



We'll Get You There



King County Metro Transit Increasing Access to ORCA Regional Fare Media

April 2012



We'll Get You There

**Department of Transportation
Metro Transit Division**

King Street Center, KSC-TR-0415

201 S Jackson St

Seattle, WA 98104

206-553-3000 TTY Relay: 711

www.kingcounty.gov/metro

Alternative Formats Available

206-263-5277 TTY Relay: 711

Contents

Executive Summary.....	1
Introduction.....	5
Background, Data, and Customer Perceptions.....	5
ORCA Distribution and Promotional Programs.....	14
Issues and Opportunities.....	18
Future Efforts - Short-term.....	19
Future Efforts - Longer Term.....	23

Tables, Figures and Maps

Table 1: Summary of Metro Programs Involving ORCA Card Distribution.....	2
Fig. 1: Average Weekday ORCA Boardings as a Percent of Average Weekday Bus Boardings.....	6
Table 2: Milestones in ORCA Implementation.....	6
Fig. 2: Percentage of Riders Who Pay Fare With ORCA Card by Trip Frequency.....	7
Fig. 3 Percentage of Riders Who Pay Fare With ORCA Card by Income Level.....	7
Map of Metro Routes with Low Orca Use.....	8
Table 3: 2011 ORCA Sales by Fare Product Type.....	9
Table 4: 2011 Sales by Sales Channel.....	9
Fig. 4: 2011 Sales by Sales Channel.....	9
Fig. 5: Quarterly ORCA Sales by Retailers, Fourth Quarter 2009-Fourth Quarter 2011.....	10
Table 5: 2011 Sales at Customer Service Terminal Locations.....	10
Fig. 6: 2011 Sales at Customer Service Terminal Locations.....	10
Table 6: Top 10 Selling Ticket Vending Machine Locations.....	11
Fig. 7: Top 10 Selling Ticket Vending Machine Locations.....	11
Table 7: Top 10 Individual Retail Locations by Sales Volume.....	11
Map of ORCA Fare Outlets.....	12

Appendices

A. In Motion Programs.....	A1
B. Outreach Site Visits.....	A2
C. SR-520 and Alaskan Way Viaduct Travel Options ORCA Promotions.....	A4

Executive Summary

Metro and partner transit agencies in the Puget Sound region have worked for years to develop the ORCA system for regional transit and ferry fare payment. Since the ORCA rollout in April 2009, Metro and its ORCA partners have made substantial progress in bringing the advantages of fast, easy fare payment and seamless regional travel to customers—and in realizing benefits for transit agencies such as faster operations, more accurate ridership data, and improved revenue data and regional revenue reconciliation.

Working together, the agencies have provided a wide range of ways for customers to purchase and revalue ORCA cards:

- through the ORCA website, which includes an automatic revalue option
- through the regional ORCA Call Center, where customers can call or mail requests for ORCA cards, or add value or passes to existing cards
- at transit agency customer service offices
- at 95 Sound Transit ticket vending machines (TVMs) at 26 locations
- through ORCA pass partnerships with employers, school districts and major institutions like the University of Washington. In 2011, about 1,600 partnerships provided more than 200,000 ORCA passes to employees and students
- a retail network of more than 100 grocery and drug stores throughout the region that provides convenient places where customers who have ORCA cards can revalue them.

To increase the benefits that ORCA provides to the region, Metro and the partner agencies have actively promoted ORCA. Metro has incorporated ORCA outreach into existing transit promotional programs, used bus service changes and major regional transportation projects as opportunities to promote transit and ORCA, and responded to specific community needs for information and access to ORCA cards.

As a result, the ORCA system has become the primary way most transit customers in King County and the region pay their fare. Key ORCA system statistics:

- over 1 million ORCA cards issued by the end of 2011
- more than 315,000 average weekday ORCA transit boardings regionwide in the fourth quarter of 2011
- more than 360,000 “My ORCA” accounts established through the ORCA website
- ORCA boardings were 58 percent of December 2011 transit boardings regionwide, and currently make up about 60 percent of Metro’s average weekday boardings
- nearly \$150 million in product sales in 2011.

Outreach and promotion

Building on the successful establishment of ORCA, Metro and the partner agencies continue to pursue new ways of expanding customer access to the ORCA program. These efforts are important for a number of reasons. Many customers still do not have ORCA cards and the benefits they provide. Some segments of our population face barriers that outreach and promotional programs can enable them to overcome. Faster fare payment and boarding will become more important after the elimination of the downtown Seattle Ride Free Area and the change to pay-on-entry for trips leaving the busy downtown core. Distribution of ORCA cards through promotional programs has proven to attract nonriders to try transit—an ongoing Metro goal. For transit agencies, increased ORCA use can reduce the costs of collecting and handling cash, and of printing, distributing and collecting tickets.

The following are programs that Metro has conducted, or is now conducting, that make it easier for customers to get ORCA cards or that use ORCA cards as an incentive to try transit:

- **Outreach visits.** Metro staff members visit a wide variety of community organizations to provide information about transit and fares and to sell ORCA passes. Metro made more than 90 site visits in the past two years.
- The **In Motion** program promotes alternatives to driving alone for all types of travel, and has used ORCA cards as an incentive for riding the bus. A total of 2,713 ORCA cards have been distributed since the ORCA launch; just over half were used by recipients.
- **Route 245 promotion.** In 2011, as part of a campaign to promote Route 245 on the Eastside, Metro offered an ORCA card with a \$10 voucher to nearby households. 4,170 ORCA cards were requested; 42 percent were used.
- **SR-520 – Alaskan Way Viaduct Travel Options.** Between March and November 2011, Metro partnered with the Washington State Department of Transportation to distribute \$6 pre-loaded ORCA cards and information about travel options to drivers in the SR-520 and Alaskan Way Viaduct corridors. A total of 1,200 ORCA cards were distributed at events on the Eastside, in Seattle/Shoreline, and in south King County.
- **Southeast Connector campaign.** In August-October 2011, Metro conducted a campaign in southeast King County to inform local residents about bus service improvements and promote the ORCA card. The campaign mailed an offer of free cards preloaded with \$10 to 45,000 households. Recipients requested 3,481 cards; 1,625 of these—47 percent—were used in the first six months.
- **Expansion of the retail network in southeast Seattle and south King County.** The ORCA agencies and Saar’s MarketPlace are conducting a pilot project that will distribute adult ORCA cards at seven Saar’s stores in southeast Seattle, south King County, and Pierce County. The \$5 card fee will be waived for customers who load at least \$5 on the card.
- **Southeast Seattle community engagement.** Metro, Sound Transit and the City of Seattle are reaching out to the southeast Seattle community to find ways to make the transit system work better for this community. As part of this effort, Metro will identify barriers to using ORCA and will pursue strategies to increase ORCA use.
- **Third-party promotions.** Metro has participated in partnerships with TransManage (downtown Bellevue), the City of Redmond R-TRIP program, Commute Seattle (downtown Seattle), and the City of Kirkland (GreenTrips) to sponsor programs that have distributed information about travel options and fare media, sold ORCA Passport and Business Choice passes to employers, and used ORCA cards in incentive programs.

The table below summarizes Metro’s outreach and promotional programs and their results.

TABLE 1: Summary of Metro Programs Involving ORCA Card Distribution

Program	Purpose	Timeline	Number of events/ programs	# of ORCA cards distributed
Outreach site visits	Provide RRFOP ORCA cards to senior/disabled riders, provide information at employment sites	2010-2011 ¹	93 site visits	>1,109
Route promotions	Offer of ORCA cards with value or voucher to residents to promote ridership on selected routes.	2011	Two: Route 245 SE Connector	4,170 3,481
In Motion programs	Provide transit information and incentives, including ORCA cards with value or voucher, to residents of target neighborhoods	2009 - 2011	Programs in 14 areas	2,713
WSDOT partnership	Offer loaded ORCA cards to promote transit ridership as alternative to SR-520 tolls and Alaskan Way Viaduct construction	2011	500+ toll events	1,200
Total:				12,673

¹Information for 2009 is not available

Issues and opportunities

- Although ORCA is well-established in the frequent-user and business-account markets, ORCA cards are still not fully understood by other segments of the market. People with low incomes and those who take transit infrequently are the least likely to use ORCA cards. Ongoing efforts are needed to inform people about ORCA and its benefits.
- Some communities and population groups face barriers to getting and adding value to ORCA cards. The \$5 card fee—charged to partially cover the card cost and to give owners an incentive to take care of the card—can deter people with low incomes. The need to travel to a customer service office can make getting a card difficult for youth, people with disabilities, and those who do not have credit or debit cards to order by phone or online. Metro must continue pursuing strategies to mitigate these barriers.
- Improvements are needed in current business practices, back-end processes and technology to make ORCA promotions less time-consuming for Metro’s staff and more convenient for customers.
- Metro has successfully used bus service changes and major changes in the region’s transportation system as opportunities to promote transit and ORCA throughout King County. Metro has also tailored outreach programs to address specific community issues concerning ORCA. Metro should continue looking for such opportunities.

As Metro moves forward with efforts to increase access to ORCA and ORCA use by customers, it is important to continually assess the benefits and costs of these initiatives. Some no-cost changes in business practices and low-cost changes in ORCA processes and equipment can reduce the cost of current outreach activities. Other initiatives, such as providing additional ticket vending machines, can involve fairly high capital or operating costs, or both. The most cost-effective approaches will focus low-cost efforts in markets with the greatest potential benefits from increased ORCA use. For customers, significant benefits can be achieved in areas like southeast Seattle, where low ORCA market share results in many customers not being able to make trips between Metro’s bus service and Sound Transit’s Link light rail. For agencies, significant benefits can be achieved by speeding up boarding in congested areas; this will be particularly important in downtown Seattle after closure of the Ride Free Area.

It is important to continually assess the benefits and costs of initiatives to increase both access to ORCA and ORCA use by customers.

Short-term efforts

To address the issues and opportunities identified above, Metro is planning to complete the following efforts over the next year.

