

**Board Report**

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Agenda Number: 41.

**AD HOC CUSTOMER EXPERIENCE COMMITTEE
NOVEMBER 16, 2017**

SUBJECT: TAP REGIONAL INTEGRATION UPDATE

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE update on TAP Regional Integration.

ISSUE

Metro Board Chair Garcetti requested an update on TAP regional integration, including 1) update on enabling TAP to be used to pay for bikeshare and other account-based programs; 2) update on the TAP mobile app; 3) update on any plans to expand TAP to be able to pay for things beyond transit fare (as exemplified by Hong Kong's Octopus card and; 4) next steps for TAP.

DISCUSSION

TAP has been busy over the past year building the architecture for a new account-based hybrid system that will work together with our regional transit system. This new hybrid system is an innovation for transit, in that it works together with our existing card-based system to offer additional payment connectivity to programs other than transit.

Enabling TAP for Bike Share and Other Account-Based Programs

TAP has been working for the past year to build the architecture of integration so that many programs, including Bike Share can integrate with TAP payment. The Metro Bike Share team, the Bike Share Vendors and Salesforce Integrators have been working together to integrate payment options so that connections for payment from a TAP account will be available by next summer, 2018 (See ATTACHMENT A, Timeline for TAP Account-Based Functions). Other programs will also be able to take advantage of the same connections, once built, with minimal integration challenges. This would enable other multi-modal integration with Fare Subsidy Programs such as LIFE (formerly Rider Relief Transportation Program), parking services, electric vehicle car sharing, last mile services and many more.

TAP Mobile App

While the architecture must be finished for the TAP account-based payment system in order for the TAP App to be released, TAP is nonetheless working in parallel on the regional Mobile App. The App will feature some innovative functions that have not been seen yet in the transit space. The TAP App will feature the ability to use a phone's Near Field Communication (NFC) abilities to act like a ticket

vending machine to tap and load a card in Phase 1. In Phase 2, the phone will act like a TAP card itself, and will be able to be recognized the same as the customer's TAP card at faregates and other fare equipment. Android devices have this ability turned on now, and Apple is expected to have these abilities turned on in the near future. The app is planned to have multiple functions and will offer a number of customized, customer-friendly options that are not available in off-the-shelf transit apps. The app's options include:

- Ability to load a card by tapping your phone in Phase 1
- Ability to use phone as TAP card in Phase 2
- Flash pass and bar code abilities for events such as pro sports games, entertainment, concerts and more
- Integration with any account-based programs such as Bikeshare, Fare Subsidy Programs, electric vehicle car-share, last mile options, Expresslanes and more
- Next-bus and Next-rail arrival information
- Trip-planner
- Rewards
- Discounts
- TAP vendor locator
- Notifications and alerts
- Shared revenue model for advertising
- Options for cash payment

Plans to Expand TAP Ability for Payment Beyond Transit

Board Chair Garcetti requested a report on TAP's possibilities to act like the Octopus card from Hong Kong's transit system. The Octopus card also works in retail chains and restaurants. Hong Kong is very nimble and has a government that can mandate retail integration. The US retail system is currently not compatible with the Octopus concept, however, we are building our system so that future open payment may be easily adapted. TAP is working alongside New York, San Francisco, Chicago and other major transit agencies in a joint effort to lobby the major credit card companies and banks to be more flexible with payment for transit. This would include chip-based cards that will enable fast transit payment and entry onto buses and trains.

FINANCIAL IMPACT

There is no additional financial impact of the items in this report, since they have been previously budgeted in the FY2017 and FY2018 budgets.

ALTERNATIVES CONSIDERED

Alternatives considered could be to stop any or all of the progress on the above items but this is not recommended, as customer experience will be negatively affected.

