

TRANSPORTATION COMMITTEE

January 16, 2009

AGENDA ITEM NO.: **1B**

Action Requested: APPROVE

TRANSPORTATION COMMITTEE DISCUSSION AND ACTIONS SPECIAL MEETING OF DECEMBER 5, 2008

The meeting of the Transportation Committee was called to order by Chair Jim Madaffer (City of San Diego) at 12:09 p.m. See the attached attendance sheet for Transportation Committee member attendance.

1. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

There were no public comments.

2. COMPASS CARD DEPLOYMENT (INFORMATION/POSSIBLE ACTION)

James Dreisbach-Towle, Principal Technology Program Analyst, reported that the adopted plan presented to the Executive Committee, Transportation Committee, and Board was the implementation of the Compass Card on January 1, 2009, in support of the June 2008 amended Fare Ordinance. The Fare Ordinance called for the replacement of all Calendar Passes with Rolling Passes. The staff presented plan had the elimination of the Premium Paper Pass and conversion of that to a Rolling Pass on January 1, 2009. All Calendar Passes are to be completely eliminated by July 1, 2009, in a phased approach.

Unfortunately, there have been several implementation delays that will impact the January 1, 2009, launch of Compass Card. The delays are a result of construction complexity and equipment issues, as well as time for configuration and testing of the various system components. In order to provide sufficient operational readiness testing, SANDAG staff and the two transit operators are requesting a postponement of the Compass Card launch until March 1, 2009. This postponement will provide 30-60 days of acceptance and availability testing. A multi-agency team has been established to prepare for the public launch. The revised deployment schedule was reviewed.

Mr. Dreisbach-Towle indicated that the Comprehensive Fare Ordinance states, "Effective January 1, 2009, each Regional Pass...shall be replaced with a 30-day Rolling Pass..." Since the Compass Card will not be ready for introduction on January 1, 2009, three options have been developed for consideration.

Option 1 – Paper Rolling Passes, would be an interim solution from January 1 to the March 1 launch of the Compass Card. It does not require a Fare Ordinance amendment. The cost impact of this option is approximately \$20,000. These passes would be distributed through third-party outlets to avoid Title VI impact; however, it does have significant risk dependent upon on the correct punching of dates by sales outlet personnel.

Option 2A – Delay Rolling Passes would implement a Rolling Pass in conjunction with the March 1 Compass Card launch. However, it would require an Ordinance amendment prior to January 1, 2009. Premium and COASTER Calendar Passes would be eliminated on March 1, 2009. The cost impact of this option is approximately \$5,000.

Option 2B – Delay Rolling and Add Calendar Passes, would implement a Rolling Pass in conjunction with the March 1 Compass Card launch, but it retains the availability of Calendar Passes as a customer option. This option requires an Ordinance amendment prior to January 1, 2009. Premium and COASTER Calendar Passes would be converted to the Compass Card March 1, 2009 and Rolling Passes would be a customer option for all pass products. The cost impact of this option is approximately \$150,000, primarily for the reprogramming of fare equipment to offer both options.

Mr. Dreisbach-Towle stated that the Transportation Committee is asked to receive this report and to possibly take action in selecting an option. If either Option 2A or 2B is selected, a Fare Ordinance amendment would be required. The first reading of the Fare Ordinance amendment could be held at the December 12 Transportation Committee meeting, and the second hearing could take place at the December 19 Board meeting.

Out of the 169 validators there are 3 rail stations that need equipment installed, which included eight validators. Of the total, there are 71 remaining to be configured. Work has started on all of these areas. In addition, there are several punch list items for handheld devices, sales terminals, and validators. Staff also needs to conduct end-to-end confidence testing, which will take from 30 to 60 days. The implementation is expected to be completed by December 12, 2008. There are 150 people working on this project and staff has developed a complete marketing plan and marketing materials. Bus wraps are ready to go and Compass Card sleeves have been delivered.

