



## TransLink® Governance: Where do we go from here?

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# Bay Area Transit Overview

- 26 transit agencies in nine counties
- Modes include light, heavy and commuter rail, commuter and local buses, van shuttles, and ferries
- Strong “Transit First” focus in region
- Metropolitan Transportation Commission is regional MPO with traditional funding and planning responsibilities as well as regional programs director and implementer
- Regional and state agencies interested in increased cohesion amongst all transit agencies so riders can travel smoothly between systems



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# Key Policy Decision: All Existing Fare Structures would be Replicated in New Smartcard System

## Multimodal Travel

- Bus / Trolley Bus/Small Shuttles
- Light Rail / Cable Car
- Commuter / Heavy Rail
- Ferries

## Fare Structures

- Flat Fares (Single Tag)
- Distance-Based Fares (Dual Tag – Pay on Exit)
- Zone-Based Fares (Dual Tag – Max Possible Fare Paid on Entry and Final Fare on Exit)

## Fare Policies

- 4,000 Unique Fares
- 100 Fare Products
- 12,000 Recognized Transfer Combinations
- “Best Fare” Scheme (E-Cash Accumulator)



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TransLink® is a smart card fare collection system that supports seamless travel among Bay Area transit agencies

- 1980': Vision for a universal fare media for the Bay Area
- Mid 90's: Business case was developed based on magnetic card technology
- Late 90's: Choice moved to a smart card technology
- 1999: Contract awarded to Motorola/ERG for system development and operation
- 2002: Pilot program successfully conducted among six largest systems
- 2006 – 2010+: Begin full deployment
- 2009: Cubic Transportation Systems assumed contract