- Continue efforts to expand the third-party retail network, allowing customers to conveniently load value to cards at their neighborhood grocery or drug store.
- Continue outreach and promotional programs, including:
 - In Motion programs in communities served by the RapidRide C and D lines
 - Travel options promotions in the SR-520 and AWV corridors
 - Conducting outreach and developing a plan for improving access to ORCA in southeast Seattle.
- With our ORCA partners, complete and evaluate the demonstration project with Saar’s Marketplace to have retailers sell ORCA cards, and to modify the \$5 regional card fee by providing \$5 of fare product along with the card. Determine whether to roll out one or both aspects of this demonstration program more broadly.
- Metro will look for an opportunity to work with a social service agency on a demonstration program in which the agency would act as an ORCA retail outlet with the capability of issuing, as well as adding value to, cards.
- Work with ORCA partners to streamline business practices, and with the ORCA vendor to simplify processes for conducting promotional programs.

- Purchase additional portable customer service terminals for site visits after the device has been developed.
Cost per unit: \$15,000
- Purchase and install additional 11 ticket vending machines around King County. Total cost (included in Metro's capital budget): \$1,447,000
- Complete a review of ORCA day pass options and develop a recommendation to the ORCA Joint Board for possible implementation toward the end of 2012.
- Continuing to pursue the introduction of limited-use (disposable) ORCA cards, depending on ORCA Joint Board action in spring 2012.

Longer-term efforts

Metro will also examine other alternatives, and monitor new technologies, that have a longer-term potential to increase the ORCA market share, or to supplement the ORCA card as an alternative to cash fare payment.

Increasing Access to ORCA Regional Fare Media

Introduction

King County Metro Transit prepared this report to the King County Council to comply with Council Motion 13653, regarding increasing access to the One Regional Card for All, or ORCA, regional fare media for public transportation.

As directed by the motion, this report details the costs, benefits, concerns and issues associated with expanding beyond an ORCA distribution pilot project planned for southeast Seattle. It also identifies additional opportunities for increasing access to and distribution of ORCA cards.

As background for these topics, the report reviews the history of ORCA's development and presents information about ORCA customers and sales. It discusses the wide range of actions Metro and its partners have taken and plan to take to increase customers' use of the ORCA card.

Background, Data, and Customer Perceptions

History

King County Metro Transit has worked for many years to develop, introduce and promote the use of regional fare media that speed and simplify fare payment for customers. Work on regional fare media began in the early 1980s, when Metro and other transit agencies in the central Puget Sound region began coordinating inter-agency fare payment as the number of regional transit commuters grew. The need for a seamless method of regional fare payment was underscored with the advent of Sound Transit's regional transit service in 1996.

A 1997 Regional Fare Policy Summit of elected officials and transit board members recommended policy direction that was subsequently adopted as fare policies by the King County Council and other transit agency boards. The agencies achieved a major milestone in 1999 with the Puget Pass Agreement, which provided a system of interagency passes, transfers and regional reconciliation of fare revenue. The agreement provided for the first regional passes valid on Metro, Community Transit, Everett Transit, Pierce Transit and Sound Transit.

These original five agencies, plus Kitsap Transit and Washington State Ferries, approved the interlocal ORCA (One Regional Card for All) agreement in 2003. The ORCA smart card system for regional fare payment was rolled out in 2009. This system provides for regional passes and intersystem transfer credits to customers and allocates regional fare revenue among the six transit agencies.

The six ORCA transit agencies have achieved a level of regional fare coordination unique in North America. Customers with ORCA cards can purchase regional passes valid on all six participating transit agencies, and receive full value E-purse transfers between any of these agencies.

Recent fare coordination efforts

The region's transit providers have continued their fare coordination efforts since the ORCA launch. Metro and Sound Transit worked together on several interim measures to smooth the transition to ORCA fare payment for King County transit customers—particularly for Metro riders in the Link light rail corridor after Link service started in July 2009. Many citizens had raised the issue of the difference between Metro's and Sound Transit's fare policies. The interim measures adopted by Sound Transit included temporarily accepting several Metro passes on Link: reduced-fare passes for senior and disabled riders, Seattle School District student passes, and Access passes.

To further simplify regional fare payment, Sound Transit, in coordination with Metro and the other agencies, restructured fares in 2010 and 2011. The result is flat adult fares on Sound Transit Express bus service within each county, as well as flat fares for youth and reduced-fare riders on Sound Transit Express buses within each county and on Link.

The King County Council also approved ordinances in 2010 and 2011 that aligned Metro’s senior and disabled fares and youth fares with Sound Transit’s bus and Link fares for these rider categories.

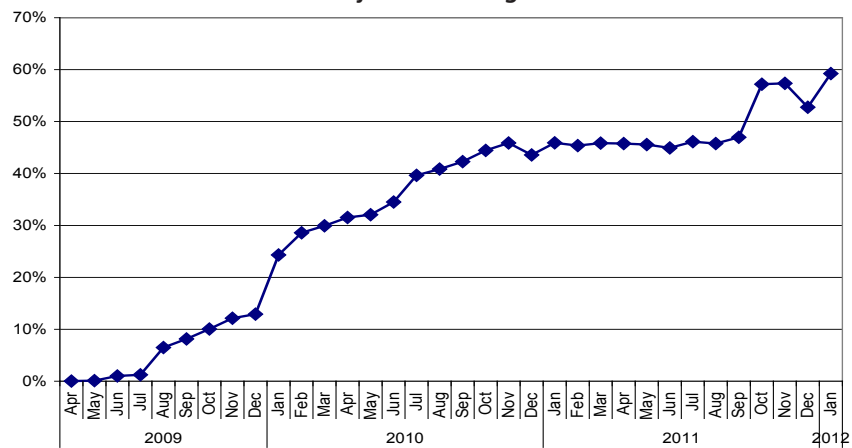
The following section presents data about the ORCA system today: how many transit riders are using ORCA, what kind of fare products they are using, and where they are purchasing them.

ORCA market penetration

ORCA use has grown steadily since the card was introduced in 2009. (See Fig. 1) Currently, ORCA users account for about 60 percent of Metro’s average weekday boardings.

The growth in ORCA boardings reflects key events in the implementation of ORCA, outlined in Table 2. Steady growth occurred in 2010, reflecting the elimination of non-ORCA retail passes and the phased conversion of employer pass programs to ORCA. The increase in October 2011 reflected the conversion of the UPass program to ORCA.

FIGURE 1: Average Weekday ORCA Boardings as a Percent of Average Weekday Bus Boardings on Metro



Source: APC data and ORCA report system

TABLE 2: Milestones in ORCA Implementation

April 2009	Begin sales to public — free cards
May 2009	Begin conversion of employer accounts
Sept. 2009	Formal project rollout
Dec. 2009	End of non-ORCA pass sales
Jan. 2010	Sound Transit, Community Transit eliminate intersystem cash transfers
March 2010	ORCA \$5 card fee begins (\$3 for RRFPs and human service agencies)
Sept. 2010	School district pass programs convert to ORCA
Oct. 2010	Employer accounts complete conversion to ORCA
July 2011	UPass program converts to ORCA
June 2012	King County employees convert to ORCA

Metro’s 2011 Rider/Nonrider Survey found that ORCA has achieved a 65 percent market penetration among Metro’s frequent riders, defined as riders who have taken four or more rides on Metro in the past 30 days. Only about 45 percent of Metro’s infrequent riders (those who have taken less than four rides on Metro in the past 30 days) pay their fares with ORCA cards.

To further examine the relationships between ORCA use and rider frequency and ORCA use and income, we excluded UPass holders. Since all UW students have an ORCA UPass regardless of trip frequency, and since students are typically at the lower end of the income spectrum, their inclusion obscures these relationships.

Figure 2 illustrates how ORCA use increases with trip frequency, reaching a high of 71 percent for those who took 21 or more rides in the past 30 days.

The 2011 Rider/Nonrider Survey also found that riders who have lower incomes are less likely to pay with ORCA than riders with higher incomes, as shown in Figure 3, below.

These data suggest that the low-income and infrequent rider markets should be a major focus of strategies for increasing ORCA market share.

FIGURE 2: Percentage of Riders Who Pay Fare with ORCA Card by Monthly Trip Frequency

