

To: Metrolinx Board of Directors
From: Robert Hollis
Executive Vice President
PRESTO
Date: September 14, 2017
Re: PRESTO QUARTERLY REPORT

Executive Summary

That this report be received for information.

Recent Highlights:

Extending the PRESTO Footprint

- TTC civil works are underway on the first 26 subway stations originally equipped with PRESTO readers affixed to legacy turnstiles.
- Leading up to the launch of PRESTO Vouchers this fall, a series of workshops are in progress with our partnering transit agencies and third parties. PRESTO Vouchers will offer transit agencies flexible automated options for delivering funds, passes and concessions to customers' PRESTO cards in support of diverse business programs.

An example of a business program that can benefit from the new PRESTO Vouchers functionality includes community or social agency programs offering transit assistance to their clients.

Enhancing the PRESTO System

- Metrolinx completed a major PRESTO system upgrade this July that will deliver future PRESTO features on the TTC. The enhancements included support for important functionalities such as the Metropass Discount Plan (MDP) program, daily fare caps and time of day pricing, and premium fares for express bus routes. Metrolinx and the TTC are working together on the timing to introduce these features to customers.

The upgrade also delivered PRESTO website improvements to facilitate greater convenience and ease for customers accessing online transactions. Customers can

now more easily update their card nickname and opt in and out of receiving transactional emails.

Additional website improvements included easier access to transit usage reports and more robust user-generated transit history reports, as well as integrated voice response enhancements through self-serve options.

- Ongoing efforts to reach and maintain our goal of 99+ per cent reliability on all our 5,000 PRESTO readers in service will continue throughout 2017. PRESTO fare payment device reliability on TTC buses, streetcars and turnstile readers is averaging 98 per cent, while availability of at least one fare payment reader on every vehicle in service meets an average of 99.5 per cent.
- Roll out of the full GO Transit retrofit of Ticket Vending Machines (TVMs) with PRESTO capabilities continues; 183 machines will have PRESTO card-loading capabilities and query options, and 31 machines will dispense PRESTO cards when complete. Planning for a similar roll out on UP Express TVMs is also underway.

Evolving the PRESTO Business Model

- Metrolinx has negotiated a tentative 10-year agreement with the Greater Toronto and Hamilton Area (GTHA) municipalities, GO Transit / UP Express and Ottawa for the continued operation of the PRESTO system, subject to Board and Municipal Council approvals. Highlights of the formal agreement include a new suite of services and pricing structure, and the establishment of a new governance model.

Increasing PRESTO Adoption

- Metrolinx's recent PRESTO retail partnership with Shoppers Drug Mart has proven highly successful. The program launched this May across 10 Shoppers Drug Mart locations in Toronto to give customers more ways to buy and load cards and set student and senior discounts. At the end of an eight-week field trial, 5,050 PRESTO cards were sold with over \$350,000 generated in revenue (loads and card sales).

The full Toronto retail roll out commenced in late August with additional Shoppers Drug Mart stores currently being targeted through to the end of October. The option of adding a TTC monthly pass on a PRESTO card is also now available at participating stores. To date, sales indicate over \$700,000 in value (card sales and loads) and over 10,000 PRESTO cards purchased.

- The PRESTO-enabled University pass (UPASS) program coming this fall will offer an automated solution for discounted fares to university students in their jurisdiction. In the interim, Metrolinx has assisted Hamilton Street Railway (HSR) with 27,000 PRESTO cards preloaded with the post-secondary concession and the pass product

associated with McMaster and Redeemer University. Every qualified student will receive a PRESTO card to travel easily throughout HSR for the school year while using their PRESTO card.

- Developed in partnership with the TTC, a PRESTO education campaign ran this summer over a two-month period to help educate customers on the many benefits of using PRESTO on the TTC and increase PRESTO adoption. The campaign ran in both English and French and will be extended into the fall with an increased focus on promoting PRESTO adoption throughout Toronto and letting TTC customers know which features and products are available through PRESTO, including the introduction of monthly passes.
- The Gateway Newstands card sales program continues to be successful with more than 111,000 PRESTO cards sold. The program allows customers to purchase activated, pre-loaded adult cards and senior concession cards at select locations.