NEXT STEPS

TAP will finish building the hybrid account-based system with Salesforce over the next year. This system will interface with numerous programs, and provide unified customer service and one simple account to pay for multiple programs. The new, flexible system will provide discounts across programs, offer customizable rewards, incentivize behaviors, offer event partnering capabilities and feature multiple modern account loading choices. The system also enables the unbanked to

participate in programs in which they were unable to participate in the past. Additional TAP initiatives that are ongoing are Transfer on 2nd boarding, retail TAP gift cards, addition of Stored Value purchase on bus, token transition to TAP, TAP wearables, Regional TVMs, TVM screen upgrades and other equipment upgrades. TAP will continue to actively work along with other major cities on nationwide efforts toward open payment, banking and credit card regulations that are favorable for transit customers.

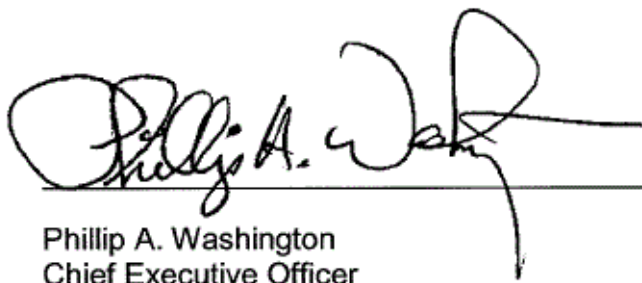
ATTACHMENTS

Attachment A - Timeline for TAP Account-Based Functions

Attachment B - TAP Regional Mobility Account (Presentation)

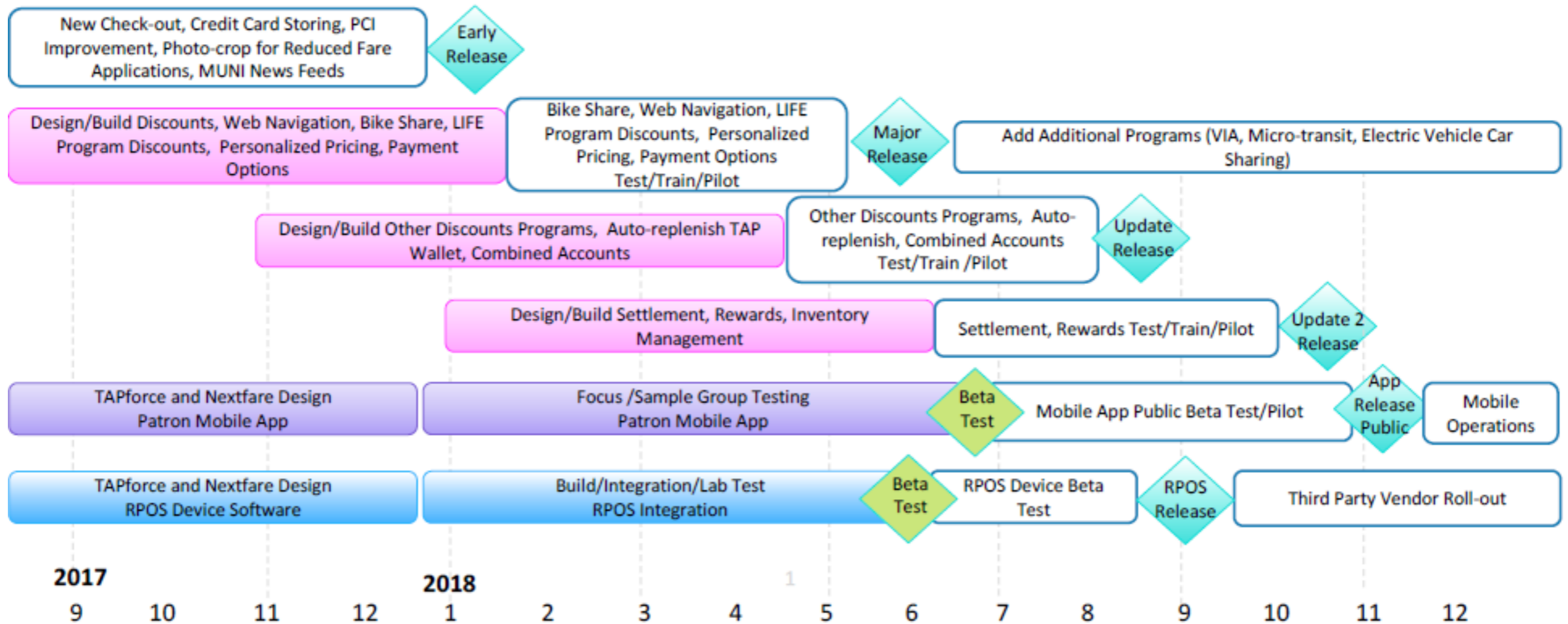
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Phillip A. Washington
Chief Executive Officer

