



Program Management Report

July 29, 2009

Smart Card. Smart Travel.



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1. Executive Summary



Highlights & Milestones

- On July 2, 2009, MTC assigned the TransLink® contract from Motorola, Inc. to Cubic Transportation Systems. (See P. 16 for details.)
- BART will activate TransLink functionality at its faregates soon. BART will brief the TMG on August 3rd with latest plans.
- Average weekday transaction volume grew to more than 30,000 transactions/day in the week of July 20th. 70% of Golden Gate Ferry trips are now paid for with TransLink.
- Caltrain will allow customers to begin using TransLink in August.
- There were several issues related to the recent deployment to new fares at SFMTA and AC Transit. (See P. 17 for details.)
- The Contractor has finished prototyping of onboard TransLink equipment on SamTrans vehicles. Installation will start soon.



Customers will begin using TransLink for BART rides soon.



Contract Assignment to Cubic

- On July 2, 2009, MTC, Motorola, Vix-ERG and Cubic Transportation Systems jointly executed an assignment agreement allowing assignment of the TransLink® Contract from Motorola to Cubic.
- MTC and Cubic also executed a newly conformed TransLink Contract.
- There are several new initiatives resulting from the assignment, each requiring a proposal from Cubic, negotiations and execution of a change order:
 - Increase the memory capacity of all CID configurations
 - Convert all equipment to a contactless interface and design new contactless card
 - Implement an adaptable pass accumulator fare product
 - Deploy customers service enhancements and launch TransLink Direct Benefits employer program
 - Replace SFMTA's Muni Metro faregates and deploy ticket vending machines that dispense and encode both standard and disposable TransLink cards
 - Deploy TransLink as a payment option at up to five SFMTA parking garages.



Issues & Actions

(Current List to Be Removed for Sept. 2009 Report)

Topic	Issue	Status / Action
Schedule Delays	Revenue ready dates for several operators continue to be delayed.	<ul style="list-style-type: none"> The Assignment Agreement has new milestone dates and there are no delays at this point.
Declaratory Relief	MTC's outside counsel filed a request for declaratory relief with respect to Motorola's position as the prime contractor for TransLink.	<ul style="list-style-type: none"> This has been settled as part of the Assignment Agreement
Point of Sale Network Claim	Contractor claims it is entitled to a 2.5% third party load service fee.	<ul style="list-style-type: none"> This has been settled as part of the Assignment Agreement
Cycle Test Claim	Contractor claims the Cycle Test is out of scope and will require extra work that will cause a delay in the achieving the revenue ready milestone for the system's implementation on BART.	<ul style="list-style-type: none"> This has been settled as part of the Assignment Agreement
Assurance Payments	Contractor claims that it will be entitled to supplemental payments of \$80K/month until TransLink reaches 20M transactions/month. MTC maintains that Contractor's late delivery bars Contractor's right to supplemental payments. No formal claim has been filed.	<ul style="list-style-type: none"> This has been settled as part of the Assignment Agreement
BART Delay Claims	Contractor has submitted three separate claims amounting to \$273,117, regarding delays to BART testing alleged to have been caused by BART.	<ul style="list-style-type: none"> This has been settled as part of the Assignment Agreement



2. System Operations



TransLink[®] Market Penetration

Table 1: Market Penetration Rates Based on Average Weekday TransLink Boardings as a Percentage of Total Average Weekday Boardings

	Average Weekday TransLink Boardings (June 2009)	Total Average Weekday Boardings	TransLink Market Penetration Rate Current Month (June 2009)	TransLink Market Penetration Rate Prior Month (May 2009)
AC Transit	12,775	218,000 ¹	5.86%	5.80%
GG Ferry	3,725	5,300 ²	70.28%	69.81% ³
GG Transit	5,965 ⁴	23,800 ²	25.06%	24.50% ³
SF Muni	5,175	652,100 ²	0.79%	0.69% ³

1. Based on FY 2008 Data

2. Based on APTA Transit Ridership Report, First Quarter 2009

3. Penetration rate for May2009 was adjusted for July Program Management Report based on APTA Transit Ridership Report (Q1) data

4. Average Golden Gate Transit boardings are for period June 1 -12 due to a "card tearing" (incomplete transaction) bug that emerged in mid-June and upset the logic of the ridership reports for dual tag (tag on/tag off) systems. The TransLink Contractor released a fix for the card tearing bug on July 17, which should eliminate the reporting problem for CID1 transactions generated after the release.



System Utilization

Measure	Last Month June 2009	Prior Month May 2009	Prior Year June 2008
Transaction Volume			
Average Number of Weekday Transactions	27,075 ¹	26,698	14,863
Fee-Generating Fare Payment Transactions	648,024	588,698	322,555
Fee-Generating Add Value Transactions	43,975	36,647	23,614
Unique Cards Used	34,398	31,404	17,331
Settled Transit Operator Revenue	\$1,650,690	\$1,372,792	\$876,904
Autoload Activity			
Percentage of Registered Cards with Autoload	55%	56%	N/A ²
Autoload Transactions	15,366	14,396	7,582
Call Volume			
Customer Service Representative Calls	5,293	4,202	3,340
Help Desk Calls	131	101	233
Website Traffic			
Unique Visitors	22,567	18,749	12,493
Visits	29,207	24,078	19,474

1. Average weekday transactions are for the period June 1 - 12 due to a "card tearing" bug that emerged in mid-June and upset the logic of the ridership reports for dual tag (tag on/tag off) systems (i.e., Golden Gate Transit). The TransLink Contractor released a fix for the card tearing bug on July 17, which should eliminate the reporting problem for CID1 transactions generated after the release.

