AFC 2.0: THE NEXT GENERATION OF MBTA FARE COLLECTION

David Block-Schachter, CTO
MBTA CUSTOMER TECHNOLOGY
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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

- **A better customer experience**
  - Pay with phones, contactless, T issued cards
  - Robust retail network and online options

- **A more robust set of policy options**
  - Removes impediments to change fare structure
  - Allows all door boarding everywhere

- **An ability to connect seamlessly with partners**
  - RTAs, TMAs, private buses, etc

- **An improved ability to collect all fares**

- **A proven, scalable technology model**

- **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:
- Lowers MBTA cash handling costs
- Allows all-door boarding
- Reduces dwell time and improves travel speeds

Challenges:
- Requires affirmative effort to ensure access
  - Peer and equity review completed
  - Address through new vending locations and retail network

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

If OK, move to policy 2
Key Policy 2: Enable all-door boarding & proof of payment

Benefits

- Similar to most peers
- Improves travel speeds
- Reduces dwell time

Challenges

- Requires enforcement
  - Internal working group to address legislative needs

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

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**

- 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

**Challenges**

- 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**

- Small add on now; harder in the future
- Freedom for future fare policies that require tap-out
- Significant improvement to data and planning

**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
- Every individual 12 and over must have own media
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An improved ability to collect all fares

A proven, scalable technology model

Remove cash from on-board vehicles

Enable all-door boarding & proof of payment

Charge for fare media and distribute for free

Make investments now