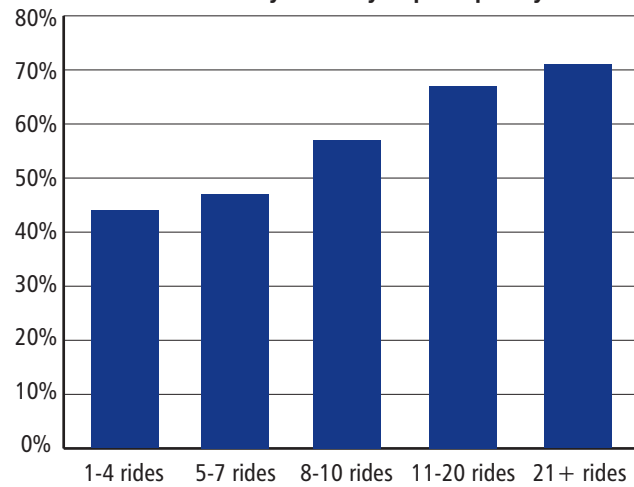
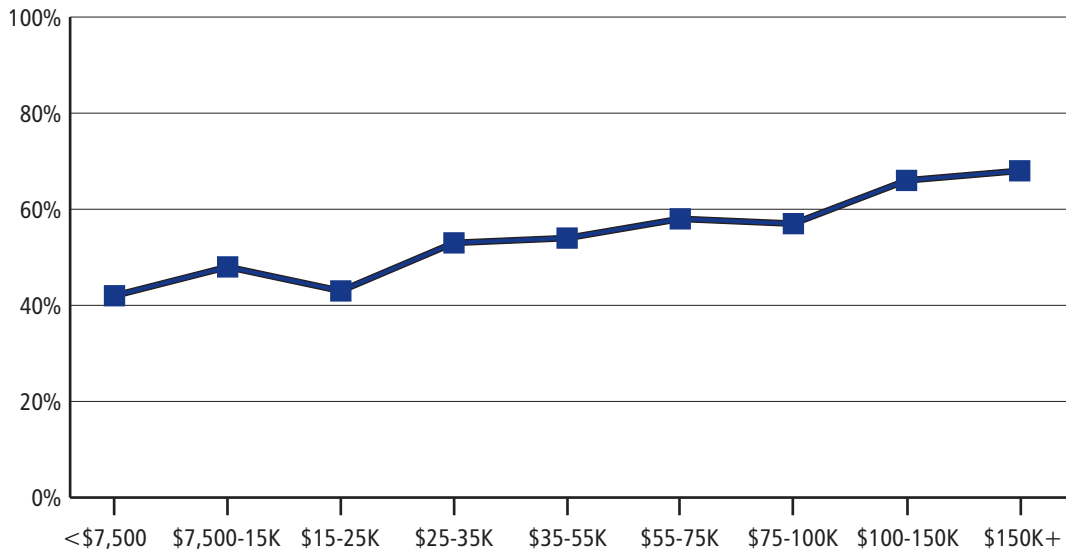
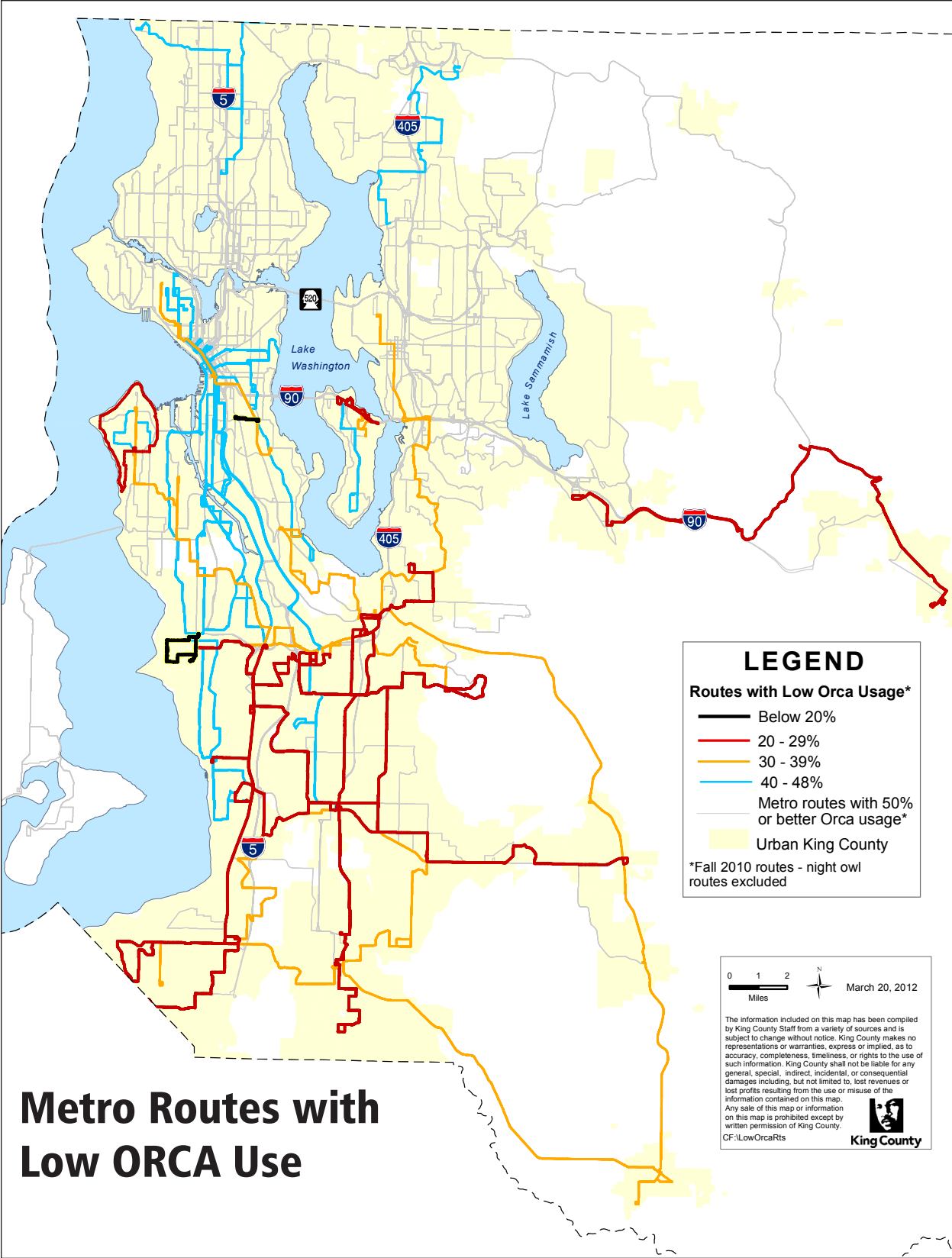


FIGURE 3: Percentage of Riders Who Pay Fare With ORCA Card by Income Level



The map on the following page shows bus routes on which ORCA use is low. Generally these are routes that serve outlying areas and do not connect with downtown Seattle, or serve low-income neighborhoods with relatively high concentrations of people with limited English proficiency. These routes tend to be concentrated in southeast Seattle and south King County.



ORCA sales

Total systemwide ORCA sales were nearly \$150 million in 2011, with nearly three quarters of the total from the sale of regional transit passes (Monthly and Passport passes). The largest single category by sales value was Passport pass sales. (The bulk of “agency product” sales are fare products valid only on the Washington State Ferries system.)

The two types of business accounts are Passport and Business Choice. They are managed through the business accounts website, <http://metro.kingcounty.gov/cs/employer/ctr-bus-passprograms.html>.

Passport is a regional pass for transit, vanpool and guaranteed-ride-home that is purchased through an annual contract by employers and institutions for all benefits-eligible employees (or students); it is the ORCA replacement for FlexPass. The contract price is based on actual use and regionally agreed per-trip pricing.

Business Choice allows an employer to purchase and reload ORCA cards monthly at retail prices for its transit users only.

In 2008, the last full year before ORCA was introduced, Metro had approximately 1,270 business accounts; 1,489 businesses had activated accounts with Metro by the end of 2011.

The remaining sales were conducted through the cardholder website, Sound Transit’s ticket vending machines (TVMs), transit agencies’ customer service terminals, retailers, and autoloads set up by customers. A small percentage of customers use the ORCA Call Center to add value or passes to their cards. The breakdown of sales is shown in the table and figure at right.

Retail network. Metro and the ORCA partner agencies have worked closely with retailers—grocery stores and drug stores—to provide a network of ORCA outlets convenient to where customers live and work. Customers can add E-purse value or passes to their ORCA cards at these outlets. Currently, retailers are not able to sell cards.

Both the number of retail locations and the value of ORCA product sales at these locations increased 10-fold between the fourth quarter of 2009 and the fourth quarter of 2011. The growth rate in the number of outlets and sales tapered off in the latter half of 2011. (See Figure 5 on the next page)

As described elsewhere in this report, Metro will continue to work with ORCA partners, retailers and human service agencies to increase the number of places customers can add value to their cards, and to explore allowing third parties to sell new cards as well.

TABLE 3: 2011 ORCA Sales by Fare Product Type

Sales	Total	Percent
E-purse	\$32,576,241	22%
Monthly pass	\$45,684,729	31%
Passport pass	\$64,219,579	43%
Agency product	\$6,887,246	5%
Total	\$149,367,795	

TABLE 4: 2011 Sales by Sales Channel

Sales channel	Total	% of total sales
Passport sales to employers	\$64,219,579	43%
Business Choice account website	\$34,423,910	23%
Cardholder website	\$15,966,374	11%
Ticket vending machines	\$12,309,578	8%
Customer service terminals	\$10,774,890	7%
Retailers	\$5,422,677	4%
Autoload	\$3,775,104	3%
Call center	\$2,421,299	2%
Agency terminal revalue unit*	\$44,386	0%
Total	\$149,357,797	100%

*WSF

FIGURE 4: 2011 Sales by Sales Channel

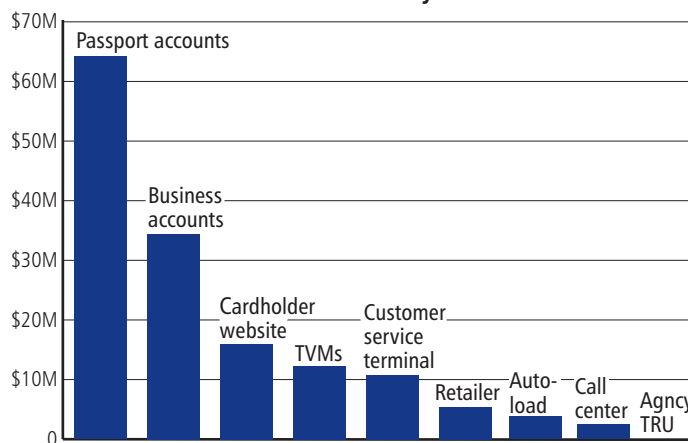
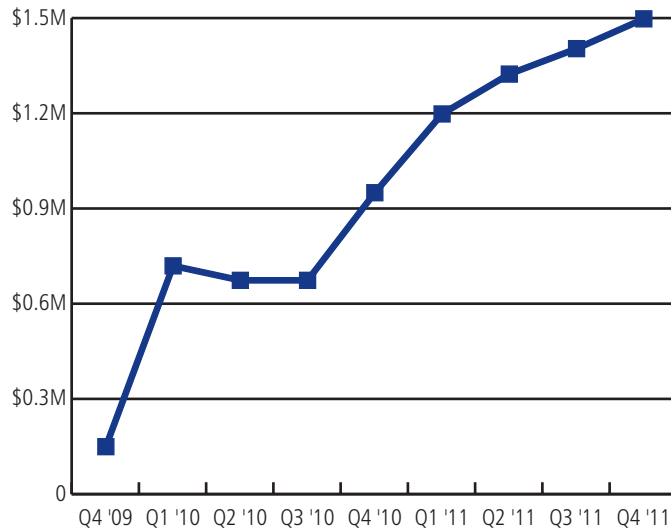


FIGURE 5: Quarterly ORCA Sales by Retailers, Fourth Quarter 2009 - Fourth Quarter 2011



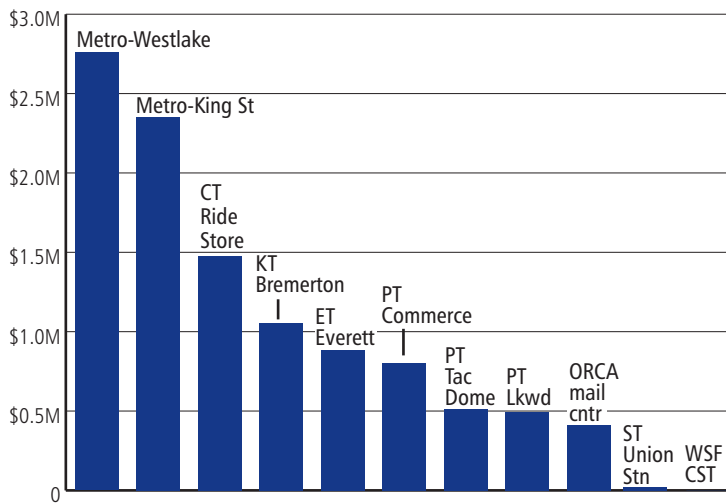
The number of retail locations and ORCA sales at these locations increased 10-fold between fourth quarter 2009 and fourth quarter 2011; the growth rates of both tapered off in the second half of 2011.