Timeline for TAP account-based functions



November 16, 2017

Regional TAP Integration

Ad Hoc Customer Experience Committee

Robin O'Hara

Deputy Executive Officer, TAP



What's next for TAP

- Building a hybrid account based system with Salesforce
- Interfaces with numerous programs
- Unified Customer Service
- Allows unbanked to participate in programs
- Provides discounts across programs
- Offers customizable rewards
- Incentivizes behaviors
- Event "flash pass" capabilities
- Account loading choices

Additional TAP initiatives

- Transfer on 2nd boarding
- Retail gifts cards
- Stored Value on bus
- Token transition to TAP
- Wearables
- Regional TVMs
- TVM screen upgrades
- Fare media equipment upgrades



Mobile App, Bikeshare, Fare Subsidy and Retail Fare Sales Software

- Ability to load a card by tapping your phone in Phase 1
- Ability to use phone as TAP card in Phase 2
- Includes flash pass and bar code for events such as NFL games
- Integrates with all account-based programs such as Bikeshare, Fare Subsidy Programs, EV Car-Share, Via, Expresslanes,
- Fare subsidy programs (LIFE) no longer has to use paper coupons
- Next-bus and Next-rail capabilities
- Trip-planner
- Rewards
- Discounts
- TAP vendor locator
- Notifications and alerts
- Geo-location
- Shared revenue model for advertising