2. MTC did not begin archiving comprehensive registered card data until January 2009.

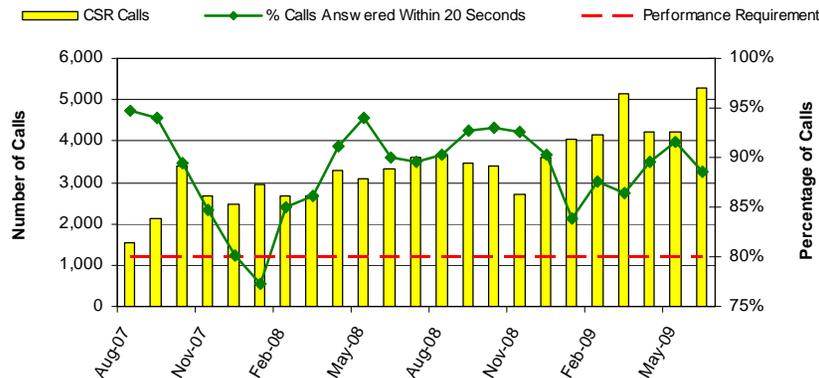


System Operations Key Performance Indicators

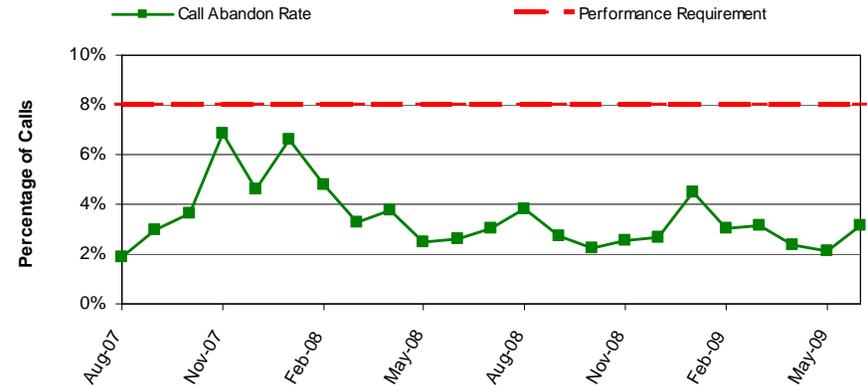
A. Customer Service Response Time Performance

Measure	Requirement	June 2009	Prior Month May 2009	Prior Year June 2008
Percentage of Calls Answered within 20 seconds	Greater than 80%	88.63%	91.62%	89.94%
Percentage of Calls Abandoned	Less than 8%	3.15%	2.12%	2.60%

B. Customer Service Representative (CSR) Response Time in Relation to Call Volume



C. Percentage of Calls Abandoned in Customer Service Representative Phone Queue





System Operations Key Performance Indicators

B. System Availability Performance

Device	Goal	Status
AVM	99.73%	98.92% ¹
TOT	99.73%	100%
TDS	99.73%	100%
TCS	99.73%	100%
Data Store	99.73%	100%

C. Accuracy Performance – June 2009

Device	Goal	Status
AVM	99.73%	100%
TOT	99.73%	100%
CID1	99.73%	90.96% ²
CID2	99.73%	99.85%
CID3	99.73%	100%

1. During June, the TransLink Contractor opened calls for faulty AVM printers and bill note acceptors, which were resolved by clearing paper jams or replacing components. In the case of these faults, the devices may still be operational, but with partial functionality (e.g., a cardholder may be able to add value using a credit/debit card when the bill note acceptor is faulty or add value without receiving a receipt).
2. The TransLink Contractor is investigating the CID1 accuracy performance. For several months, CID1 accuracy data was not available because of audit register corruption. A software release completed at the end of May was supposed to resolve the issue with CID1 audit register corruption that was preventing the measure of accuracy performance. However, the accuracy performance still appears to be unusually low.

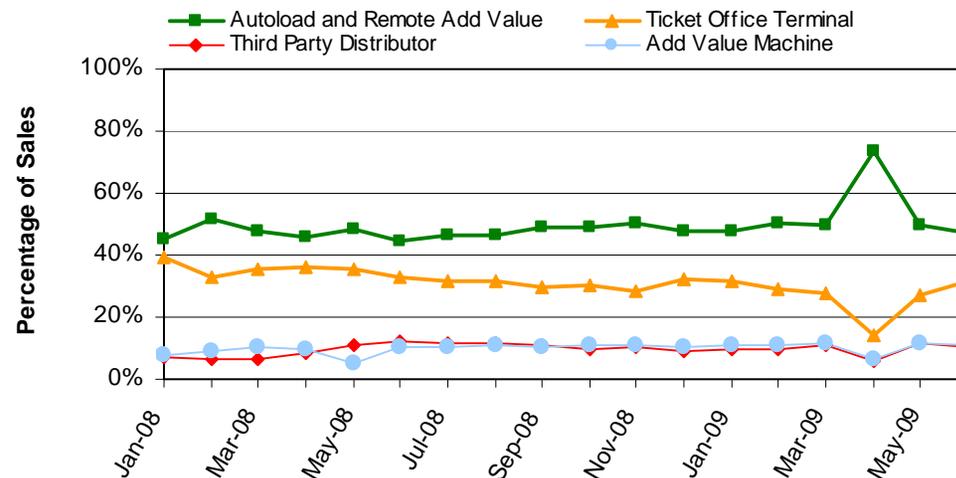


TransLink® Value Distribution

TransLink Sales Value by Distribution Channel – June 2009

Distribution Channel	Dollar Value
Autoload and Remote Add Value	\$905,483
Ticket Office Terminal	\$602,723
Add Value Machine	\$206,713
Third Party Distributor	\$194,806
Total	\$1,909,725

Share of Monthly Sales of TransLink Value by Distribution Channel



- The spike in sales volume during April 2009 is due to BART's conducting a revenue cycle test that required more than \$1,156,700 in e-cash and BART High Value Discount (HVD) Ticket value to be loaded to test cards via Autoload.