Councilmember Jack Dale (East County) asked who had the problems with Option 2A. Mr. Dreisbach-Towle replied that the transit operators had concerns about the possible loss of revenue with this option.

Second Vice Chair Jerome Stocks (NCTD) stated that the concern with Option 1 is that a vendor at a grocery store or third-party outlet would sell a Rolling Pass and not punch the pass to validate it. If that occurred, the passenger could use the system without limit.

Councilmember Dale asked if that is why we are in this delay situation. Mr. Dreisbach-Towle said that we have experienced delays because we did not meet our October 1 date to implement all of our equipment, and we want to have sufficient time to test the system. Option 2B would not eliminate the Calendar Passes until March 1, 2009, rather than the original date of January 1. This would offer the passenger both Calendar Passes and Rolling Passes. As soon as you buy the Rolling Pass, the 30-day clock starts. Also, we need to purchase the paper Calendar Passes for this additional two-month period. We would have to amend the Fare Ordinance and it would cost us about \$150,000 to reprogram the fare vending machines to be able to sell both types of passes.

Chair Madaffer offered an opportunity for the transit operators to provide comments.

Ray Patchett, Interim Executive Director, North County Transit District (NCTD) said that NCTD is in agreement with SANDAG staff and the Metropolitan Transit System (MTS). NCTD hasn't met its technology timelines. The concern is how riders will experience this transition. If this is not postponed, the riding experience will be very poor. With respect to the 30-day Rolling Pass, NCTD staff has angst about it; however, there may be other ways to address its concerns.

Paul Jablonski, MTS Executive Director, stated that there are two issues: the delay in equipment installation and time needed for system testing. When the program is rolled out, it should go without a flaw, and a lot of testing has to be done to be assured of that. The issue about the passes is that we want to offer products that our passengers want to use. We have concerns that the Rolling Pass will reduce our revenues. We have 70,000 customers now on Calendar Passes. What we are proposing on January 1 is that all Calendar Passes are changed to a 30-day Rolling Pass. For some people, the timing of when their pass expires will change every month, and we think passengers will have some consternation about that. What we have proposed is a phased-in approach. We are comfortable with both products. We need to do a lot more testing of the customer base on the 30-day Rolling Pass versus the Calendar Pass. We may be able to phase out one of the passes in the future.

Chair Madaffer reiterated that the transit operators are onboard with delaying the Compass Card launch until March 1, 2009. He thought Option 2B offers the public the opportunity to buy a 30-day Rolling Pass in addition to purchasing a Calendar Pass.

MTS Chair Harry Mathis commented that when 70,000 people following a routine, you need to exercise caution to make a change. We feel strongly to keep the Calendar Pass and offer the option of the 30-day Rolling Pass. He expressed support of Option 2B.

Chair Madaffer asked if there were questions from Committee members.

Councilmember Dale asked if the reason for the Rolling Pass is that it is a better option for certain passengers due to its flexible timing, and Option 2B would offer our passengers both kinds of passes. Mr Dreisbach-Towle responded affirmatively.

Mayor Art Madrid (East County) asked what assurances do we have for meeting the new date, and how customer-friendly will this new process be. He wanted to know if there was a pilot program in a geographic area to demonstrate this new system to customers.

Gary Gallegos, Executive Director, stated that we have been working on a marketing plan and have about 1,000 customers who are using the Compass Card on a pilot basis. We have also held focus groups. The problem here is that we were supposed to be done by October 1 with installing the equipment. He is personally meeting every morning at 7:00 a.m. with staff on these efforts, and a lot of progress has been made as a result. The transit operators have been more extensively engaged than in the past. We have over 100 people working on this project. We hope by next Friday to have a status report that will indicate we are near completion with equipment installation. We are using job order contracting. Unfortunately, several contractors have quit. We have been working around the clock to get all of the equipment installed.

