



From Zero to One Hundred (thousand)

Replacing a Legacy Fare Ecosystem at MST





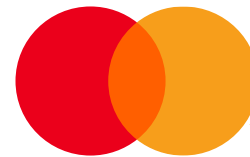
2020 – Testing an Open-Loop, Open-Standards Approach to Fare Collections



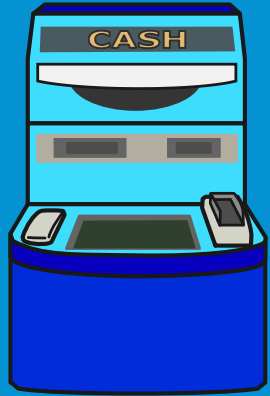
As part of an initiative with the California Integrated Travel Project, Monterey-Salinas Transit engaged in a pilot program to collect fares using contactless digital payments devices, and a broad range of well-known merchant payment networks.



2020 – Testing an Open-Loop, Open-Standards Approach to Fare Collections



As the initiative moved from test to production,
additional partners have joined the ecosystem



VS

Gains from an Open-Loop

Open-Standards approach

- Direct cost savings is significant: Lower capital costs, Lower operational costs. Potentially lower upgrade costs.
- Human costs are significantly lower as well. Skillsets easily transition to existing IT/ITS teams, device replacement is in minutes (vs hours or days on legacy system), vehicle downtime is minimal (or none).
- Smaller agencies can cease being a “bank” and be a “retailer” in their financial collections model.
- Feature enhancements are largely software and cloud-based in nature. Open design of the system means that hardware replacements can be done on a rolling or “as needed” basis.



2027



A Commitment to Transition

- In December of 2024, the decision was made to retire the legacy fare collection system at the end of 2026 and exclusively use Open-Loop Contactless beginning in 2027
- This will result in a projected increase in Contactless Fare transactions from about 220,000 annually to 2.2 million. (10x)
- Cash will still be collected, but the goal is to move that collection to customer service centers, local retail establishments, and potentially kiosks
- Annual costs to maintain the system is already about one-fifth of our legacy system, with an expectation that the savings will increase as open-loop is scaled out.

One Hundred Thousand Taps (per month)

Reaching critical mass means increasing the volume of “taps” on our Open-Loop system from approximately 20,000 per month to 100,000 per month.

**This means expanding
our “Big Tent”
of support**



An Open-Loop “Transportation Pass”

- Approximately 60% of our rides are paid for with our closed-loop “GoPass”
- And... While are all of our bank-based Open-Loop options duplicate, and in some cases improve on functions such as discounts, fare-capping, and transfers. MST is receiving feedback that a significant group of our customers want an account that is only dedicated to transportation needs.
- Based on this, MST is working with CalITP and other potential partners to create an “Open” Pass.

One



Ride

An Open-Loop Student Verification System



One



Ride

- MST, in partnership with Compiler and JAWNT, were awarded an FTA Research Grant to develop a standards-based verification system for educational institutions
- Using an process similar to what is already in operation with Login.gov, Students would be able to register a payment of their choice and the school that they are enrolled in and would automatically receive any discounts or fare cappings that are available to them

Allowing for non-traditional payments



One



Ride

- Currently MST allows any Visa and MasterCard to “tap-and-ride” on our system, with support for the remainder of the traditional “cards” by the 2nd half of 2025.
- We are also seeking ways to allow for payment services such as Zelle, Venmo, or Paypal, either via a customer’s Phone Wallet, or to load the Open-Loop Transportation Pass
- Last, we are also exploring the feasibility of allowing benefits-based cards (i.e. EBTs) to be able to tap-and-ride as well.



QUESTIONS
