older to ride for half-price on rail and bus

\* Rail passes are not priced to assume a transfer to bus, and are designed to give a discount exclusively to rail customers. If we assume that users of rail passes will also transfer to bus, the price of rail passes will require reconsideration. For reference 1.5% of bus riders use rail paper transfers to transfer to bus.



## Summary

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- Elimination of paper transfers will result in revenue growth and cost avoidance
- Continuation of paper transfers will increase costs for both bus and rail systems
- Balanced transfer impacts both rail and bus modes. Staff will review first half FY09 data to recommend impact and set rollout
- Boarding by SmarTrip<sup>®</sup> is faster than with cash
- Customer communications have been far-reaching
- Metrobus customers are smart and resilient and will adapt to change





# Appendix

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## Communications and outreach efforts



# Vehicle Advertising

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- 150 Exterior Bus ads – curb side
  - Start Date: Install began October 27<sup>th</sup>, complete November 7<sup>th</sup>





# Vehicle Interior and Rail Station Ads

- Metrobus:
  - Interior Bus ads – fleet wide
  - Metrobus Stop Information Case ads
  - Bus Shelter Ads in the District of Columbia and Montgomery County
- Metrorail:
  - Interior railcar ads – 500 cars
  - Dioramas in Metrorail Stations – 25 dioramas

Beginning January 4, 2009,  
Metro will not issue or accept  
paper transfers.

To get the rail-to-bus discount  
or to transfer free from bus to bus\*,  
you must use a SmarTrip® card.

For more information, pick up a flyer on this bus or at a rail station,  
visit [MetroOpensDoors.com](http://MetroOpensDoors.com) or call 202-637-7000 (TTY 202-638-3780).  
Thank you for your cooperation as we make the switch to a more  
efficient, paperless transfer system.

\* Except when transferring to a bus with a higher fare.



A partir del 4 de enero de 2009, Metro  
no emitirá ni aceptará boletos  
de transferencia de papel.

Para obtener el descuento de tren a  
autobús o para transferirse gratis de  
autobús a autobús\*, usted tendrá que  
usar la tarjeta SmarTrip®.

Para más información, pida un folleto en el autobús o estación  
de tren, o visite el sitio [MetroOpensDoors.com](http://MetroOpensDoors.com) o comuníquese al  
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# Print Advertising

## 1/4 Page, 4-Color Ad

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- **General Market**

- Washington Post Express
- Washington Examiner

- **Hispanic Market**

- El Tiempo Latino
- Washington Hispanic
- El Pregonero

- **Ethnic Markets**

- Asian Fortune
- Zethiopia

In addition to paid media, all activities are supplemented by news coverage of press releases issued by Media Relations.

- **Community Papers**

- Virginia

- Fairfax/Annandale Times
- Arlington Sun Gazette
- Burke/Springfield/Fairfax Station Times
- Falls Church News-Press
- Alexandria Times

- Maryland

- Gaithersburg Gazette
- Rockville Gazette
- Bethesda Gazette
- Silver Spring Gazette
- Wheaton Gazette
- College Park/Greenbelt Gazette
- Hyattsville/Port Towns Gazette
- Landover/N Carrollton Gazette
- Laurel Gazette
- Bowie Star
- Clinton/Ft. Washington Gazette
- Prince George's The Sentinel

- Washington, DC

- Hill Rag
- DC North
- East of the River



# Hanger Cards

- 320,000 Grab Bar Hanger Cards distributed on bus in 4 sets of 80,000
  - Dates: 11/13, 11/25, 12/10 and 12/30



Beginning January 4, 2009, Metro will not issue or accept paper transfers.

To get the rail-to-bus discount or to transfer free from bus to bus\*, you must use a SmarTrip® card.

The SmarTrip® card makes paying your bus fare easier than paying with cash. Plus, it's 10¢ cheaper to pay with SmarTrip® instead of cash.

SmarTrip® also makes transferring easier. And it saves Metro — and you, our customer — money on paper and printing. That's why we're discontinuing the paper transfers. After January 4, 2009, you must use a SmarTrip® card to get the reduced bus fare when transferring from rail to bus or to transfer free from bus to bus\*.

As part of the switch to SmarTrip®-only transferring, we will also extend the transfer time from two to three hours. Also, we will continue to sell the \$11 Weekly Metrobus pass.

For more information, or to find out how to buy a SmarTrip® card, please visit [MetroOpensDoors.com](http://MetroOpensDoors.com) or call 202-637-7000 (TTY 202-638-3780). Thank you for your cooperation as we make the switch to a more efficient, paperless transfer system.



\* Except when transferring to a bus with a higher fare.

Side A



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Para obtener el descuento de tren a autobús o para transferirse gratis de autobús a autobús\*, usted tendrá que usar la tarjeta SmarTrip®.

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Side B



# Take-One Flyers

- Take-One Flyers:
  - 115,000 English/Spanish printed for distribution:
    - On Metrobuses
    - In Metrorail stations
    - Through social service organizations
    - At local events
  - French, Korean, Vietnamese and Amharic to be printed in November

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\* Except when transferring to a bus with a higher fare.