Mayor Madrid asked if there was a delay by our equipment providers. Mr. Gallegos replied that the delay was in our inability to install the equipment that contractors have provided. It

is not a contractor failing. It has been our inability to get the equipment in place at all of these transit stations. The whole system has to be in place for it to work correctly.

Councilmember Matt Hall (North County Coastal) asked if the equipment is solid. Mr. Gallegos said that we have been testing it as we go. The equipment is going through several testing processes. Mr. Dreisbach-Towle added that we will go through a protocol and a number of field tests until we have about 15,000 hours between failures. Currently, we are connecting components and the system has been working as designed.

MTS Chair Mathis noted that this is a very aggressive program. We can't predict what issues may come up as we proceed. This also is a big leap in technology, and it hasn't been tried with a barrier-free system. He asked if there was a way to write the language in the Fare Ordinance to give us flexibility without having to address individual changes in the Fare Ordinance in the future.

Chair Madaffer agreed that it is a big change in technology; however, it is definitely the way to go for the riders. He noted that there was one request to speak on this item.

Clive Richard, a member of the public, stated that this project has been going on for a long time. From concept to today, it has been about 10 years, and we are not quite there. This isn't something that hasn't been done somewhere else. He suggested proceeding with program rollout. He was less concerned with why we are not ready to go than when we are going to be ready. We can identify the problems and issues, but the solution is what we must have. These delays are frustrating to him as a private citizen. He thought that Option 2B is the only way to go. However, it will not eliminate confusion as it does not totally eliminate paper passes.

Mr. Gallegos said that a key point under both Options 2A and 2B is that we will transition to eliminating all paper passes by July 2009. Elimination of Calendar Passes would start in March 2009 rather than January 2009. By July 2009 there would be all smart cards and no paper passes.

Chair Madaffer thanked the transit operators for being here and in agreement with a solution. Option 2B seems to make the most sense. This option ensures the best customer service possible. He agreed with not implementing a new system that could get mixed reviews. What he likes about Option 2B was the flexibility it offers to customers. He thought we should be doing everything we can to encourage more transit use. In the future, there is new technology where you can use your cell phone as a smart card. You could then opt not to buy the smart card and have value stored on your cell phone. You also could reload your smart card account to your cell phone. Technology is moving in the right direction to make this work. The three agencies have worked together on this project, and it shows that this region works and communicates well together.

Second Vice Chair Stocks stated that with Option 2B we are better off to have a date certain. He is glad the Ordinance was as proscriptive as it was because it forces staff to be responsive.

Supervisor Pam Slater-Price (County of San Diego) said she saw a program in Finland at least 10 years ago where cell phones were used to purchase a product out of a vending machine.

This is not new or difficult technology. She didn't understand why we are so behind schedule.

Councilmember Dale wondered why a Rolling Pass wouldn't work for a Calendar Pass customer. Why should we pay more money to have both kinds of passes?

Mr. Gallegos responded that what we are hearing from the transit operators is that transit passengers are used to buying their pass at the beginning of the month. We do allow passengers to buy the monthly pass a certain period of time prior to the first of the month. This option would give riders the ability to do that as well as allow low-income riders the flexibility to purchase a pass in conjunction with their financial situation. They might not have the money to purchase a pass on the first day of the month. A Rolling Pass would fill that timing flexibility.

Councilmember Dale asked if everyone will eventually use the Compass Card. Mr. Gallegos responded affirmatively.

Councilmember Dale pointed out that we asked everyone to make sacrifices during the fare hearings. He wondered if it would be too much to ask the public to make a change and save \$150,000.

MTS Chair Mathis said that one of the problems with the Rolling Pass is that it does not validate the fare until you tap it against a validator. We handed smart cards to people to use the system on a pilot basis. We found that one person used the system for several weeks on a \$5 pass. On a monthly pass, we have beginning and ending times for enforcement purposes.

Councilmember Dale said that based on that information is the Rolling Pass not a good idea?