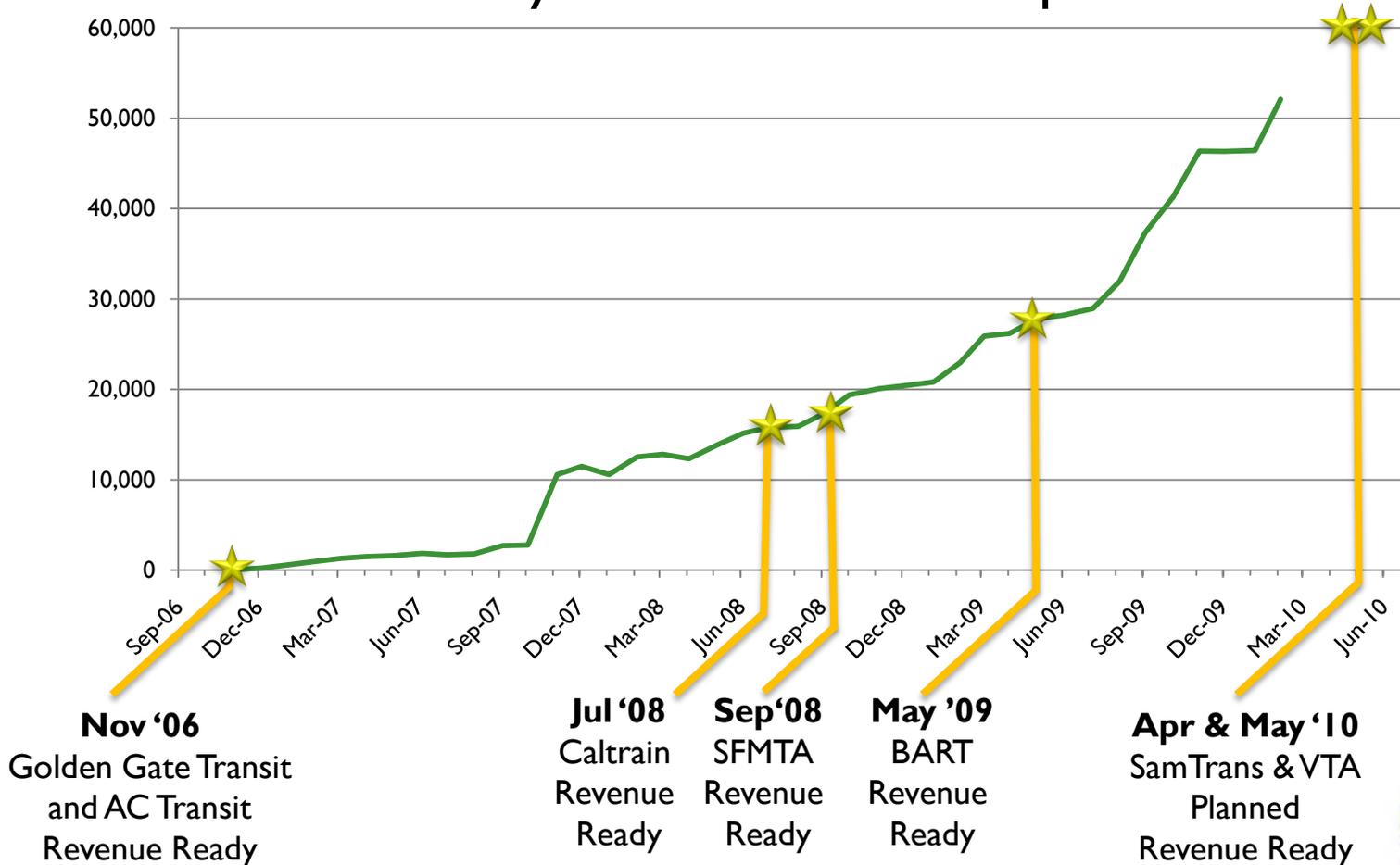


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# TransLink® Rollout

## Daily TransLink® Ridership

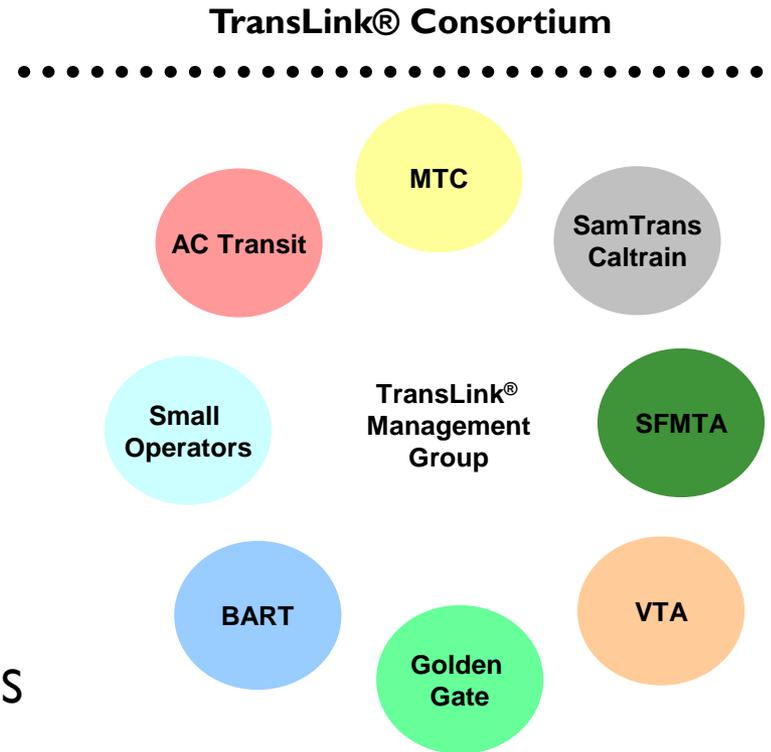


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# TransLink® Governance is Complex!

- Original governance structure had MTC as contract owner, program director, and bi-lateral operating agreements with each testing agency
- Created TransLink® Consortium in early 2000s with MTC retaining contract ownership but program direction shifting to the Consortium's TMG: Original Six Systems + Small Systems Representative + MTC
- Agency and MTC Roles Defined by Interagency Participation Agreement Adopted by All Agency Boards
- TransLink® Management Group made up of CEOS and subject to Open Mtg. regulations
- Multiple technical committees formed to determine system design and implementation



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## Weaknesses in Governance Identified in 2008 Workshop

- By 2008, TMG and its Committees were struggling
- TMG focus had shifted from system oversight to contractor oversight
- TMG very focused on technical details and not on vision and policy
- Translink too dependent on volunteer staff from member agencies
- Agency staff were conflicted: do good for the Program? OR do good for the Agency?
- Inefficient decision-making on multitude of issues large and small
- Unclear lines of communication between agencies, MTC and contractor
- Mistrust between various TMG members
- Compliance with Open Meetings Regulations created constraints on problem solving
- Struggled to shift focus of committees to operations issues



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# TMG Initiated Governance Study

- A Strategic Business Planning Committee of Senior Agency Staff was created to prepare a Strategic Business Plan and to study and recommend a new Governance structure.
- The goals for the new Governance Structure:
  - To support the operation of TransLink® and its future enhancements.
  - To address the perceived weaknesses of the current Governance.
- Shortly after this study began, MTC declared its intention to change its role.
  - Announced withdrawal from Consortium effective July 1, 2010.
  - Expressed desire to transfer the TransLink® contract to an operating agency.