Deployment of Fare Increases on July 1, 2009

- Not all of SFMTA's fleet received the appropriate download of software prior to the first day of the fare increase.
 - Issue: The software (future CD – see definitions) was released one week ahead of the fare increase; however, this was not enough time for wireless transfer to all of SFMTA's fleet
 - Recommendations: 1. For "mission critical" CD changes, Future CD should be released more than one week prior to the planned activation date; and 2. Agency staff need to more closely monitor download status.
- AC Transit did not receive appropriate fare increase software downloads for their fare products prior to July 1, 2009
 - Issue: The deployment of this software was inadvertently neglected by the Contractor.
 - Recommendation: The Contractor's quality assurance process needs to be improved. Leading up to future fare increases, MTC and affected operators should play an active role in the verification process.



3. System Implementation



VTA and SamTrans Equipment Installation

- The Contractor has completed the SamTrans prototype equipment installations, and MTC/SamTrans have approved the As-Built documents. Onboard equipment installation is tentatively scheduled to begin August 10th.
- MTC and SamTrans are working with Gillig to ensure that SamTrans' new bus order will be outfitted with certain TransLink equipment prior to delivery to SamTrans. This will expedite the process for installing TransLink card readers and driver consoles on the new vehicles.
- The Contractor is now completing the prototype equipment installations at VTA and finalizing the As-Built documents for submittal. On-board equipment installation is tentatively scheduled to begin August 31st.
- Primary connections on the VTA network have been made and will be available during onboard equipment installation.



Site Preparation

- SamTrans is preparing to solicit bids for the site preparation work at its four bus yards. A walk-through was conducted at North Base, where all onboard equipment installations will be conducted. A temporary wireless network will be installed in the installation area for equipment testing.
- A walk-through was conducted at VTA's three bus yards. VTA will work to complete final aspects of site preparation at these locations.
- A walk-through is planned for the VTA Light Rail Vehicle (LRV) station site preparation since it took place quite a while ago.



TransLink® Training for Transit Agencies



- BART: All frontline training has been completed. The final module of financial reconciliation training will be delivered in the next month.
- SamTrans: SamTrans held a kick-off meeting on June 26th. Pilot sessions for training modules will be scheduled for this fall.
- VTA: No change in status, still waiting to schedule the first pilot training sessions.



Marketing & Distribution Activities

- AC Transit is promoting TransLink® to Transbay riders by distributing free cards with purchases and by conducting outreach at the Transbay Terminal.
- Transit operators, the TransLink Customer Service Center and MTC are working closely to prepare for BART to activate TransLink at all BART stations.
- More than 6,300 customers and employees are participating in the rollout of TransLink® on Muni.
- Several large SF employers are working with TransLink to promote the card to employees.
- SFMTA is partnering with City CarShare to invite City CarShare employees and customers to ride Muni with a TransLink card.



Additional logos will help identify TransLink readers on Caltrain platforms.



TransLink® Integration Programs

Operator	Description	Status
BART	Integration of TransLink® functionality into existing ticket vending machines	Software has been exchanged and testing is in progress. Completion expected mid 2010.
BART	Integration of TransLink functionality into existing faregates including High Value Discount functionality	Revenue ready was achieved on May 8 th . Punchlist items are being completed.
Golden Gate Ferry	Introduction of new faregates/vending machines with TransLink functionality	Golden Gate is considering a procurement of ticket vending machines similar to the equipment planned for SFMTA.
SFMTA	Replacement of existing faregates and ticket vending machines with new TransLink-compatible equipment	MTC is in the process of executing a change to the TransLink Contract enabling deployment of new equipment for SFMTA's Metro system.
VTA/Caltrain	Integration of TransLink functionality into existing ticket vending machines.	Pre-award of manufacturing contract underway. Finalizing design for procurement.
SFMTA Parking	Introduction of TransLink as payment option at up to five SFMTA-operated parking garages	MTC is evaluating proposals that were recently received from the Contractor.