Current Status

- Card adoption across the PRESTO network continues to increase.
 - There are now more than 3 million activated PRESTO cards, an increase of over 816,000 since this time last year.
 - Of that number, approximately 1.9 million cards have been registered, allowing customers to take advantage of features such as Autoload/Autorenew contracts, Transit History Reports and balance protection if their card is ever lost or stolen.
 - The top three transit agency adopters of PRESTO over the last quarter:
 - GO Transit (84.8% adoption rate)
 - Brampton Transit (84.4% adoption rate)
 - Oakville Transit (82.9% adoption rate)
 - TTC volumes continue to grow with more than 6.6 million PRESTO boardings throughout the TTC each month in the past quarter.
 - Weekly TTC bus taps exceed 547,000*. (**As of August 25th, 2017*).
 - There were 1.1 million* streetcar and subway taps. (**As of August 25th, 2017*).
 - 285,000* fares are being paid weekly at TTC's new fare gates using PRESTO cards - a number that is quickly rising. (**As of August 25th, 2017*).
 - Approximately 4,800 customers used a combination of at least one GTHA transit system and OC Transpo in Ottawa during each month of the last quarter, and there were more than 2.8 million cross-agency transfers recorded across the entire network in the last quarter.
 - PRESTO card taps** per month:
 - June 2017: 24.9 million
 - July 2017: 23.3 million

- August 2017: 19.8* million (Up until August 25th, 2017)

*** Taps refers to the total number of boardings by month for balance transactions, Period Pass transactions, and Transfers.*

- Social media trends indicate that PRESTO had more than 2,574,181 online impressions** and 14,850 engagements with its Facebook and Twitter Page this past quarter. We reached more than 14,800 Twitter followers and more than 11,000 Facebook likes (a 6% increase of Twitter followers and 18% increase of Facebook page likes since May 30th, 2017).

*** Online impressions refer to the number of people that saw any posts or content associated with PRESTO's Facebook and Twitter page.*

Coming Up in the Next Quarter...

- The first iteration of the PRESTO Vouchers solution is set to be deployed as part of a major release this November, which will deliver core functionality to enable the UPASS program. The UPASS program will provide reduced fares to university students in their respective districts by passes purchased and administered through their local transit agencies and universities. Students will be able to electronically load discounted passes onto their cards through the PRESTO Customer Website, and universities will be able to automatically add eligible students through the PRESTO Vouchers portal.
- The fall 2017 major PRESTO release will also deliver TTC functionalities on PRESTO such as offering a pause/reinstate option for the Monthly Discount Program, allowing customers to conveniently plan for billing cycles to be placed on hold during planned time away. Metrolinx will be working closely with the TTC to determine when functionalities will be enabled on PRESTO.
- Metrolinx will continue to support as many TTC fare gate installations as possible at the 26 original remaining stations by the end of 2017. Once concluded, all subway station entrances will be operating with modern TTC fare gates, realizing a major milestone as Metrolinx and the TTC move toward full implementation of PRESTO at all stations across the TTC network.
- The field trial for the new Fare Media Vending Devices (FMVDs) is slated to begin later this fall to support the launch of the Toronto York Spadina Subway Extension (TYSSE) later in December 2017. The FMVD is a self-service device that allows customers to buy PRESTO cards with cash (bills/coins) and credit and debit payment options. Customers will also be able to load value to their cards and check their balances and recent transactions using the machines. Future functionality will also allow customers to buy and activate single-ride products.

- The second generation Self-Serve Reload Machines (SSRMs) will undergo rigorous field trials within selected TTC stations in early fall of 2017 with deployment to follow. Final evaluations will take into consideration lessons learned from the initial launch of the SSRMs, as well as customer testing and feedback provided to Metrolinx.

The new SSRMs will roll out first to TTC subway stations with no SSRM's and then replace the current fleet at GO Transit and TTC. The upgraded model delivers improved quality and performance.

- Metrolinx's PRESTO retail partnership with Shoppers Drug Mart will continue to expand across Toronto until November 1st. Negotiations are underway for possible future expansion of the partnership with Loblaw / Shoppers Drug Mart to the PRESTO-participating transit agencies in Ottawa and the GTHA.
- Burlington Transit and Durham Region Transit will begin implementing the Para Transit program on their specialized vehicles later this fall. Metrolinx will work with the Transit Agencies to set-up the on-board PRESTO devices, deliver application training and provide ongoing support.
- To celebrate reaching 3 million PRESTO cardholders, a digital and social media campaign will be launched this September. The campaign will celebrate this milestone achievement by engaging with customers online through our digital and social platforms while further promoting PRESTO adoption by encouraging customers to "join the club, join the movement! Get your PRESTO card today!"

Respectfully submitted,

Robert Hollis
Executive Vice President, PRESTO