Customer service terminal sales About 50 percent of 2011 regional sales at customer service terminals (CSTs) were at Metro’s two downtown customer service offices. The breakdown of CST sales by location is shown in the table and figure below.

TABLE 5: 2011 Sales at Customer Service Terminal Locations

CST location	Total	% of total sales
Metro Trnst – Westlake	\$2,758,822	26%
Metro Trnst – King Street	\$2,350,900	22%
Community Trnst - Ride Store	\$1,478,526	14%
Kitsap Trnst – Bremerton	\$1,055,368	10%
Everett Trnst – Everett	\$882,367	8%
Pierce Trnst – Commerce	\$802,583	7%
Pierce Trnst - Tacoma Dome	\$514,692	5%
Pierce Trnst– Lakewood	\$412,371	4%
ORCA – Mail Center	\$493,878	5%
Sound Transit – Union Station	\$21,948	0%
Wa State Ferries – CST	\$3,435	0%
Total	\$10,774,890	100%

FIGURE 6: 2011 Sales at Customer Service Terminal Locations



Customers can use full-service TVMs at 26 locations to purchase ORCA cards and add products to their cards. TVMs are the only places in King County where customers can purchase a card on-the-spot, at any time, with any form of payment including cash. (TVMs dispense standard adult cards only, not youth or Regional Reduced Fare Permit cards for senior or disabled riders.)

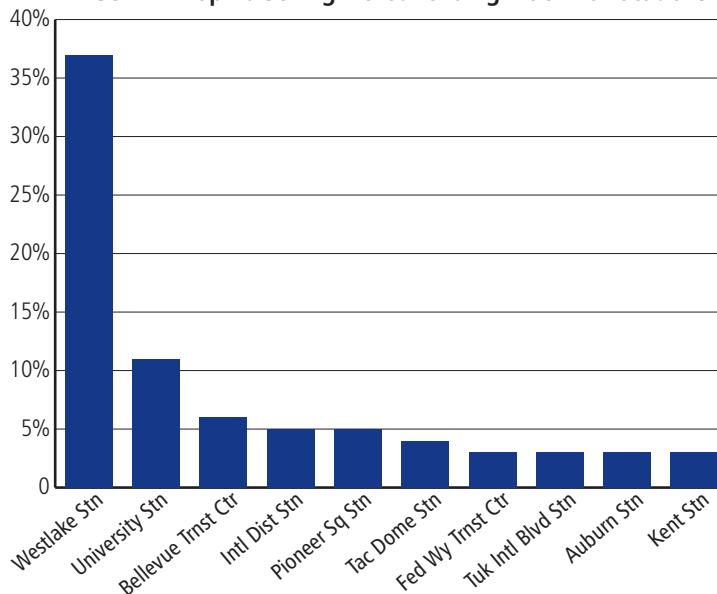
Ten of the TVM locations account for 80 percent of TVM sales. The top 10, shown in the table and chart below, are major Link or Sounder stations and the Bellevue and Federal Way transit centers. Westlake Station alone accounts for 37 percent of TVM sales.

TABLE 6: Top 10 Selling Ticket Vending Machine Locations*

Rank	TVM location	% of total sales
1	Westlake Station	37%
2	University Street Station	11%
3	Bellevue Transit Center	6%
4	International District Station	5%
5	Pioneer Square Station	5%
6	Tacoma Dome Station	4%
7	Federal Way Transit Center	3%
8	Tukwila Intl. Blvd. Station	3%
9	Auburn Station	3%
10	Kent Station	3%
Total :		80%

* based on fourth quarter 2011 sales

FIGURE 7: Top 10 Selling Ticket Vending Machine Locations



As of fourth quarter 2011, six retailers were selling fare value for ORCA cards at 104 locations throughout the region. The Bartell Drugs at Third Avenue and Union Street in downtown Seattle was by far the largest sales location, accounting for 23 percent of retail sales. Most other top-10 locations are in urban communities throughout the region.

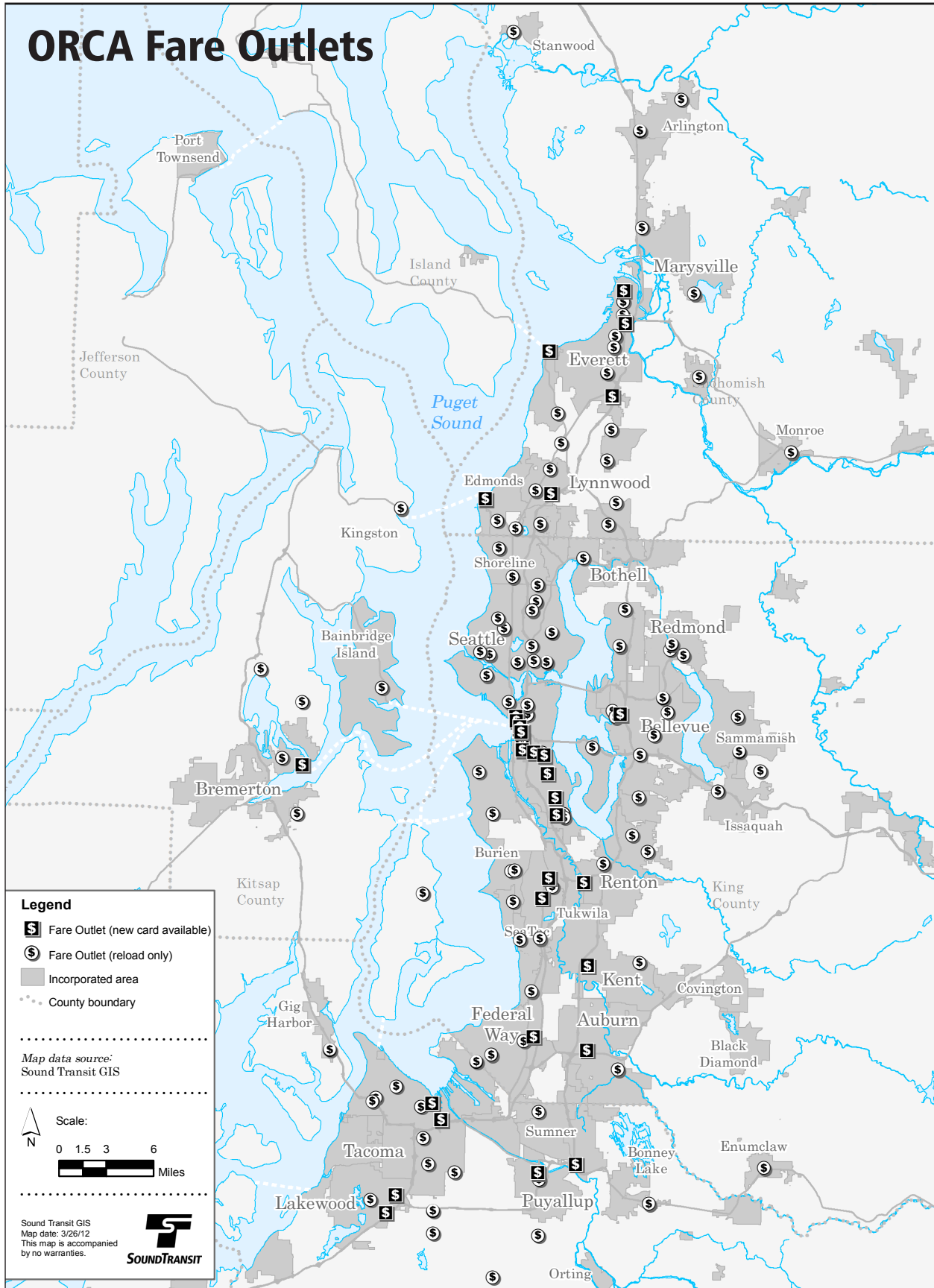
TABLE 7: Top 10 Individual Retail Locations by Sales Volume*

Rank	Retailer/location	% of total sales
1	Bartell Drugs Seattle Third & Union	23%
2	Saar's Lakewood	5%
3	Saar's Burien	3%
4	QFC #847 Harvard Market	2%
5	QFC #887 Broadway Market	2%
6	Safeway Lynnwood Hwy 99	2%
7	Safeway Seattle – Greenwood Ave N & N 87th	2%
8	Safeway #1600 Bellevue Way NE	2%
9	Thriftway - Vashon	2%
10	Safeway #1252 Bainbridge Island	2%
Total:		49%

* based on fourth quarter 2011 sales

Places where customers can purchase and add value to ORCA cards are shown in the map on the following page. These locations are in downtown Seattle, along Sound Transit's Link and Sounder lines, and at major transit centers. Customers can add value to their ORCA cards (but not purchase cards) at grocery and drug stores in Bellevue, Burien, Des Moines, Enumclaw, Federal Way, Issaquah, Kenmore, Kent, Kirkland, Mercer Island, Newcastle, Normandy Park, Redmond, Renton, Sammamish, SeaTac, Seattle, Shoreline, and Vashon Island.

ORCA Fare Outlets



Customer perceptions

Metro's 2011 Rider/Nonrider Survey found that 62 percent of regular and infrequent riders use ORCA cards to pay their fares; this finding is consistent with the data on ORCA use. ORCA may be an important reason why 92 percent of Metro riders are satisfied with "ease of fare payment." Of those respondents with an opinion, 90 percent indicated they were satisfied with "ease of loading a pass or adding value to your E-purse."

Of riders without an ORCA card, 34 percent indicated they were not familiar with ORCA. Clearly, additional work is needed to help riders become aware of ORCA and its advantages.

When riders who are familiar with ORCA were asked why they don't have an ORCA card, nearly 40 percent indicated they "Don't ride often enough." This figure rises to 57 percent among infrequent riders. This underscores the point that additional effort is needed to make it easy to get an ORCA card, particularly for infrequent riders. It is possible that infrequent riders do not understand how an ORCA E-purse can work for them, or even that an E-purse is available.

