

To: Metrolinx Board of Directors
From: Annalise Czerny
Executive Vice President, PRESTO
Date: September 14, 2018
Re: **PRESTO QUARTERLY REPORT**

Executive Summary

That this report be received for information.

PRESTO Accomplishments:

Enhancing the Client and Customer Experience

- TTC customers who use PRESTO can now enjoy hop-on, hop-off access during their travels with the new two-hour time-based transfers implemented in August. Customers still tap each time they enter a TTC vehicle or subway station, but will only be charged one fare no matter how many times they tap and what direction they are going in, so long as their journey is within two hours.
- Delivery of Self-Serve Reload Machines continues for both the TTC and GO Transit. The first phase of TTC installations finished in July, which ensured each of the 75 stations had a least one of these devices connected and available for customers. The next phase is targeted for completion by the end of October, which will see Self-Serve Reload Machines at every entrance in every station.

The Self-Serve Reload Machine rollout across GO Transit is also occurring in phases. The first phase, which includes at least one device installed at every station on the Barrie line, is now complete. It is anticipated that every station across every rail line will have a Self-Serve Reload Machine by mid- 2019.

These devices make it easy for customers to use PRESTO for transit, with instant card loads using credit/debit, balance checking capabilities, and transaction history information.

- In June, the remaining civil works required for the installation of the final TTC PRESTO-enabled fare gates at subway stations were completed. As part of the deployment of the modernized TTC fare gates, Metrolinx worked at each of the station entrances to prepare the walls, floors, and ceilings for new conduit runs, and install sub-floor systems to accommodate the wiring and cabling for power and communication. Working alongside Metrolinx, the TTC installed the gates and commissioned them for customer use. Every entrance of every station now has the new, automated TTC fare gates.

Increasing PRESTO Adoption

- Metrolinx's retail partnership rollout with Shoppers Drug Mart stores (and select Loblaws affiliate locations) across the Greater Toronto and Hamilton Area (GTHA) and Ottawa is nearing completion. A total of 340 stores now sell PRESTO cards and can add value/passes for customers, and an additional 44 locations will be added in the fall. Once complete, 384 retail stores, including all Shoppers Drug Mart locations in the jurisdictions served by transit

agencies participating in PRESTO, will sell and load PRESTO cards to serve more PRESTO customers throughout the GTHA and Ottawa.

- Fare Vending Machines have also rolled out to all TTC stations. As of June, all subway stations had at least one vending machine available to customers. More installations have occurred throughout the summer, and by the end of October every entrance of every station will have a Fare Vending Machine - meaning more customers can buy (and load) a PRESTO card across the TTC.
- The TTC 12-Month Pass discount program on PRESTO, which launched publicly for adult PRESTO customers in May, has been extended to both youth and seniors. Participating customers conveniently have their PRESTO cards automatically renewed with a discounted monthly pass at the beginning of each month for 12 months - no wait, no hassle.
- In time for the new school year, Metrolinx worked with HSR in Hamilton, along with McMaster University and Redeemer University to create a PRESTO Vouchers program for students. More than 29,000 students from McMaster and Redeemer are participating in the program, which includes unlimited local transit with their PRESTO card during the semester. PRESTO Vouchers provide transit agencies with flexible, automated options for conveniently delivering funds, passes, and concessions to customers' PRESTO cards.
- With PRESTO implementation on the TTC nearing completion, Metrolinx and the TTC have been working together on a plan to retire legacy fare media. As part of the plan, Metrolinx and the TTC have been focusing marketing efforts on increasing PRESTO adoption across the TTC. Through a number of campaigns using a variety of channels (social media, digital media, newspaper, radio, in-store/station ads, etc.) messaging has focused on promoting the many PRESTO products and offering incentives (e.g. free card with a metropass purchase) to those that adopt PRESTO. Campaigns will continue into 2019, with the goal of increasing PRESTO adoption to 55% by March 2019.



METROLINX

Get your card at prestocard.ca

PRESTO



METROLINX

PRESTO

Evolving the PRESTO Business Model

- In August, Metrolinx issued a Request for Information (RFI) to sound the market in support of PRESTO's future as it moves from deployment-focused to steady-state operations. The purpose of the RFI is to share PRESTO's conceptual business model to gain insights from the market (including sector-led technology, and customer and sourcing/ownership innovations) with respect to:
 - understanding interest in PRESTO and its conceptual model
 - willingness to accept transferred risks and best allocation of risks
 - key challenges and constraints
 - other issues PRESTO may wish to clarify or hear a perspective on after receipt of submissions

The outcomes of the RFI will help inform PRESTO's future decisions in terms of its optimal role and infrastructure/sourcing approach, as well as future contracting approaches.

Current Status

- PRESTO Usage and Adoption:
 - PRESTO card boardings (total includes all taps: passes, e-purse, and transfers):
 - May 2018: 35.2 million (vs. May 2017: 24.8 million)
 - June 2018: 34.0 million (vs. June 2017: 24.9 million)
 - July 2018: 33.3 million (vs. July 2017: 23.3 million)
 - Over 1.3 million unique PRESTO cards used each month of the last quarter
 - The PRESTO adoption rate among the '905' and Ottawa transit agencies is 65%
 - The PRESTO adoption rate on the TTC is 26%
 - Although TTC adoption rate is lower than the other transit agencies, they had the highest number of boardings per month with over 13.9 million PRESTO boardings of the 33.3 million overall in July.
- PRESTO Card Availability (retail update):
 - Shoppers Drug Mart: Over 186,000 cards sold to date
 - Gateway Newstands: Over 250,000 preloaded PRESTO cards sold to date
- PRESTO Device Reliability on TTC (reporting from week of August 6)
 - Individual devices: 99.4% (goal 99.5%)
 - Overall service (i.e. at least one device is available at that location): 97.9% (goal 99.9%)

Coming Up in the Next Quarter...

- Later this year, Metrolinx will begin piloting the first phase of PRESTO Mobile. The mobile application will allow customers to manage and load their cards directly from their phones (with additional functionality, e.g. instant top-up, for Android users). Further enhancements are targeted for future phases throughout 2019.
- A major PRESTO system upgrade in October will include the functionality needed to introduce PRESTO Tickets (limited-use paper cards), which will be available in Fare Vending Machines for the TTC starting in early 2019 and followed by distribution through our retail channel later in the year. The tickets will scan on any PRESTO fare payment device across the TTC, allowing customers to pay their fare/transfer, and serving as proof of payment for fare inspection.

Respectfully submitted,

Annalise Czerny

Executive Vice President, PRESTO