4. Program Financial Summary



Recent TransLink® Contractor Invoices*

Invoice No.	Cost Description/Milestone	Date Received	Invoiced Amount	Total Amount Approved	Approval Status
50085006	Escrow Services 4/21/2008 - 4/20/2009	5/23/2009	3,500.00	3,500.00	Approved
50085502	Phase 2.3 Equipment for BART, SFMTA, Caltrain	5/23/2009	1,395,542.19	1,413,781.61	Approved
50085553	TSB Activities - April 2009	5/26/2009	487,297.68	484,293.14	Approved
50085549	AC Transit OBE Installation	5/28/2009	54,502.78	57,129.42	Approved
50085594	Price Adjust. for Year 9 Cap. and Op. Costs	5/29/2009	1,257,852.80	1,278,712.31	Approved
50085582	TransLink Website Content Changes - April 2009	6/1/2009	8,815.36	8,815.36	Approved
50085583	Cardholder Education Materials - February 2009	6/1/2009	1,569.63	1,569.63	Approved
50085584	Testing for Training Rig_DC/CID1B	6/1/2009	1,948.32	2,042.21	Approved
50085585	Equipment for DC/CID1B Testing	6/1/2009	6,567.96	6,884.48	Approved
50085586	Electronic Keyboard for TOT	6/1/2009	970.02	1,016.77	Approved
50085595	Firmware upgrade/Software loading & testing - March/April 2009	6/1/2009	11,789.48	11,789.48	Approved
50085604	Third Party Distribution Location Deployment	6/1/2009	597,000.00	597,000.00	Approved
50085605	Phase 2.3 Revenue Ready Complete	6/1/2009	1,547,519.29	1,486,621.77	Approved
50085652	Walgreens Installation per CO 103	6/8/2009	24,961.95	21,801.32	Approved
50085645	CID Auxiliary Display Unit	6/9/2009	8,112.59	8,499.83	Approved
50085647	Reports Changes per CO 16-1	6/9/2009	12,868.12	12,868.12	Approved
50085648	Support for TransLink Integration Initiatives	6/9/2009	452.18	452.18	Approved
50085649	SFMTA Faregate Procurement per CO 83	6/9/2009	14,921.91	14,921.91	Approved
50085650	SFMTA Faregate Procurement per CO 83-1	6/9/2009	4,521.79	4,521.79	Approved
50085651	Training - April 2009	6/9/2009	4,200.00	4,200.00	Approved
50085808	Phase 2.3 Muni RR Punchlist 60 Days	6/19/2009	40,776.32	40,776.32	Approved
50085812	TransLink Website Content Changes - May 2009	6/23/2009	1,239.66	1,239.66	Approved
50085811	TSB Activities - May 2009	6/24/2009	588,435.58	585,343.40	Approved
50085927	Replacement of Damaged TDS Equipment	7/2/2009	33,806.75	33,806.75	Approved
50085928	Cardholder Materials per CO 87	7/2/2009	3,085.22	3,085.22	Approved
50085929	SAS 70 Type I and II Audits	7/2/2009	94,500.00	94,500.00	Approved
50085952	Training - June 2009	7/2/2009	2,736.07	2,736.07	Approved
50085953	TDS Store: 4 Units	7/2/2009	88,248.98	92,461.35	Approved
50085954	2nd Quarter 2009 Vandalism Invoice	7/2/2009	4,582.67	4,582.67	Approved
50085977	Progress Payment Due to ERG at TransLink Contract Assignment	7/2/2009	476,008.44	476,008.44	Approved
50085807	Phase 2.3 Muni RR Punchlist 120 Days	7/6/2009	40,776.32	40,776.32	Approved
50085809	Phase 2.3 Caltrain RR Punchlist 90 Days	7/6/2009	40,776.32	40,776.32	Approved
50085810	Phase 2.3 Caltrain RR Punchlist 120 Days	7/6/2009	40,776.32	40,776.32	Approved
Total				\$6,877,290.17	

*The table above shows operating and capital invoices submitted to MTC by TransLink Contractor in the past two months.



Summary of Phase II TransLink® Contract Capital Costs*

Phase II TransLink® Contract Capital Costs by Fiscal Year

Fiscal Year	Design	Implementation	TransLink® Cards	Equipment	Other	Total
FY 2002-03	\$581,500	\$1,584,958	\$0	\$0	\$3,200	\$2,169,658
FY 2003-04	\$621,273	\$1,011,519	\$0	\$3,085,125	\$0	\$4,717,916
FY 2004-05	\$2,047,522	\$1,136,406	\$1,502,838	\$46,565	\$0	\$4,733,331
FY 2005-06	\$1,371,865	\$194,058	\$0	\$133,750	\$0	\$1,699,672
FY 2006-07	\$2,644,946	\$908,733	\$17,391	\$3,696,265	\$10,700	\$7,278,036
FY 2007-08	\$1,183,540	\$526,273	\$44,625	\$205,631	\$0	\$1,960,069
FY 2008-09	\$1,568,899	\$5,612,271	\$548,668	\$8,175,387	\$0	\$15,905,227
Total	\$10,019,545	\$10,974,219	\$2,113,522	\$15,342,723	\$13,900	\$38,463,909

Notes:

1. Amounts for FY 2006-07, FY 2007-08 and FY 2008-09 do not reflect withholding of 25% of payments after April 26, 2007 because the full amount will be due to Contractor when Contractor achieves required milestones.
2. This table previously included maintenance costs, but as of FY 2007/08 MTC has moved this expense from the capital costs to the operating costs.

*The table above shows all Phase II TransLink Contract capital costs by fiscal year. This table does not include capital costs not paid under the TransLink Contract, e.g. consultant costs and transit agency funding agreements.



TransLink® Service Bureau Operations Payments*

Phase II TransLink® Service Bureau Activities Costs by Month

Invoice Description	Total Amount Paid	Estimated MTC Share	Estimated Transit Agency Share	Notes
TSB Activities - FY 2006/07	\$2,768,230	\$2,722,179	\$46,051	25% withheld beginning with March 2007 invoice
TSB Activities - FY 2007/08	\$4,668,835	\$4,451,138	\$217,698	25% withheld on all invoices for fiscal year
TSB Activities - July 2008	\$402,605	\$377,926	\$24,679	25% withheld
TSB Activities - August 2008	\$451,007	\$424,320	\$26,687	25% withheld
TSB Activities - September 2008	\$458,282	\$419,225	\$39,057	25% withheld
TSB Activities - October 2008	\$455,534	\$426,581	\$28,953	25% withheld
TSB Activities - November 2008	\$443,431	\$418,987	\$24,443	25% withheld
TSB Activities - December 2008	\$458,773	\$424,477	\$34,296	25% withheld
TSB Activities - January 2009	\$469,166	\$435,502	\$33,664	25% withheld
TSB Activities - February 2009	\$458,386	\$426,513	\$31,874	25% withheld
TSB Activities - March 2009	\$484,111	\$445,309	\$38,802	25% withheld
TSB Activities - April 2009	\$484,293	\$437,873	\$46,420	25% withheld
TSB Activities - May 2009	\$585,343	\$543,615	\$41,728	
Total	\$12,587,996	\$11,953,645	\$634,351	

Notes:

1. The TransLink Contract includes price escalation factors to account for inflation. The invoices originally submitted by the TransLink Contractor for the period November 2006 (when Revenue Ready for Phase II was achieved) and April 2009 did not reflect this price escalation. MTC and the TransLink Contractor recently approved the escalated price schedules for this period, and the amounts listed above have been updated to reflect this price escalation.