The next most frequently cited reasons for not having a card were "Haven't gotten it yet/haven't had time/lazy" (9 percent) and "Don't need it" (8 percent).

In addition to the Rider/Nonrider Survey, Metro hears from the public in other ways, such as letters and e-mails sent to Metro and the County Council, comments made to staff members at customer sales offices, and feedback gathered during public outreach concerning service changes. A key message we have heard is that youths, seniors, and people who have disabilities, limited English proficiency, low incomes, or no bank accounts often find it difficult to get and add value to ORCA cards. The \$5 card fee is often cited as a barrier to ORCA use.

ORCA Distribution and Promotional Programs

Over the past three years, Metro has engaged in numerous efforts to get ORCA cards to various types of communities. These efforts help get cards to people who lack easy access to a place where cards are sold, don't have a debit or credit card or computer access, or face other barriers. Card distribution programs also give nonriders an incentive to try transit.

Through these collective efforts, more than 12,000 cards have been distributed. For several of these programs, Metro has been able to examine data on card use. In most cases, we have found that just about half the cards distributed have been used, and a smaller percentage have been reloaded.

While the programs described below have been successful, Metro has experienced many challenges related to the ORCA technology currently used to process cards. These issues are discussed in the "Issues and Opportunities" section of this report.

ORCA outreach visits

Metro staff members conduct outreach throughout the year to provide general information about the transit system and fares and to help customers convert to ORCA. Outreach locations include senior centers, community centers, major employers, transit fairs, senior/disabled residential facilities, medical and veterans centers, community agencies, schools and school districts.

The ORCA devices currently available allow Metro staff to issue adult ORCA cards and ORCA Regional Reduced Fare Permit (RRFP) cards for seniors and riders with permanent disabilities at these outreach events. Staff can also collect payment for E-purse value or passes for adult or ORCA RRFP cards at these events, and then enter these products into the ORCA data system after returning to the Metro office. These products will then be loaded onto the cards at first use.

For customers at outreach visits who want either temporary disabled RRFPs or youth ORCA cards, Metro staff must complete paperwork with the necessary information from customers and, upon returning to the Metro office, enter this information into the ORCA data system to produce a temporary ORCA RRFP or youth ORCA card. These ORCA cards must then be mailed to the customer.

With the current ORCA devices, these events require a three- or four-step process, which makes such outreach very labor intensive. First, cards to be issued at an event must be "set up" in the ORCA system prior to the event. Second, Metro staff then complete the paperwork with the necessary customer and payment information. Third, the information collected at the event for each card issued must be re-entered into the ORCA data system once staff return to the office. Finally, any temporary RRFP permits and youth cards requested at the event must be mailed to the customer as a fourth step.

Staff visited 43 sites and issued more than 314 ORCA RRFP cards in 2011. More than 350 customers received information about transit—including ORCA fare payment—at employer fairs, and 63 people were served at the Route 245 promotion. Staff time required for each visit was about four hours, including card preparation prior to and data entry after the visit. Some of the larger sites required two staff members. (See Appendix B for a list of sites visited.)

In Motion

In Motion is a community-based program that strives to reduce drive-alone travel for all types of trips—to work, school, or any other purpose. The program partners with local organizations to provide education, tools, and incentives for people to incorporate other mobility options into their regular travel habits.

After the ORCA launch, In Motion began using ORCA cards as an incentive for people to ride the bus. The program has distributed 2,713 ORCA cards in communities throughout the county. The usage rate of cards distributed through In Motion has averaged 51 percent, and has ranged from 40 percent to 82 percent. A survey of participants conduct-

ed after the 2011 West Seattle In Motion program found that 21 percent of respondents had increased their transit ridership by one or more round trips per week during the program; the number of respondents who said they rarely or never took the bus declined by 23 percent.

Route 245 promotion

In 2011, Metro included an ORCA promotion in a campaign to promote Route 245, which links Factoria, Bellevue College, Crossroads, Overlake and Kirkland. Households near the route corridor received a mailing with information about the route and a postcard they could use to request an ORCA card and a \$10 voucher. This promotion included additional advertising at gas stations, online, and on Eastside buses. The ORCA offer was valid only for residents of Kirkland, Redmond and Bellevue, and was limited to one free ORCA card per household.

The offer was mailed to 38,000 addresses, and the online ads generated 5,016 visits to the program website. A total of 4,170 ORCA cards were requested. The following are data about card use:

- 42 percent of the cards (1,808) have recorded ORCA transactions
- The cards have been used for 36,850 financial transactions
- Average number of transactions per card distributed = 8.57
- Average number of transactions per active card = 20.38
- \$77,600 of E-purse value was loaded onto these cards by customers in 3,928 transactions
- 179 passes were loaded onto cards, valued at \$15,600
- 40,704 trips have been taken with these cards as of mid-March 2012

Total cost of cards and value of \$10 vouchers: approximately \$52,000

Total cost of all other elements of the program: \$90,778

SR-520 - AWW Travel Options ORCA card distribution

Between mid-March and November 2011, Metro partnered with the Washington State Department of Transportation to distribute \$6 pre-loaded ORCA cards and information about travel options to help drivers manage tolling and congestion. The cards were offered at WSDOT mobile sales locations to purchasers of Good to Go transponders, and at employer and public events in the SR-520 and Alaskan Way Viaduct (AWV) corridors by Metro and partner agency staff members.

ORCA cards were offered with transponder sales on more than 500 sales events at over 80 different locations. Of those events, 385 were on the Eastside, 116 in Seattle/Shoreline, and 16 in South King County. Locations included office buildings, malls, grocery and home-improvement stores, hospitals, city halls, libraries, schools, farmers' markets, parks, festivals, public concerts and sports events, gas stations and AAA. Appendix C shows a breakdown of the locations by city or area. Staff from Metro, TransManage (downtown Bellevue), Commute Seattle, and Redmond also distributed cards at employer meetings and public events related to SR-520 or AWW outreach.

A total of 1,200 \$6 ORCA cards were distributed at transponder sales events (900 cards) and at employer and public events (300). Through February 2012, approximately 54 percent of these cards had been used on transit at least once. Of the 650 cards used, 19 percent had been reloaded, and 11 percent had been loaded more than once or with a pass, indicating the intent to continue using transit.

Program cost: approximately \$10,000 for loaded ORCA cards plus staff time

Southeast Connector residential ORCA card distribution campaign

In August-October 2011, Metro conducted the Southeast Connector Campaign in southeast King County. Grant funding from the Washington State Department of Transportation had enabled Metro to increase frequency of service on

routes 149, 164 and 168 and to expand Route 149. This area has few locations where people can get an ORCA card, so this campaign promoting the improved bus service also included an ORCA card promotion.

Metro mailed a flyer with information about the service changes and an offer of a free ORCA card to 45,000 households within one mile of the three routes. Recipients could request a card online or by mailing back a post card. The ORCA card was not available to RRF-eligible or youth customers. It was limited to one request per household in the cities of Kent, Covington, Maple Valley, Black Diamond, Enumclaw and Auburn.

People who requested a card and packet received an ORCA card preloaded with \$10, an *ORCA Tips* brochure, a map of southeast King County showing routes and park-and-ride lots, a frequency chart for southeast bus routes, and information on how to add value or load a pass on the ORCA card online or in person.

The total number of respondents was 3,481, or 7.7 percent of the mailing. Of the cards distributed, 1,625, or 47 percent, were used in the first six months for 27,348 boardings.

Project budget: \$160,000

Expansion of the retail network in southeast Seattle and south King County

The ORCA agencies have steadily expanded the network of retail stores where customers who have ORCA cards can add value to them. The network has grown from 10 outlets in 2009 to more than 100 today; sales at these outlets have grown in proportion. The agencies are continually working to expand the retail network—a relatively low-cost way of offering convenient revalue locations throughout the region.

This year, Metro, the partner agencies and Saar's MarketPlace are conducting a pilot project to distribute ORCA cards in underserved areas of Pierce and south King counties. The project is intended to reach a broad audience, assist customers who do not have computer or phone access to ORCA, and eliminate the need to travel to Metro customer service offices or a TVM.

This project will be a limited-time promotion (about six months beginning in April 2012) followed by evaluation and analysis of the sales data and retailers' experiences. The pilot will include distribution of ORCA cards at all seven Saar's MarketPlace locations, including stores in Rainier Valley, Renton and Burien. Approximately 6,000 cards are available for this distribution. Because senior/disabled and youth card types require proof of eligibility and processing at a transit agency customer service office, only adult cards will be available for this pilot. Card fees will be waived for customers who load a minimum of \$5 on their cards.

Transit agencies and Saar's will jointly promote this pilot project. Advertising will include ads in Saar's weekly flier, exterior and interior bus ads; promotional messages on ORCA, Saar's, and transit agency websites; and key messages available for incorporation into transit agency outreach materials. The Regional Trip Planner and fare outlets will be updated to note that cards are available at participating Saar's stores.

Expansion to other retail stores would be based on an analysis of current sales and the potential interest among other retailers.

Metro has not incurred additional costs for this project. ORCA cards already allocated to Pierce Transit are being used. The cost of any replication or expansion of this project cannot be estimated until the pilot program has been completed and evaluated.

An effort is also underway to expand the regional ORCA retail network in southeast Seattle, making it easier for people who have cards to add value to the E-purse or buy monthly passes. In addition to Saar's, two other stores in the Rainier Valley—one QFC and one Safeway—are now part of the ORCA network of retail outlets. Two existing outlets in Renton are nearby. Another southeast Seattle Safeway will be added to the network this spring. Cards can be revalued at these outlets; any plans to distribute cards at these locations will depend on the results of the Saar's pilot program.

Southeast Seattle outreach

As part of the June 2012 service change ordinance, the King County Council directed Metro to pursue strategies and actions to increase access to ORCA cards as one element of a broad community outreach effort in southeast Seattle.

Metro is working with Sound Transit, the City of Seattle's departments of Transportation and Neighborhoods and the Seattle Police Department in this outreach program. The agencies will be engaging the southeast Seattle community, neighborhood organizations and human service agencies in an effort to better understand barriers to accessing and using transit services in southeast Seattle.

