Current Rules

Fare Media	Entry	Exit
Paper Farecard	$1.85 (i.e., minimum fare)	≥ Cost of the trip
SmarTrip® Card	≥ $0	On rail and bus, the balance can go negative once but must be brought up to at least $0 before next trip.
	N/A	Parking garages require ≥ cost of the parking fee*

*This rule change was implemented in 2005 subsequent to customers taking unfair advantage of the ability to go negative when exiting parking (similar to what can happen in rail and bus once SmarTrip® cards are sold at $2.50).

Issue

Board approved a reduction of price of SmarTrip® from $5.00 to $2.50

As we analyzed the rollout to lower the price, we realized the implications:

 - When the price of a SmarTrip® card is reduced to $2.50, riders could buy a card for $2.50, take a ride costing $5.20 on rail or $6 on bus and simply throw away the card and repeat the process, thus only paying $2.50 for each ride.

Proposed Solutions

Option	Cost of Card	Entry Fare Rule	Exit Fare Rule	Implementation Issues	Customer Impacts	Financial Exposure / Other Risk to Metro
A "Price Reduction"	$2.50	No change – ≥ $0	No change – can go negative once	N/A	Price reduced to $2.50	Up to $1 million/month in lost revenue. Could result in depletion of limited SmarTrip® card stock
B "Rebate"	$5.00	No change – ≥ $0	No change – can go negative once	Software development work to create rebate process	Customer would receive $2.50 rebate posted to card after using 2 times	Zero
C "No Negative"	$5.00 ↓ $2.50	No change – ≥ $0	Change – cannot go negative	Need until December to get targets and to install and test them.	Price reduced to $2.50 but only after delay. Exitfare machine: -Only accepts $1s, $5s, $10s, $20s, and coins -Can only add amount for exit -Only 2 exit fare machines at each mezzanine	Some impact due to additional servicing of Exitfare machines.

Proposed Solutions

Option	Cost of Card	Entry Fare Rule	Exit Fare Rule	Implementation Issues	Customer Impacts	Financial Exposure / Other Risk to Metro
D "Status Quo"	$5.00	No change – ≥ $0	No change – can go negative once	N/A	No price reduction	N/A
E "Minimum Entry" (Only applies to rail)	$5.00 ↓ $2.50	Change rail – ≥ $1.10 for regular fare and ≥ $0.45 for senior/disabled fare	No change – can go negative once	Need until December to make programming change	Price reduced to $2.50 but only after delay. Customer would need a minimum value on the card per the entry fare rule.	Approximately $500k/month in lost revenue
F "Maximum Negative"	$5.00 ↓ $2.50	No change – ≥ $0	Change – can go negative but only up to $2.50	Need until December to make programming change. Need until December to get targets and to install and test them.	Price reduced to $2.50 but only after delay. Exitfare machine: -Only accepts $1s, $5s, $10s, $20s, and coins -Can only add amount for exit -Only 2 exit fare machines at each mezzanine	Zero revenue loss. Some impact due to additional servicing of Exitfare machines.

Proposed Solutions

Option	Cost of Card	Entry Fare Rule	Exit Fare Rule	Implementation Issues	Customer Impacts	Financial Exposure / Other Risk to Metro
G "No $0-Value Sales"	$2.50 (but will also include minimum $2.50 of stored value)	No change – ≥ $0	No change – can go negative once	N/A	Customer cannot buy a card with no value on it. Customer who wants to buy a card for the purpose of purchasing the upcoming electronic bus pass will need to buy a card with value on it.	Same as selling $5 cards today (if stored value is $2.50)

Proposed Solutions – Distribution Channels

Option	Name	Rail Station Dispensers*	CVS	Metro Sales Offices	Giant
A	"Price Reduction"	$2.50 card $7.50 value	$2.50 card $7.50 value	$2.50 card	$2.50 card
B	"Rebate"	$5.00 card $5.00 value	$5.00 card $5.00 value	$5.00 card	$5.00 card
C	"No Negative"	$2.50 card $7.50 value	$2.50 card $7.50 value	$2.50 card	$2.50 card
D	"Status Quo"	$5.00 card $5.00 value	$5.00 card $5.00 value	$5.00 card	$5.00 card
E	"Minimum Entry"	$2.50 card $7.50 value	$2.50 card $7.50 value	$2.50 card	$2.50 card
F	"Maximum Negative"	$2.50 card $7.50 value	$2.50 card $7.50 value	$2.50 card	$2.50 card
G	"No $0-Value Sales"	$2.50 card $7.50 value	$2.50 card $7.50 value	$2.50 card $2.50 value	$2.50 card $2.50 value

* Rail station dispensers account for approximately 60% of sales
- Sales amount other than $10 currently unfeasible
- Only accept $1, $5, $10 bills, and credit cards
- Cannot give change
- At end of life