*As of July 8, 2009



Drawdown of TransLink[®] Incentive Fund by Operator

Transit Operator	AC Transit	BART	Caltrain	GGBHTD	SFMTA	VTA	Total
TransLink Incentive	\$862,227.00	\$2,128,017.00	\$484,745.00	\$634,239.00	\$2,327,504.00	\$683,271.00	\$7,120,003.00
Total Share of Phase II Operating Fees as of May 2009¹	\$233,306.01	\$23,492.05	\$145.34	\$346,555.47	\$30,852.10	\$0.00	\$634,350.98
Remaining TransLink Incentive Credit	\$628,920.99	\$2,104,524.95	\$484,599.66	\$287,683.53	\$2,296,651.90	\$683,271.00	\$6,485,652.02

Note 1: The TransLink Contract authorizes the annual adjustment of prices. The invoices originally submitted by the TransLink Contractor for the period November 2006 (when Revenue Ready for Phase II was achieved) and April 2009 did not reflect this price adjustment. MTC and the TransLink Contractor recently approved the adjusted price schedules for this period, and MTC has updated the amounts above to reflect the adjusted prices.

When the TransLink program reached Revenue Ready for Phase II, the monthly program operating costs became the shared responsibility of the members of the TransLink Consortium, in accordance with Appendix A of the TransLink Interagency Participation Agreement (IPA). MTC has also agreed to assist the operators with Phase II operating costs up to a set dollar amount, which is typically referred to as the "TransLink Incentive."

The table above identifies the TransLink Incentive amounts for six participating transit operators and the amount that each agency has drawn down since Phase 2.2 Revenue Ready.



TransLink® Contract Change Orders Executed Under MTC's Authority in FY 2008-09

CO No.	Title	Description	Net Cost
39, Am 2	SFMTA Power Supplies	Installation and costs of power converters for SFMTA LRVs and historic streetcars	\$37,974
70, Am 1	Training videos	Support for development of training videos	\$10,000
94, Am 2	Network for Muni Metro East	Provide wireless network for Muni Metro East	\$35,557
110	Support for SAS audit	Contractor support for SAS 70 Audit	\$147,000
16, Am 1	Reports Changes	Provision of additional reports to aid in operation of the system	\$30,000
101, Am 2	Website Design	Changes to the TransLink Website	\$75,000
93, Am 3	TransLink Card Order	Modifications to TransLink® Card Order No. 1 and No. 2 (decrease in card quantity)	(\$311,500)
52, Am 1	Installation of Equipment	Installation of On Board Equipment on AC Transit buses	\$98,492
16, Am 2	Reports Changes	Development of additional reports and provision to address future modifications	\$27,000
76, Am 2	Caltrain Network	Implementation, operation, and maintenance of Phase 2.3 communications network for Caltrain	\$17,946
94, Am 3	SFMTA HCR 3	Relocation of HCR 3's	\$27,230
109, Am 1	Employer Programs Website	Implement Employer Program and Development and Implementation of Contractor managed website interface	\$35,456
91	West Dublin BART	Implement TransLink on West Dublin BART	\$151,118
114	SFMTA Soft Launch Maintenance Assistance	Increase knowledge and experience of SFMTA maintenance personnel working on TransLink® On-Board Equipment.	\$83,280
76, Am 3	Caltrain Network	Additional materials, labor, delivery, and service for the communications network for Caltrain	\$15,947
83, Am 1	SFMTA Faregate Procurement	Development of the TransLink® interface specifications for faregates and ticket vending machines	\$50,000
52, Am 2	AC Transit Equipment Installation	Installation of onboard equipment on additional AC Transit buses	\$99,990
67, Am 1	BART Equipment Integration	Cancels work on option to allow TransLink® cardholders to add e-cash on BART add fare machines	(\$205,082)
116	BART Autoload Reporting	Provides for Contractor to modify the TransLink® faregate library to report autoload information to BART	\$69,973
117	AC Transit Temporary Transbay Terminal	Provider transition of AC Transit Transbay Terminal from its current location to a new temporary terminal in San Francisco	\$185,473
TOTAL			\$680,854

The TransLink Interagency Participation Agreement specifies that MTC has delegated authority to execute change orders to the TransLink Contract where the value of the change order is less than or equal to \$250,000.



5. Systems and Operations Data



TransLink[®] Device Performance

The TransLink[®] Service Bureau Help Desk opens maintenance tickets in response to incident reports originating from system monitoring tools or communications from TransLink Contractor, MTC or transit operator staff. Maintenance tickets are chargeable if a device fails to perform its designated function, or meet its performance criteria, when being used and operated according to the environmental and operational conditions specified for the device.