By including ORCA distribution in the broader outreach plan, the council was responding to issues related to fare payment in the southeast Seattle community. Riders who pay transit fares with cash cannot use paper transfers when transferring between local Metro service and Link, creating a barrier to use of transit for many people in the area. Riders can use ORCA cards for intersystem transfers, but many people find it difficult to get and use ORCA cards—especially youths, seniors, and people who have disabilities, limited English proficiency, low incomes, or no bank accounts. These issues have contributed to community concern about the elimination of a bus route in the area.

Following outreach in spring 2012, Metro will develop and implement a plan for improving access to ORCA. These efforts are likely to include development of multi-language videos and brochures and promotional distribution of ORCA cards through community and social service agencies.

Timeline:

- March to June 2012- community outreach to identify barriers to using transit services, including the use of ORCA cards
- June to September 2012 – develop materials and promote ORCA cards through partnerships with community organizations
- September to February 2013 – demonstration projects to increase access to ORCA cards.

Evaluation:

- Count the number of new applications for RRFP cards that are submitted as a result of outreach activities with partner organizations. Follow up analysis will track if individuals used the E-purse product. Results will be reported to the County Council in October 2012.
- Assess how successful partnerships have been in promoting transit and ORCA by counting the number of organizations that participated in outreach to their members. Results will be included in the report to the council.
- Track ORCA use on key bus routes in southeast Seattle.
- In fall 2012, the community will provide feedback to Metro and the County Council regarding the outreach. Metro plans to meet with partner organizations, the City of Seattle, and Sound Transit to review products and programs that have and will be implemented. Results will be included in the report to the council.

Third-party promotions

Metro has participated in partnerships with TransManage (downtown Bellevue), the City of Redmond R-TRIP program, Commute Seattle (downtown Seattle), and the City of Kirkland GreenTrips program. The following are examples of activities:

- Provide information to residents, commuters and employers about travel options and fare media.
- Sell ORCA business products (Passport and Business Choice) to employers and support their commute benefits programs.
- Use ORCA cards in incentive programs to increase ORCA access and transit ridership. For example, Redmond's RTRIP program, a partnership with Metro, distributed 314 cards in 2011.

Issues and Opportunities

Based on data about ORCA use and experience with outreach and promotion programs, Metro has identified the following issues and opportunities to be addressed in future efforts to expand ORCA use.

- Current ORCA business processes and system design make it cumbersome to conduct ORCA promotions or to conduct promotions that use ORCA cards as an incentive.
- In order to purchase cards for promotions at cost (compared to the higher retail cost), Metro must obtain the approval of the other ORCA agencies on a case-by-case basis. Metro is working with partner agencies to develop general guidelines for use of at-cost cards in promotional activities to streamline this process.
- Current ORCA business processes and accounting procedures do not allow Metro to add value directly to cards. Staff currently order vouchers from an outside vendor with value that can be added to cards. Metro then can use these vouchers to add value one card at a time in the ORCA mail center—an extremely time-consuming process. Alternatively, Metro can send the vouchers to customers along with the ORCA cards, and instruct the customers how to load the vouchers to the cards. This can be confusing for customers.
- Once an ORCA card is sent to a customer, there is currently no way for Metro to add value to that card as part of an ongoing program incentive.
- Pre-loaded cards cannot be ordered in bulk quantities without a business account. Business accounts as currently established will not work for promotions because the ownership of the ORCA cards distributed cannot easily be transferred to the customer.
- Distribution of cards to customers eligible for youth or RRF cards is particularly difficult. Only mail center and walk-in center customer service staff are currently authorized to accept proof of age or disability. Customers with disabilities must have a photo taken in person at a walk-in customer service location or by customer service staff at an outreach site visit; seniors and youth can mail in documents to obtain their ORCA cards by mail.
- The equipment used for selling ORCA cards during community outreach visits has a number of limitations that make these visits time-consuming for staff members, and less convenient for customers:
 - Staff must initialize cards in the ORCA system before the visit, gather information on paper forms during the visit, then re-enter data into the ORCA system for each card issued after the visit.
 - The only ORCA cards that can be issued to customers on-site are adult and permanent RRFs. The customer data for temporary RRF cards or youth cards must be entered at the office, and these cards must then be mailed to customers.
 - Staff can take payment only for products to be loaded on the permanent RRFs or adult cards issued at site visits. The product would be loaded remotely at the mail center and loaded onto the card in 48 to 72 hours.

An overarching issue as Metro continues with ORCA outreach and promotion efforts is the need to continually assess the benefits and costs of these initiatives. Some no-cost changes in business practices and low-cost changes in ORCA processes and equipment can reduce the cost of current outreach activities. Other initiatives, such as providing additional ticket vending machines, can involve fairly high capital or operating costs, or both. The most cost-effective approaches will focus low-cost efforts in markets with the greatest potential benefits from increased ORCA use. For customers, significant benefits can be achieved in areas like southeast Seattle, where low ORCA market share results in many customers not being able to make trips between Metro's bus service and Sound Transit's Link light rail. For agencies, significant benefits can be achieved by speeding boarding in congested areas—particularly in downtown Seattle after closure of the Ride Free Area.

The following two sections describe Metro's plans and potential opportunities to address these issues in the short term and long term.

Future Efforts – Short-term

Metro's plans for the next year include the following:

Expand the third-party retail network

The sale of ORCA fare products through partnerships with grocery and drug stores is a low-cost way of providing customers with convenient locations to reload their ORCA cards. Metro will continue efforts to expand the third-party retail network.

Continue outreach and promotional programs

Ongoing Metro programs described earlier in this report will continue to promote ORCA use. For example, in 2012, In Motion programs will be conducted in communities to be served by the RapidRide C and D lines, and ORCA cards will be used as an incentive. More cards will be distributed in the SR-520 and AWV corridors as part of Travel Options promotions.

Metro also will develop a plan for improving access to ORCA in southeast Seattle based on outreach being conducted this year, and the ORCA agencies will evaluate the Saar's Marketplace pilot to determine if an expansion of this program makes sense.

Conduct demonstration program: social service agency as retail outlet

Metro plans to look for an opportunity to partner with a social service agency to conduct a demonstration program in which the agency would act as a retail outlet for ORCA cards.

Issues: The demonstration will involve training agency staff, setting up equipment needed to issue and revalue ORCA cards, and some ongoing operations costs.

Timeline: Metro will explore partnership opportunities this year as part of the southeast Seattle outreach.

Work with ORCA vendor and partners to simplify promotions

Metro will work with ORCA partners and the ORCA vendor to institute simplified procedures and technical capabilities for ORCA promotions. Issues to be addressed include developing general guidelines for paying at-cost card fees for promotions, resolving issues with the use of business accounts for promotions to make it possible to order large volumes of unregistered cards, reload cards, and charge to internal accounts (including grants).

Purchase portable customer service terminals for site visits

A portable customer service terminal (CST) that could be used in the site visits described earlier in this report is under development. Metro is working on finalizing the system requirements with the vendor. These portable CSTs will provide the following benefits:

- Allow all customer data to be entered directly into the terminal on-site, reducing the number of steps and staff time required to issue an ORCA card.
- Allow all ORCA card types to be issued on site, improving customer convenience.
- Allow E-purse or passes to be issued on site, improving customer convenience.

Cost: Approximately \$15,000 per unit. Metro expects to purchase at least three units.

Timing: Portable ORCA CSTs are expected to be available for purchase in fall 2012.

Add TVMs

Metro is planning to purchase and install 11 ticket vending machines (TVMs) around King County, offering additional convenient locations where customers could purchase and add value to ORCA cards. This project supports Transit Strategy 2.1.3., “provide products and services that are designed to provide geographic value in all parts of King County.”

The units would be similar to those already in use in the Downtown Seattle Transit Tunnel and at Link stations. Each unit would sell and revalue standard adult ORCA cards.

One machine will be installed in King Street Center. Other possible locations include community colleges, shopping centers, libraries, park-and-rides and municipal buildings.

Sound Transit has purchased and deployed 95 of these units around the region and has updated its information technology and financial and service systems to support these units. Sound Transit provides ongoing operation, maintenance and support for its own units as well as those deployed by Community Transit; Metro plans to have Sound Transit perform this function for its units.

Project funding includes some contingency funds for site preparation, but additional possible risks exist:

- Maintenance and repair costs paid from operating dollars are based on the quotes from Sound Transit based on its experience. Costs for Metro’s units could be higher or lower depending upon chosen locations.
- The manufacturer states that the actual functioning life of a vending unit is approximately 10 years, but actual life could be affected by its location, especially if it is exposed to weather.
- The project assumes that Sound Transit would continue to provide the information technology and financial and service systems to support these units.
- Operating funds would have to be requested (see below).

Cost:

The total capital budget for this project is \$1,447,000. The one-time cost is approximately \$70,000-\$80,000 per unit for purchase, configuration and installation, not including site preparation, power, connectivity, shielding, shelter, lighting, and security (which could be unique to each location). The project budget is based on an estimate of \$20,000 per location.

Ongoing costs are estimated to be \$25,000 per year per unit for repair, maintenance, service, supplies, merchant fees and transaction fees. The total annual ongoing cost for 11 TVMs is estimated to be \$275,000 and must be requested in future operating budget proposals.

Potential sites and selection criteria: One unit is planned for the Pass Sales lobby of King Street Center. Other locations have not yet been determined but basic criteria for a viable site include: 1) can accommodate all the physical specifications listed above; 2) is in an area with high foot traffic; and 3) has some provision for the security of customers and the unit itself. The selection process would also identify locations not well-served by other sales outlets.

One unresolved issue is whether to deploy a single TVM at each location or install two units at certain locations to accommodate a high volume of activity or provide immediate backup in case one unit breaks down. Potential locations include but are not limited to: downtown Seattle Public Library, the Washington State Convention Center, transit centers, third-party retail sales outlets, shopping malls such as Crossroads or Southcenter, park-and-ride lots, and municipal buildings.

Timeline:

A TVM will be installed in the King Street Center pass sales lobby this spring. Sales and Customer Services staff will compile a list of 15 to 20 other sites to evaluate. The evaluation process would identify locations that meet the physical specifications as they exist today, those that do not meet the specifications but could be prepared if resources were available, and those that could not be upgraded to meet the minimum specifications.

Consider ORCA day passes

One product that could help increase ORCA use among infrequent riders is an all-day pass. An all-day pass would be activated upon first use and available for the rest of the service day. Customers could load one or more day passes (up to 12) on their ORCA cards through all available purchase mechanisms: online, through the Call Center, or at a customer assistance office, retail location or TVM. Multiple passes would be used one day at a time.