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# Committee Focused on Three Governance Models

- Joint Powers Authority: Transit Agencies would agree to form a separate and legal entity which would own the contract and direct the program.
- Modified Consortium: Transit Agencies would keep the Consortium with changes to address weaknesses and contract ownership by one member of Consortium (other than MTC).
- MTC Management: MTC would withdraw from the Consortium, continue contract ownership and would assume total project direction and oversight.



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# Governance Models were compared and contrasted

Characteristics	JPA	Modified Consortium	MTC Management	Current
<b>Powers</b>	Power to make/enter contracts, to hire staff, to apply for grants	No legal powers	Power to make/enter contracts, to hire staff, to apply for grants	No legal powers
<b>TransLink® Contract</b>	Assigned to JPA	Assigned to a Member Agency	MTC continues as Contract Manager	MTC is Contract Manager
<b>Governance</b>	Board of Directors: one rep. from each of Charter Agency, plus one rep. of General Members  Significant issues decided by JPA Board (1 Step)	TMG: one rep. from each of Charter Agency, plus one rep. of General Members  Significant issues approved by TMG, sent to Lead Agency Board for final approval (2 Steps)	MTC Board of Commissioners  Significant issues approved by MTC Board (1 Step)	TMG: one rep. from each of Charter Agency, plus one rep. of General Members and MTC  Significant issues approved by TMG, sent to MTC Commissioners for final approval (2 Steps)
<b>Risk/Liability</b>	JPA indemnifies, holds harmless Member Agencies. Carries proper insurance coverage.  Would need to develop Funding Plan/Strategy to address shortfall	Members indemnify, hold each other harmless. Each shares cost of defense and settlement. Each holds sufficient insurance.  Would need to develop Funding Plan/Strategy to address shortfall	Indemnification clauses from the IPA survive the IPA, even if Consortium is dissolved.  Would need to develop Funding Plan/Strategy to address shortfall	Members have indemnified, the others.  IPA defines funding commitment. Need to develop a funding plan/strategy to address shortfall.





# Committee preferred JPA Governance Model

- A JPA has the legal power to contract, hire, apply for grants.
  - The Cubic Contract could be assigned to the JPA by MTC. Since no agency was prepared to assume it by the withdrawal date, a JPA could take on this responsibility and be responsive to MTC's intentions.
  - JPA could apply for grants not pursued by MTC
  - JPA could indemnify its members and purchase proper insurance
- A TransLink® JPA organization would have an undivided commitment to the Program.
  - A Program Director, with leadership “fire power”, reporting directly to the Board
  - No other projects to oversee or fund – sole focus would be Translink success
- A JPA could contract or hire dedicated and specialized staff.
- JPA option preferred but contingent on a identifying a sustainable funding plan for Translink sytem.



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## Translink Management Group identified critical concerns with JPA Governance Model

- Future cost of operating the program was not clear.
- Future funding for the program costs was in jeopardy due to loss of State Transit Assistance (state gas tax funds for transit).
- Transit agencies concerned that MTC may someday stop funding the program and leave it to agencies to fund its operation and maintenance.
- MTC concerned that all systems weren't fully committed to implementing the system over the long haul.
- With impending departure of MTC, not much time left to perform due diligence regarding funding, build an organization and staff it so as to effectively manage performance during final stages of system rollout by Samtrans and VTA.



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## TMG chose MTC Management Model

- As of July 1, 2010, MTC will withdraw from Consortium, continue owning the contract (now with Cubic) and assume lead role for program management and direction.
- MTC will enter into a single agreement with all Translink operating systems for system operation.
- MTC will rebrand and market the system as Clipper.
- The Translink Consortium will dissolve itself in Summer 2010.
  - Key provisions of Interagency Policy Agreement would survive dissolution. Most important is the Operating Cost Allocation formulas.
- Over time, the MTC Management Model may be further modified or replaced but right answer for now.



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- Consortium is not bad idea but must have trust and respect between all members.
- Need clear understanding of system costs and funding sources.
- Needed better communication within agencies so committee staff could confidently make decisions on design issues.
- Streamlining of fare structures up front would have made the system much easier and cheaper to implement.
- System has to be a priority for each operating agency and for them all collectively.
- From the beginning, the operators should have played lead role with strong MPO support.
- Get a good contractor up front!