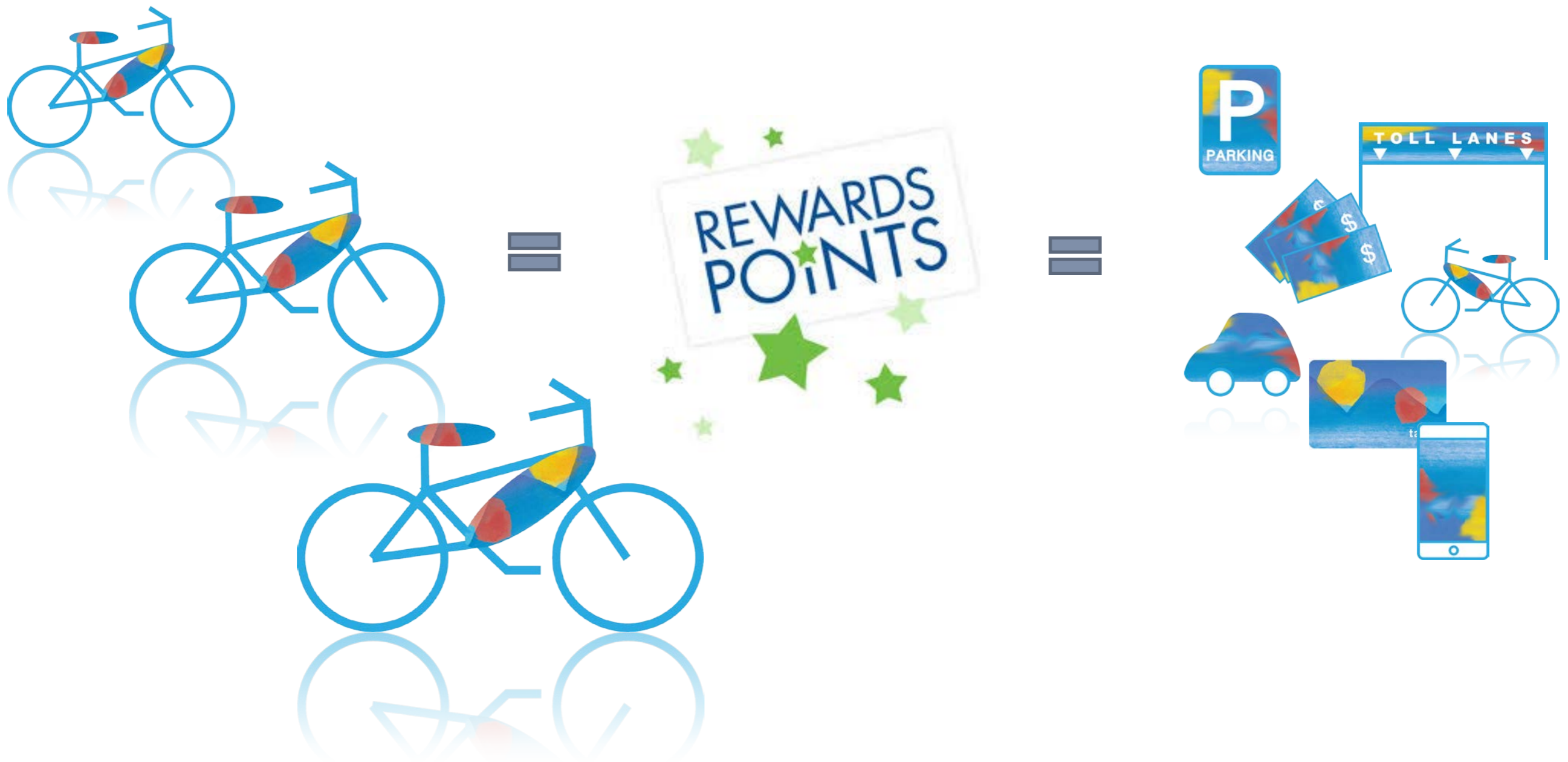


Gives access to the unbanked

- Access to programs previously out of reach
- Options to load cash (Drug Stores and TVMs)
- Mobile access to all programs
 - 70% have smart phones instead of computers



Offer rewards: Let patron choose



Modern Account Loading Possibilities: Gets Cash Out of the System






























Can TAP expand to pay for things beyond transit like Octopus card?



- Octopus: Hong Kong's transit card that also works in retail chains and restaurants
 - Hong Kong is nimble with a government that can mandate retail integration
 - US retail cards currently not compatible with Octopus concept
- We **are** building our account based system so that future open payment may be easily adapted, similar to Octopus

Cross Program Account Relationships

Benefits

Programs					
Membership - Level				Monthly	Monthly
Products	Flex Monthly \$	Metro 30 Day Foothill Day \$	\$	\$	\$
Group Discounts	Senior, Low-Income	Sr65, Disabled, Low-Income, Student K-12	Low-Income, AARP, AAA	AAA	Sr60
Earn Rewards	☆☆☆	☆☆		☆	☆☆☆☆
Redeem	 x 5 = 	 x 50 = 	I-110 x 16 = \$5 	 x 30 = 	 x 20 = 
Badges	 x 10 +  +  =   +  =  Environmentalist Level 2				
Promo Codes	 = 	 = 	Refer Friends and Family = \$10 credit		 = 
Trust Level	Trust Increase Min. Balance Decrease	"Super-Pass" loaded to select TAP Card <input type="checkbox"/>	Trust Increase Min. Balance Decrease	Program doesn't use	Trust Increase Min. Balance Decrease

Timeline for account-based functions