Table 1: Number of Chargeable Maintenance Tickets per Operator by Device Type – June 2009

Device Type	Total Device Quantities	AC Transit	Caltrain	Golden Gate Transit/Ferry	SFMTA	Total Included Calls
CID1	3,600	18	N/A	19	71	108
CID2	186	N/A	6	2	0	8
CID3	27	N/A	N/A	N/A	0	0
AVM	52	1	N/A	2	2	5
TOT	25	1	0	1	0	2
HCR3	324	0	0	0	2	2

Figure 1: Number of Chargeable Device Tickets during Prior Three-Month Period (Not Including CID1 Tickets)

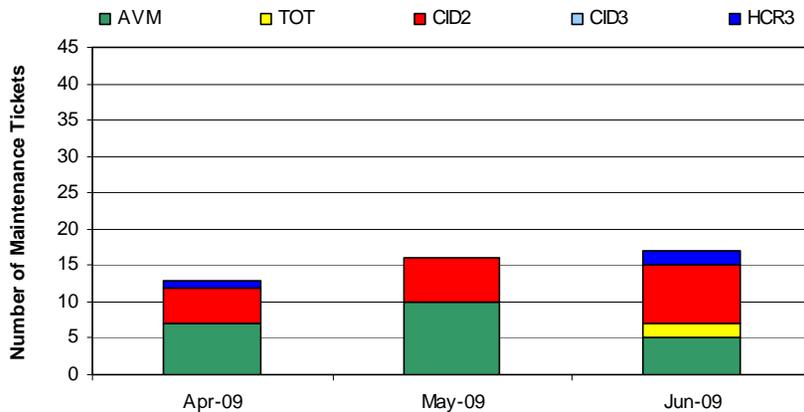
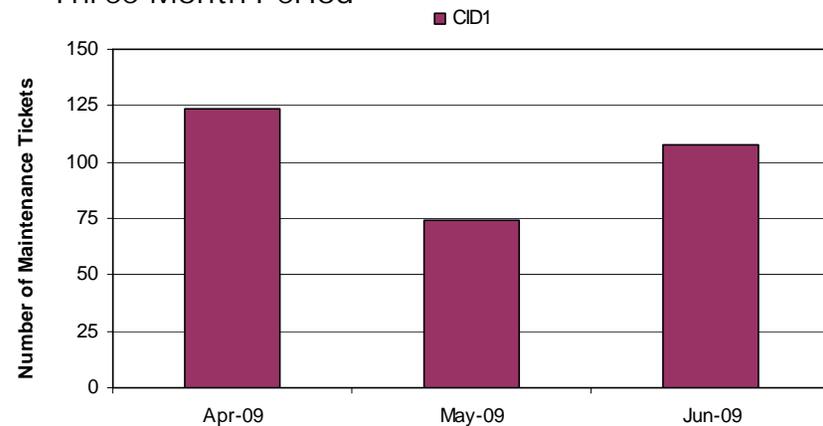


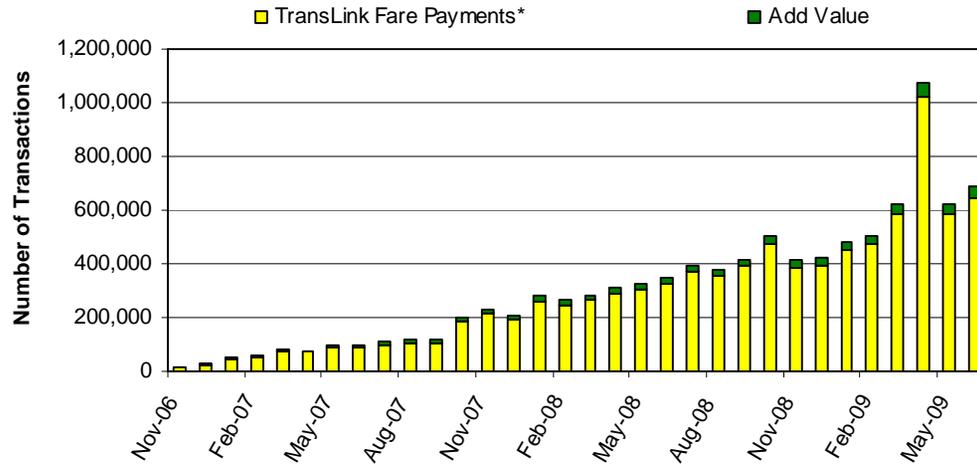
Figure 2: Number of Chargeable CID1 Tickets during Prior Three-Month Period





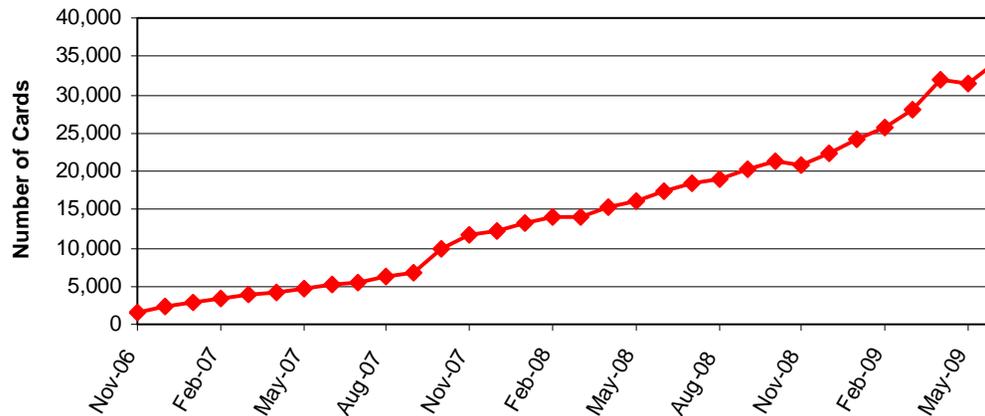
Transaction Volume

Figure 3: TransLink Fee-Generating Transactions on a Monthly Basis Since Phase 2.2 Revenue Ready



*Based on the TransLink Contract, free transfers are not counted as fee generating transactions.

Figure 4: Number of Unique TransLink Cards Used on a Monthly Basis Since Phase 2.2 Revenue Ready



- Spikes in activity volume during April 2009 are due to BART's conducting a revenue cycle test that involved 420,903 fare payment transactions and 13,172 add value transactions using approximately 2,200 test cards.