An all-day pass would provide greater certainty about fare payment to riders who are unsure about the fares required for travel on multiple trips on different agencies during a given day, and would address concerns about running out of E-purse value during the course of the day.

Before the ORCA system was launched, the ORCA Joint Board, made up of the agency general managers, agreed not to introduce new fare products until ORCA was well-established. As the ORCA system approaches the end of its third year of operations, staff from the participating transit agencies are reviewing possible options for an all-day pass.

The goal is to provide regional day passes valid on all transit agencies, consistent with the overall ORCA goal of seamless regional transit fare payment.

Issues:

Limited system capability. Currently, the ORCA system provides for one regional all-day pass, although this has not been implemented. The addition of more passes—youth or senior and disabled riders, for example—would entail additional processing costs and system design that would take around 12 months to complete.

Pricing. The ORCA transit agencies would have to agree upon the fare value and associated price for an all-day pass. The most straightforward approach would be to make this pass valid for all transit modes, with a price based on the highest fare value in the region—currently \$4.75 on Sounder from Tacoma to Seattle. To avoid undercutting fare revenue, the all-day pass would have to be priced at two or more times the fare value. Day passes are commonly priced at 2 to 2.5 times the fare value. Such pricing would result in an all-modes regional day pass priced in the \$9.50 to \$12 range. It is not clear if a product priced in this range would be appealing to customers.

Timeline:

Staff from the ORCA transit partner agencies are currently reviewing all-day pass options, with the intent of developing a recommendation to the Joint Board this spring, with the goal of implementing a regional all-day pass towards the end of 2012.

Consider limited-use (disposable) ORCA cards

Limited-use ORCA cards, also called disposable cards, are lighter weight and lower cost than the standard ORCA cards currently in use. These cards also have less functionality than a standard ORCA card in that only one product (pass, multi-ride or E-purse) can be loaded on a card and the cards cannot be reloaded. Because of these features, limited-use cards are best suited for short-term use or for infrequent riders.

Current status: The ORCA system was designed to include limited-use cards, but introduction of these cards was put on hold because of security concerns, specifically the potential to copy and reimage cards.

Since system design was completed, a new disposable smart card has become available. At the request of the Puget Sound regional agencies, the ORCA system vendor recently prepared a white paper comparing the security features of the original card (called Ultralight) with the security features of the new card (Ultralight C). The regional agencies have reviewed the white paper and requested additional information from the system vendor.

It is clear that the Ultralight C has enhanced security features, but a costly redesign of the ORCA system would be necessary to take advantage of those features. At this time, no other North American transit agencies are using the Ultralight C instead of the Ultralight. No security incidents have been reported to agencies that use the Ultralight.

Potential market:

Visitors. Limited-use ORCA cards would be ideal for visitors, particularly in concert with a day pass, if introduced. They could be distributed individually through hoteliers or in bulk for conferences and conventions.

Human service agencies. Limited-use ORCA cards could replace discounted paper tickets currently purchased by human service agencies. Users of these cards might benefit from introduction of a multi-ride product.

Juror tickets. Limited-use ORCA cards could replace paper tickets purchased by the courts for jurors.

Infrequent riders. Paper tickets continue to be popular with infrequent riders or customers who may have difficulty keeping track of a standard ORCA card. Again, a new multi-ride product could serve this market well.

Issues:

Functional limitations. Limited-use cards can be loaded with only one product; in contrast, multiple combinations of agency and regional passes, multi-rides and E-purse can be loaded on standard ORCA cards. Limited-use cards cannot be reloaded. When the fare product has been used up or has expired, the card is longer of any use. The cards cannot be registered, so there is no protection if they are lost or stolen. Limited-use cards can be issued only as adult cards and cannot be used by youth, seniors, or disabled customers entitled to a reduced fare.

Cost. The contract price for disposable cardstock is currently just under \$1; cardstock for standard ORCA cards is almost \$2.50. To make a card usable, it must be processed by a machine that issues the card. Processing costs about \$1 per card for both standard and disposable cards. Issued, usable limited-use cards would cost nearly \$2 each.

Card fee. ORCA customers currently pay a fee of \$5 per card (\$3 per card for RRFPs and for those purchased by approved human service agencies). This card fee partly offsets the cardstock and processing costs. For the regional agencies to recover the cardstock and processing costs of limited-use cards, the card fee would have to be \$2 in addition to the cost of the fare product loaded on the card.

Distribution. A question be addressed is what distribution channels would be used to make these cards available to the public, and at what cost.

Timeline:

The ORCA Joint Board will be reviewing the business case for limited-use cards in spring 2012 as part of the 2013 budget process.

Future Efforts – Longer Term

While Metro is conducting outreach and promotion programs this year, and working to improve the backend systems and technologies that support them, we will also be exploring additional, longer-term strategies for expanding ORCA use.

ORCA fare incentives

One way to increase ORCA market share would be to provide a price incentive for ORCA use compared to cash. This could be done in two ways: 1) provide an E-purse fare that was discounted compared with the cash fare; and 2) eliminate cash transfers and provide transfer credit only for riders using their ORCA E-purses for fare payment.

A discounted E-purse fare would have disadvantages: It would result in lost revenue to Metro from existing E-purse users, and would likely siphon off some pass sales among riders whose ridership is near the “pass break-even point” of 36 rides per month. This leaves the alternative of increasing the cash fare while leaving the pass and E-purse fares the same.

Between 30 and 40 percent of trips involve a transfer between buses, and some evidence suggests that the percentage is even higher for cash riders, so eliminating cash transfers would certainly be an incentive for many riders. Sound Transit, Community Transit and Everett Transit have eliminated cash transfers in the past few years.

Issues:

Either of these fare changes would have an impact on low-income riders who pay with cash and may face barriers to using ORCA. A barrier for some riders is the \$5 card fee. Another is that riders who do not have Internet access or bank accounts are dependent upon finding a convenient retail location to purchase and add value to their cards. A recent study published by the Smart Card Alliance (2008, *Serving Unbanked Consumers in the Transit Industry with Prepaid Cards*) noted that 20 percent of US households have no bank account, and that these households are more likely than those with bank accounts to be low-income and minority.

These types of fare changes would require Metro to undertake an analysis to comply with the Federal Transit Administration’s 2007 Title VI Circular (FTA C 4702.1A). This analysis would involve three major steps:

1. Analyze available information to determine if low-income or minority riders are more likely to use this fare payment type. As noted above, available data show that low-income riders are more likely than higher income riders to use cash than pay with ORCA cards.
2. Assess alternatives for those affected by the fare change, including a comparison of fares paid through available alternatives.
3. “Describe the actions the agency proposes to minimize, mitigate, or offset any adverse effects of proposed fare and service changes on minority and low-income populations.” (Title VI.4.a.(2)(c))

Without a well-thought-out plan for ongoing mitigation, such fare changes would also run counter to key guiding policy documents: King County Ordinance 16948, related to the “fair and just” principle of the King County Strategic Plan, which strives to eliminate inequities and social injustices based on race, income, and neighborhood; Goal 2 of Metro’s Strategic Plan for Public Transportation, 2011-2021, “Provide equitable opportunities for people from all areas of King County to access the public transportation system”; and the strategic plan’s Strategy 2.1.2, “Provide travel opportunities for historically disadvantaged populations, such as low-income people, students, youth, seniors, people of color, people with disabilities, and others with limited transportation options.”

Beyond ORCA—new technologies for fare payment

Two emerging technologies could supplement the ORCA as an alternative to cash fare payment. As ORCA cards and the ORCA brand is well-established among the frequent-rider and business-account markets, these technologies might be particularly well-suited for the infrequent rider and tourist markets.

The first of these technologies is the VISA, MasterCard or American Express contactless credit card. There are two varieties: standard credit cards that are now enabled with contactless technologies, and contactless preloaded or “gift cards” that have dollar value loaded on them and can be reloaded at merchant terminals.

The second is “near field communications” or NFC cell phones. This is a very new technology that includes a smart card chip on the phone that can “talk” to a contactless smart card reader and work like either an ORCA card or a contactless credit card.

Issues:

Technology maturity. There have been some small demonstrations of the contactless credit/gift card technology for fare payment, and some large transit agencies are moving forward with plans for making widespread use of this technology. However, there has been no wide-scale deployment of this technology for transit, and there is very little operational experience to draw from.

Near field communications devices have not been widely deployed yet. There is considerable uncertainty as to what standards will ultimately be established and what technologies will prevail.

ORCA infrastructure impacts and costs. Accepting contactless credit cards would require either the installation of parallel card readers or the replacement of the existing ORCA card readers with new readers that could accept both ORCA cards and contactless credit cards. This would also require either significant changes to the current ORCA data transmission and management systems, or installation of a second data transmission and management path that met financial industry standards.

The infrastructure requirements for supporting near field communications devices are not yet known.

Payment verification. Current technology makes mobile payment verification of credit cards on buses difficult. Unlike ORCA cards, no validation information is stored on the card itself. To accommodate validation of contactless credit cards, a new wireless communications infrastructure would be necessary, as the required level of real-time communications cannot be handled by the transit radio communications system. Other transit agencies are considering individual cellular connections to each bus to support verification, with the attendant capital and monthly communications costs.

Operating costs. It is not clear what the transaction fees for credit card fare payment would be, and this could add a significant ongoing cost for transit operations. Further, the credit card companies’ “gift card” products include additional fees over and above the standard credit card processing fees (usually in the form of a revalue fee). This could present a barrier for access by low-income and other riders.

Regional transfer credits. It is not clear how, or whether, it would be possible to provide transfer credits for riders using credit cards for fare payment and transferring between transit agencies.

