



King County

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March 29, 2016

The Honorable Joe McDermott
Chair, King County Council
Room 1200
COURTHOUSE

Dear Councilmember McDermott:

As required by Ordinance 17941, Section 129, Proviso 1, I am transmitting to the King County Council a motion for acceptance of the "ORCA Replacement Project" report.

Ordinance 17941, section 129, Proviso 1.

Of the appropriation for capital project 1124456, ORCA replacement implementation, \$250,000 shall not be expended or encumbered until the executive transmits a report on ORCA replacement issues and a motion that accepts the report and the motion is passed by the council.

For many years, the King County Council and the boards of other transit agencies in the Central Puget Sound Region have provided policy direction to promote transit use by simplifying fare payment for riders traveling between agencies in the region. This began in 1999, with the adoption of fare policies and the Puget Pass Agreement that established a system of regional passes and transfers. This policy direction continued with the adoption of an interlocal agreement (ILA) in 2003 for developing the One Regional Card for All (ORCA) system, and again in 2009 for the ongoing operation of the ORCA system. As a result, our region is recognized as a national leader in regional transit fare coordination.

In the time since the original ORCA system was designed, technology has changed substantially. The ORCA Replacement Project is an effort by the seven transportation agencies in the ORCA system to plan for the next generation of electronic fare collection. The project will provide an opportunity for the agencies to take advantage of new technologies and ensure that a replacement system is ready for customers when the current system reaches the end of its useful life.

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and complies with the Americans with Disabilities Act*

The project may also present opportunities to further simplify the ORCA agencies' fare structures. As called for in the ordinance, the ORCA Replacement Project report outlines a workplan that identifies how and when the King County Council and other agency boards will be involved in decisions about fare policies and fare structure that will guide the development of the ORCA replacement system. Should the ORCA Joint Board conclude that significant changes in current regional coordination efforts are worth serious consideration by policy makers, they will propose convening a Regional Fare Policy Workshop to try to develop consensus recommendations for such changes. This would involve representatives of the King County Council and the boards of the other agencies.

Work on the project to date suggests that further simplification of fares could potentially reduce capital and operating costs. Fare simplification could also benefit transit customers by making fare payment easier to understand, reducing interactions with transit operators, and speeding transit service by reducing the time it takes to pay fares. This report identifies the elimination of Metro's zone structure and peak/off-peak fare differential as fare structure changes that would help further simplify regional transit fares. Such changes would require King County Council action. Any proposal to simplify fares would have to assess the impacts on revenue, ridership and other adopted transit fare policies, including effects on equity and social justice.

The report also includes an update of the ORCA Replacement Project's benefit achievement plan, an assessment of the impacts to and dependencies on other transit technology initiatives, and a discussion of network and electronic payment security issues that will be considered as part of the project.

The ORCA system supports the mobility goals of the Strategic Plan as integrated fare payment encourages riders to use all the transportation options that are available with a single fare product.

It is estimated that this report required 60 staff hours to produce, costing \$3,600, with minimal printing costs.

Thank you for your consideration of this motion to accept the "ORCA Replacement Project" report.

The Honorable Joe McDermott
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If you have any questions, please contact Jill Krecklow, Finance Manager, Metro Transit Division, at 206-477-5899, or via email at Jill.Krecklow@kingcounty.gov.

Sincerely,



Dow Constantine
King County Executive

Enclosures

cc: King County Councilmembers
ATTN: Carolyn Busch, Chief of Staff
Anne Noris, Clerk of the Council
Carrie S. Cihak, Chief of Policy Development, King County Executive Office
Dwight Dively, Director, Office of Performance, Strategy and Budget
Harold S. Taniguchi, Director, Department of Transportation (DOT)
Rob Gannon, Interim General Manager, Metro Transit Division, DOT
Victor Obeso, Deputy General Manager, Planning and Customer Services, Metro
Transit Division, DOT
Jill Krecklow, Finance & Enterprise Operations Manager, Metro Transit Division,
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