TransLink[®] Card Inventory

Table 2: TransLink Service Bureau (TSB) Phase II Card Distribution Activity⁽¹⁾

Card Distribution Period	Adult/Youth Cards ⁽²⁾	Senior Cards	RTC Discount Cards	Total
Cards Distributed Prior to January 2007	15,640	504	3	16,147
January to December 2007	16,725	68	22,512	39,305
January to December 2008	46,387	1,356	34,959	82,702
January 2009	6,057	2	2,941	9,000
February 2009	1,853	4	0	1,857
March 2009	4,352	2	4,464 ⁽³⁾	8,818
April 2009	9,717	505	4,451	14,673
May 2009	6,140	22	6,388	12,550
June 2009	3,371	9	0	3,380
Cumulative TSB Card Distribution	110,242	2,472	75,718	188,432
Unusable Cards (Due to Defects)	879	15	0	894
Current TSB Phase II Card Inventory	157,743⁽⁴⁾	58,717	29,193⁽⁵⁾	245,653

⁽¹⁾Includes: cards to transit agencies, third party vendors and patrons as well as test cards.

⁽²⁾Adult & Youth cards: both fare categories use the same cardstock.

⁽³⁾Includes 1,523 cards for BART cycle test.

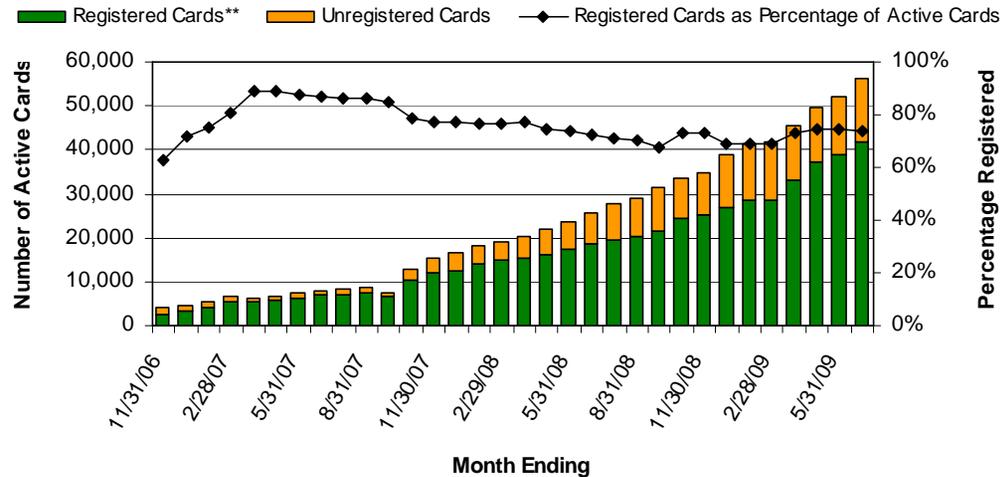
⁽⁴⁾An error in card distribution reporting was recently corrected which has increased the estimated inventory of Adult/Youth cards by roughly 15,000 cards.

⁽⁵⁾A similar but unrelated error in reporting was also uncovered which has reduced the estimated inventory of RTC Discount Cards by roughly 15,000 cards.



TransLink® Card Management

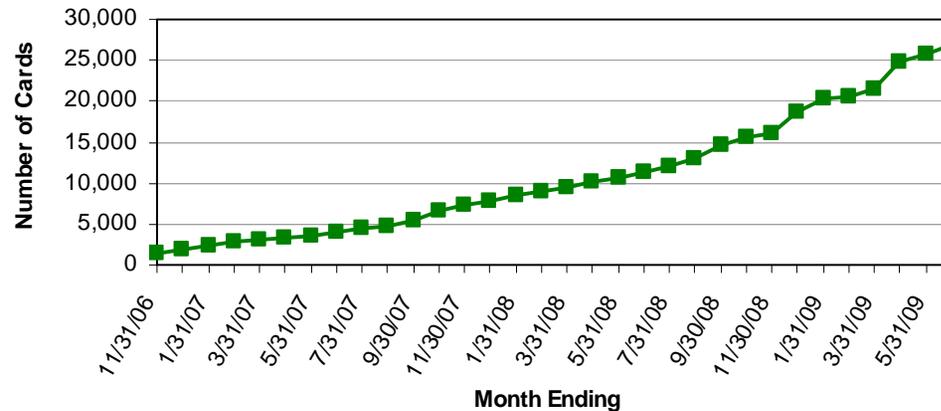
Figure 5: Number of Active* TransLink Cards in Circulation



*Active cards are those that customers have used to complete a transaction during the previous 365-day period.

** A registered card has patron identification information associated with it in the TransLink Service Bureau database. Only registered cardholders can take advantage of features such as Autoload and TransLink Balance Restoration.

Figure 6: Cumulative Number of Cards Registered for Autoload Since Phase 2.2 Revenue Ready