# Web Page

A screenshot of a Microsoft Word document titled 'screenshot - Microsoft Word'. The document content is a web page from the Washington Metropolitan Area Transit Authority (Metro). The page features a navigation menu on the left, a main content area with a headline 'Metro Discontinues Paper Transfers', and a sidebar on the right for 'Introducing Senior SmarTrip®'. The main text explains that SmarTrip cards are more efficient than cash and paper transfers, and that the switch to SmarTrip-only transferring will extend transfer time from two to three hours starting July 1, 2008. The sidebar includes information about where to get Senior SmarTrip cards. The screenshot also shows the Windows taskbar at the bottom with the Start button and several open applications.



## Podcasts and Videos

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- English version of podcast available on [www.metroopensdoors.com](http://www.metroopensdoors.com) 10/24
- Spanish, French, Korean, Vietnamese, and Amharic being developed
- English and Spanish videos on Metro's and YouTube's web sites  
(See [http://www.youtube.com/watch?v=rRYmWR7\\_ZyI](http://www.youtube.com/watch?v=rRYmWR7_ZyI) and <http://www.youtube.com/watch?v=dhsNXyrQM10> )





# Continued Outreach and Training

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- Outreach to Advisory Committees
  - Sept and Nov RAC meetings
  - Monthly updates to JCC
  - Advisory meetings with Regional Transit Operators Group and jurisdictional Bus Stop Coordinating Committee
  - Arlington County Transit Advisory Committee, at their request
- Fare Box Training
  - Staff have scheduled farebox training for social service agencies to provide training for clients who will be required to load tokens on-board buses.
- Other Outreach
  - Public Meetings – Metrobus Service Workshops
  - Churches (General Congregation and Spanish Speaking)
  - Interested Civic Groups
  - Social Service Agencies: Staff have reached out to over 45 social service agencies and in mid-November have scheduled a meeting with 15+ social service providers to the homeless.
  - Communications and sales efforts at key high-ridership/low SmarTrip<sup>®</sup> penetration bus routes

# Key milestones\* for elimination of paper transfers (as of October 28, 2008)

## WMATA Board and Committee Meetings

### Outreach and project milestones

#### SEPTEMBER '08

S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

- 2 Initial outreach to social service agencies
- 3 RAC meeting (Wilson)
- 11 Committee mtgs
- 19 JCC (Wilson)
- 19 Bus Stop Coordinating Committee monthly mtg (Wilson and reps from jurisdictions)
- 24 Regional Transit Operators Group monthly meeting (Wilson)
- 25 Board meeting (RAC reported on 9/2 mtg)

#### OCTOBER '08

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

- 2 CSOS Committee (Wilson, information item)
- 3 FAQs posted to WMATA web site
- 6 E&D Meeting (Farbstein/Karas)
- 14 Arl. Co Transit Advisory Committee (Farbstein)
- 16 Board meeting (RAC letter discussed)
- 24 JCC Meeting (Wilson)
- 24 Podcasts available in English, Spanish, French, Korean, Vietnamese and Amharic
- 27 Ads appear in system: 100% of interiors of bus fleet, 10% exterior, 500 railcar interiors; 50 2-sheet posters and 25 dioramas in rail stations; 1,000 adhesive ads on Metrobus information cases
- 27 Take-ones available for distribution to community and social service agencies, on Metrobuses, in Metro stations and at local events
- 27 "How to use SmarTrip" video in English and Spanish will be available

#### NOVEMBER '08

S	M	T	W	Th	F	S
						1
23	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23 30	24	25	26	27	28	29

- 3 80,000 hanger cards installed on bus, part 1/4
- 5 RAC Meeting (D. Murray)
- 6 CSOS Committee (Kissal discuss revenue impacts)
- 10 City Year volunteers to distribute flyers in system
- 11 Ads in print and on radio begin running
- 13 Attend mtg with D.C.-based Coalition of Housing and Homeless Organizations (COHO). More than 15 social service providers will be in attendance.
- 20 Board Meeting
- 25 80,000 more hanger cards installed on bus 2/4
- 28 Installation of 28 additional CPOS units

#### DECEMBER '08

S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

- 4 Committee mtgs FYI
- 5 Training session for social service agencies in English and Spanish 1/2
- 9 Training session for social service agencies in English and Spanish 2/2
- 10 80,000 hanger cards ¾
- 14 IVR message placed on customer service call center
- 15 Pending negotiations: major retailer to begin selling \$10 ST cards at over 100 locations nationwide
- 18 Board Meeting FYI
- 30 Final 80,000 hangers 4/4

#### JAN '09

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

- 1 New Year's Day
- 4 Transfers eliminated
- 19 MLK holiday
- 20 Inauguration

\*Does not include all outreach efforts: 45+ social service agencies contacted to date. Also does not include: planned outreach and sales at key high-ridership/low ST usage bus routes, incl X2 and 90s in DC; 16s and 28s in VA; Q2, C2, C4 in MD; planned outreach to faith communities; on-call training for social service agencies and groups; planned refresher ST training for bus operators; planned advertising on DC and Montgomery County bus shelters; weekly or bi-weekly project team meetings.