Mr. Jablonski stated that testimony at the fare hearings indicated some opposition to the 30-day pass. However, the conclusion was that the 30-day Rolling Pass would be of value to some people. There are two sides here. We have the ability to offer options. A Rolling Pass will change dates depending upon when it is purchased. Over time we may see the Rolling Pass is a success or we may find the monthly pass is easier to use. With so much change to the customer, we need to be cautious about how much we roll out.

Mr. Gallegos responded to MTS Chair Mathis' comment about changing the language in the Ordinance. The Ordinance does not get into the specifics about the Rolling Pass. If you purchase it at a vending machine it would go into effect right away. If you buy it at an outlet and never tap it against a validator, that could be a problem. However, we closed that loophole so that the 30-day Rolling Pass will now go into effect as soon as it is purchased. This is a credible way of addressing that concern about the Rolling Pass.

Councilmember Dave Robert (NCTD) asked where the \$150,000 is coming from. Mr. Dreisbach-Towle answered that we would look first to project savings on the construction contract. We will finalize those contracts to determine what funds are available. If there are not sufficient monies from that source to cover the cost, then we will have to come back to request additional funds.

Mr. Gallegos stated that if you approve Option 2B, we will assess what we can do with clearing out the contract contingencies then go to the Executive Committee for a request to use Contingency Reserve funds.

Action: Upon a motion by Mayor Lori Holt Pfeiler and a second by Councilmember Dave Roberts the Transportation Committee unanimously approved Option 2B.

3. UPCOMING MEETINGS

The next meeting of the Transportation Committee is scheduled for Friday, December 12, 2008, at 9 a.m. at SANDAG.

4. ADJOURNMENT

Chair Madaffer adjourned the meeting at 1:00 p.m.

Attachment: Attendance Sheet

**CONFIRMED ATTENDANCE
SANDAG TRANSPORTATION COMMITTEE MEETING
DECEMBER 5, 2008**

| GEOGRAPHICAL AREA/ ORGANIZATION | JURISDICTION | NAME | MEMBER/ ALTERNATE | ATTENDING |
|--|---------------------------|------------------------|----------------------|-----------|
| North County Coastal | City of Carlsbad | Matt Hall | Member | Yes |
| | City of Del Mar | Dave Druker | Alternate | No |
| North County Inland | City of Escondido | Lori Holt Pfeiler | Member | Yes |
| | City of Vista | Bob Campbell | Alternate | Yes |
| East County | City of Santee | Jack Dale (Vice Chair) | Member | Yes |
| | City of La Mesa | Art Madrid | Alternate | Yes |
| South County | City of Coronado | Phil Monroe | Member | No |
| | City of Chula Vista | Jerry Rindone | Alternate | Yes |
| City of San Diego | | Jim Madaffer (Chair) | Member | Yes |
| | | Toni Atkins | Alternate | No |
| | | Ben Hueso | Alternate | No |
| County of San Diego | | Ron Roberts | Member | Yes |
| | | Slater-Price | Alternate | Yes |
| | | Bill Horn | Alternate | No |
| Metropolitan Transit System | City of Poway | Bob Emery | Member | Yes |
| | MTS | Harry Mathis | Alternate | Yes |
| North County Transit District | | Dave Roberts | Member | Yes |
| | | Jerome Stocks | Alternate | No |
| | | Chris Orlando | Alternate | ? |
| San Diego County Regional Airport Authority | | Charlene Zettel | Member | Yes |
| | | Jim Desmond | Alternate | No |
| | | Ramona Finnila | Alternate | No |
| ADVISORY/LIAISON Caltrans | | Pedro Orso-Delgado | Member | Yes |
| | | Bill Figge | Alternate | Yes |
| SCTCA | | Albert Phoenix | Member | Yes |
| | | Shane Chapparosa | Alternate | No |
| Ex Officio Member | Second Vice Chair, SANDAG | Jerome Stocks | | Yes |