TransLink® Financial Activity

Figure 7: E-Cash Value Added by TransLink Cardholders on a Monthly Basis

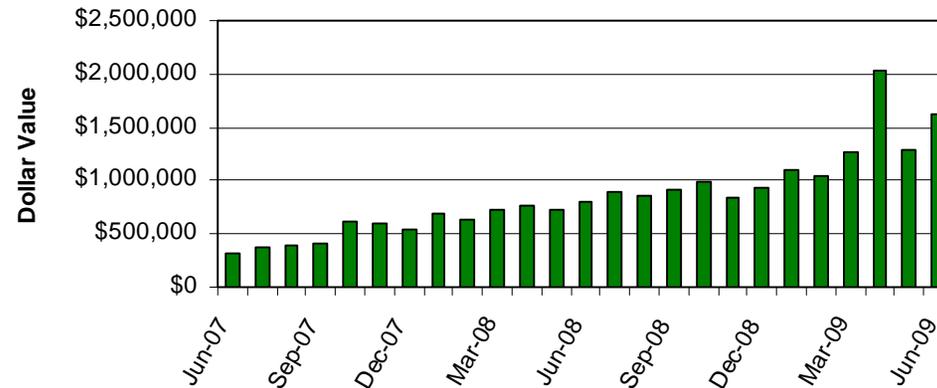
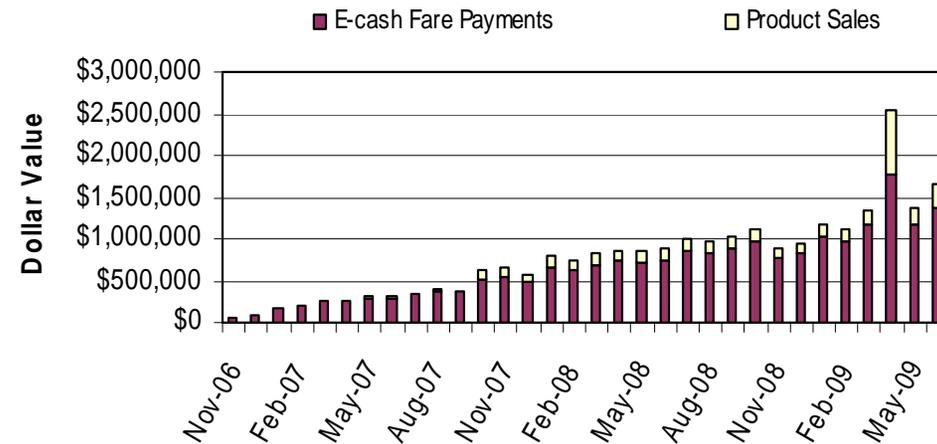


Figure 8: TransLink Operator Revenue on a Monthly Basis Since Phase 2.2 Revenue Ready



- Spikes in activity volume during April 2009 are due to BART's conducting a revenue cycle test that involved 420,903 fare payment transactions and 13,172 add value transactions using approximately 2,200 test cards.



TransLink[®] Bank Account Balances

Table 3: TransLink Bank Account Balances During the Previous 6-Month Period

Month End	TransLink [®] Float	TransLink [®] Cardholder Fees	TransLink [®] Participation Claim Fund (PCF) ¹	Walgreens Settlement
January 2009	\$1,320,463	\$133,985	\$45,937	\$138,356
February 2009	\$1,380,373	\$141,910	\$52,354	\$150,814
March 2009	\$1,460,246	\$151,695	\$60,317	\$124,767
April 2009	\$1,610,057	\$162,015	\$68,563	\$111,715
May 2009	\$1,835,836	\$171,235	\$76,093	\$137,469
June 2009	\$1,987,075	\$181,915	\$83,061	\$59,070

1. If a fare payment transaction gap is not closed within a 21-day period, the e-cash value associated with the gap is moved from the Float Account to the PCF. Operators may file claims on the PCF at any time.



Appendix



Abbreviations

- AVM Add Value Machine
- BNA Bank Note Acceptor
- CD Configuration Data
- CID Card Interface Device
- CIMS Consortium Information Management System
- CIPP Card Initialization, Printing and Personalization
- FACI First Article Confirmation Inspection
- FAT First Article Testing
- FRB Failure Review Board
- HCR Hand-held Card Reader
- IIIT Interface and Integration Inspection and Testing
- IIT Installation Inspection and Testing
- KPI Key Performance Indicator
- MASS Multiple Application Smartcard System
- MTBF Mean Transactions Between Failures
- MOHBF Mean Operating Hours Between Failures
- OBE On-Board Equipment
- OCMS Operations, Configuration and Management System
- OFS Off-Line Server
- OLS On-Line Server
- OWS Operator Work Station
- PIO Public Information Officer
- RCDA Referential Configuration Data Administrator
- SAM Security Access Module
- TCS TransLink Central System
- TDS TransLink Data Server
- TSB TransLink Service Bureau
- TOT Ticket Office Terminal
- TRU TransLink Retail Unit
- UD Usage Data



Definitions

- Future CD Configuration Data that is deployed on a date prior to the planned effective date to facilitate deployment to devices that may not connect to the network on a daily basis. The CD does not activate until the planned date is reached.
- Acceptance Testing This testing is conducted in stages as required in the Contract to verify that the equipment meets the specified reliability requirements. It will be carried out immediately after Conditional Acceptance for all of the 2.3 Operators.
- Launch TransLink is introduced as a fare payment option to riders.
- Soft Launch Approach to introducing TransLink as a fare payment option where all aspects of the system are available to customers, but a transit operator engages in very limited marketing activities. The purpose of a soft launch is to analyze the system's performance prior to widely publicizing the system's availability.
- Punch List With respect to the TransLink system, the Punch List is a collection of issues not completely addressed by Contractor prior to Revenue Ready. Each item is agreed to by MTC and respective operator(s) affected and includes a date by which Contractor will complete the work necessary to resolve the issue.
- Pass Accumulator A product with a set duration and set price that accumulates the value of designated travel taken until the product price is reached within the set duration. After the product price is reached, no more charges are incurred until the end of the set duration is reached.
- Revenue Ready As defined in Article 8.2, Part 1 of the TransLink Contract, MTC will issue one Certificate of Revenue Ready Status for each Phase II Operator when Contractor has complied with the Contract requirements in the following areas:
 - All equipment has been installed and the Installation Inspection and Testing, as required under Volume B, Statement of Work, Section B4-4.3 has been completed;
 - Contractor has hired all personnel designated for the operations and maintenance of the particular Phase in Contractor's Program Implementation Master Plan required under Volume B, Statement of Work, Section B4-4.1.1;
 - Contractor has completed all of its contractual training obligations required by Volume B, Statement of Work, Section B4-4.6.