Appendices

A: In Motion Programs

Project	Date	Length (weeks)	Total participants	Households reached	Total Trips	Miles saved	Gallons of gas saved	Lbs CO ₂ saved	ORCA cards distributed	ORCA cards used
						Total project	Total project	Total project		
Rainier Beach	Fall 2009	10	206	3,249	1,655	15,000	997	47,023	1,000	NA
Othello	Fall 2009	10	206	3,344	1,297	19,948	997	19,350		
Columbia City	Fall 2009	10	234	3,087	1,594	22,680	1,134	22,000		
Beacon Hill	Fall 2009	10	349	3,080	2,539	33,195	1,660	32,199		
Mount Baker	Fall 2009	10	172	3,034	1,265	18,782	939	18,219		
Kent East Hill	Summer-fall 2010	20	244	3,500	4,595	105,443	5,272	102,279	54	50%
Juanita	Summer-fall 2010	16	345	4,012	7,075	145,499	5,272	102,279	158	NA
Tukwila/SeaTac	Summer 2010	4*	480	480	1,421	19,321	966	18,741	472	82%
Highline CC	Fall 2010	11	232	7,009	2,642	69,997	3,500	67,897	242	60%
Georgetown	Summer-fall 2011	16	200	6,500	3,913	294,455	14,723	285,621	36	36%
Squire Park	Summer 2011	12	268	3,500	4,304	38,798	1,940	37,634	92	48%
South Park	Summer-fall 2011	16	139	2,000	2,368	39,617	1,981	38,428	181	41%
White Center	Summer-fall 2011	16	703	5,388	6,821	98,581	4,929	95,624		
West Seattle	Summer-fall 2011	16	1,229	7,000	20,424	294,455	14,723	285,621	478	40%
TOTAL			5,007	55,183	61,913	1,215,771	59,033	1,172,915	2,713	51%

B: Outreach Site Visits, 2010-2011

Date	Location	Type	Total People
1/12/2010	Burien Community Center	RRFP	6
1/14/2010	VA Medical Center	RRFP	8
2/3/2010	Four Freedoms	ORCA transition/RRFP	17
2/11/2010	VA Medical Center	RRFP	7
2/16/2010	Renton Senior Center	RRFP	32
2/17/2011	Amazon	Transit Fair	>500
2/18/2010	Kirkland Senior Center	RRFP	12
3/5/2010	Issaquah Senior Center	ORCA transition/RRFP	47
3/9/2010	Burien Community Center	RRFP	11
3/10/2010	Kent Senior Center	ORCA transition/RRFP	54
3/18/2010	Zones	Transit Fair	43
4/14/2010	City of Burien/King County Library	Transit Fair	5
4/15/2010	Kirkland Senior Center	RRFP	5
4/20/2010	Renton Senior Center	RRFP	13
4/22/2010	Evergreen Hospital	Transit Fair	>400
5/11/2010	Burien Community Center	RRFP	9
5/13/2010	VA Medical Center	RRFP	14
6/15/2010	Renton Senior Center	RRFP	7
6/17/2010	Kirkland Senior Center	RRFP	8
6/25/2010	Shoreline Senior Center	ORCA transition/RRFP	14
6/29/2010	Ballard Senior Center	ORCA transition/RRFP	24
7/6/2010	Ballard Senior Center	ORCA transition/RRFP	12
7/7/2010	Wesley Homes	ORCA transition/RRFP	67
7/10/2010	Asian Counseling & Referral Service	Transit Fair	62
7/12/2010	Shoreline Senior Center	ORCA transition/RRFP	8
7/13/2010	Burien Community Center	RRFP	15
7/14/2010	VA Medical Center	RRFP	13
7/20/2010	Bellevue Senior Center	RRFP	5
8/17/2010	Renton Senior Center	RRFP	6
8/19/2010	Kirkland Senior Center	RRFP	4
8/19/2010	Mercer Island Parks & Rec.	RRFP	34
9/8/2010	VA Medical Center	RRFP	12
9/14/2010	Burien Community Center	RRFP	14
9/15/2010	RTP (Realistic Transition Program)	RRFP	40
9/21/2010	Bellevue Senior Center	RRFP	4
9/22/2010	Fairwinds Retirement Home	ORCA transition/RRFP	7
9/24/2010	Wesley Homes	ORCA transition/RRFP	25
9/27/2010	West Seattle High School	RRFP	37
10/13/2010	Mercer Island Parks & Rec.	RRFP	28
10/13/2010	VA Medical Center	RRFP	8
10/14/2010	Casey Family	ORCA transition/RRFP	18
10/16/2010	Senior Housing and Health Fair	ORCA transition/RRFP	64
10/19/2010	Renton Senior Center	RRFP	7
10/21/2010	Kirkland Senior Center	RRFP	6
10/22/2010	Amazon	Transit Fair	>250

11/9/2010	Burien Community Center	RRFP	8
11/10/2010	VA Medical Center	RRFP	6
11/16/2010	Bellevue Senior Center	RRFP	1
12/8/2010	VA Medical Center	RRFP	5
12/16/2010	Kirkland Senior Center	RRFP	1
12/21/2010	Renton Senior Center	RRFP	9
1/11/2011	Burien Community Center	RRFP	5
1/12/2011	VA Medical Center	RRFP	5
1/18/2011	Bellevue Senior Center	RRFP	3
1/20/2011	Tamarack Place	Transit Fair	55
2/9/2011	VA Medical Center	RRFP	12
2/11/2011	Gates Foundation	Transit Fair	>300
2/15/2011	Renton Senior Center	RRFP	21
2/17/2011	Kirkland Senior Center	RRFP	0
3/8/2011	Burien Community Center	RRFP	8
3/9/2011	VA Medical Center	RRFP	8
3/15/2011	Bellevue Senior Center	RRFP	3
3/16/2011	Kent Senior Center	RRFP	11
4/9/2011	RTE 245 Promotion	Route Promotion	63
4/13/2011	VA Medical Center	RRFP	8
4/19/2011	Renton Senior Center	RRFP	6
5/3/2011	Auburn Senior Center	ORCA transition/RRFP	10
5/10/2011	Burien Community Center	RRFP	7
5/11/2011	VA Medical Center	RRFP	6
6/8/2011	VA Medical Center	RRFP	9
6/16/2011	Kirkland Senior Center	RRFP	4
6/21/2011	Renton Senior Center	RRFP	11
7/12/2011	Burien Community Center	RRFP	4
7/13/2011	VA Medical Center	RRFP	8
7/19/2011	Bellevue Senior Center	RRFP	3
8/10/2011	VA Medical Center	RRFP	13
8/11/2011	Kirkland Senior Center	RRFP	6
8/16/2011	Renton Senior Center	RRFP	16
9/7/2011	RTP (Realistic Transition Program)	RRFP	47
9/13/2011	Burien Community Center	RRFP	4
9/14/2011	VA Medical Center	RRFP	9
9/20/2011	Bellevue Senior Center	RRFP	1
10/12/2011	VA Medical Center	RRFP	6
10/18/2011	Renton Senior Center	RRFP	13
10/20/2011	Kirkland Senior Center	RRFP	5
11/8/2011	Burien Community Center	RRFP	7
11/9/2011	VA Medical Center	RRFP	5
11/15/2011	Bellevue Senior Center	RRFP	2
11/16/2011	Auburn Senior Center	RRFP	12
11/19/2011	Bruno's Pizza NFB*	informational**	10
12/15/2011	Kirkland Senior Center	RRFP	4
12/20/2011	Renton Senior Center	RRFP	8
12/21/2011	Auburn Senior Center	RRFP	4
	* National Federation for the Blind		
	** information, Q & A, addressed concerns		

C: SR-520 and Alaskan Way Viaduct Travel Options

Locations where \$6 ORCA cards were offered to GoodtoGo pass purchasers at WSDOT transponder mobile sales events March 13, 2011 through Nov 2011. *										
900 ORCA cards were distributed during this time period by this method										
Event city	# of separate sales dates	# of different locations or events	example locations	office buildings	grocery/home improvement	city hall, library, school	hospital	farmers' market, park, festivals, public concerts, sports events	AAA or gas station	residential
EAST	385	61								
Bellevue	164	21	Crossroads Mall (94 days), City Hall, farmers' market, downtown office bldgs, downtown malls, festivals, Uwajimaya	25	99	7	12	2	17	1
Bothell	7	3	Safeway, Home Depot, library	0	0	6	1			
Clyde Hill	2	2	city hall, Chinook MS			2				
Duvall	2	1	Safeway			2				
Issaquah	6	4	Salmon Days, Safeway, library			1	1		4	
Kenmore	2	1	concert series						2	
Kirkland	155	10	Yarrow Bay 76 (135 days), library, city hall, Safeway, hospital, Juanita Village, Park Place	4	2	3	9	2		135
Medina	6	2	park, city hall					1	5	
Redmond	30	12	office bldgs, city hall, Town Center, Safeway, parks, Derby Days	9	1	4	4	2	8	2
Sammamish	2	2	library, Safeway			1				
Woodinville	5	2	Safeway, library			4	1			
Yarrow Pt	4	1	town hall				4			
WEST	116	39								
Seattle - see areas below			sports events, Safeway, UW/Uvillage locations, Swedish campuses, library branches, farmers' markets							
Seattle/misc or unknown	37	7	unnamed hospitals, Safeway stores, retailers, businesses	4		23		9		1
Seattle/Ballard	1	1	Swedish					1		
Seattle/CapHill	2	1	Group Health					2		
Seattle/CBD	16	4	library, Westlake, Seafair parade	1	6	8			1	
Seattle/FirstHill	4	1	Swedish					4		
Seattle/Fremont	5	4	Fremont Fair, offices	3					2	
Seattle/IntDist	2	1	Uwajimaya			2				
Seattle/Magnolia	1	1	Magnolia Bldg	1						
Seattle/SeaCir	6	2	Fisher Plaza, Rock 'n Roll marathon	5					1	
Seattle/SIU	4	3	Fred Hutch, SLU block party, Vulcan	1				2		
Seattle/SODO	2	1	Starbucks Center	2						
Seattle/Stadium	12	4	Mariners, Sounders, Seahawks						12	
Seattle/UDist	18	5	UW, UVillage, Street Fair, Safeway		7	2	4		5	
Seattle/W.Seattle	1	1	AAA						1	
Shoreline	5	3	Safeway, city hall, garage			1	2		2	
SOUTH	16	6								
Covington	4	1	Safeway			4				
Kent	1	1	Cinco de Mayo event						1	
Renton	10	3	City hall, library, Safeway			5	4			1
Tukwila	1	1	Community center				1			
All locations	517	106		55	115	65	54	25	59	140

* Note: This list re-enters only the locations and time period when Metro grant-funded ORCA cards were offered to transponder purchasers by WSDOT's toll vendor. It does not represent other ways Metro has distributed ORCA cards related to SR 520 tolls or other promotions.
Source: King County Metro (Malva Slachowitz) using data from WSDOT (Emily Pace), March 13, 2012