



Next Generation Fare Collection Project

CTA Board Meeting
August 12, 2009

Project Overview

What is the *Next Generation Fare Collection Project*?

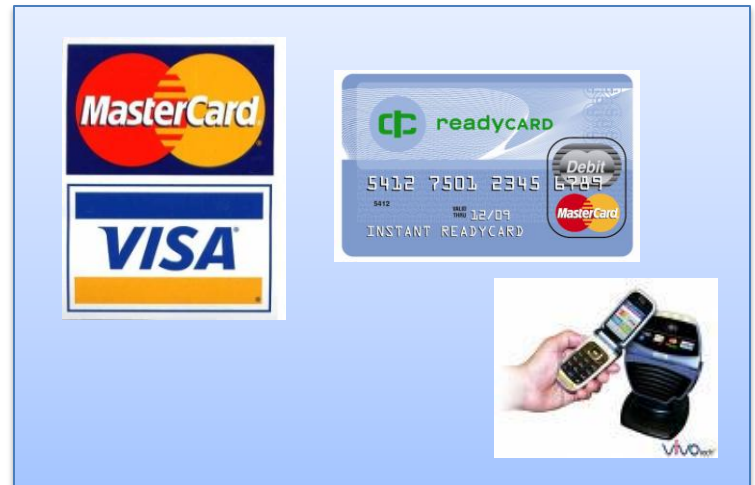
A project that will move CTA from using...

Transit-issued currency



TO

Open, standardized currency



Project Overview

How will the *Next Generation Fare Collection Project* get us there?

- ① Partner with private partners (ex. banks and system integrators) to:
 - shift implementation costs
 - access cost efficiencies
 - develop revenue opportunities
- ② Utilize a competitive, 2-step procurement process that:
 - ensures appropriate technical choices are made
 - maximizes economic attributes of business case

Customer Benefits

The CTA is using a proactive and innovative approach to anticipate and address customer improvements well into the future.

This Future State will offer CTA Customers three major benefits:

Faster and easier access to the system

Touch and go payment for all riders

Automated repurchase of passes & special fares



CTA Benefits

The CTA will also enjoy benefits well into the future as a result of implementing this project:

Focus on core business of providing safe, reliable and affordable transit

Significantly improve fare collection & operating efficiencies

Minimize continued investment in current proprietary system

Access private capital to fund capital expense to move to open system



Proven Success in Public Transit

New York City Pilot Program

- The New York City Transit System (NYCTS) successfully completed an open fare pilot in 2007.
- For the pilot, NYCTS collaborated with Citi and MasterCard on the Lexington line
- They are expanding to the 2nd phase of their pilot which will be launched in late 2009 and will include other modes of public transit (rail, bus, heavy rail) encompassing approximately 1.5 million daily rides



Successful Pilots / Full Implementations

- | | |
|---------------------|---------------------|
| ▪ New York | pilot program |
| ▪ LA Metro | pilot program |
| ▪ BART / Bay Area | pilot program |
| ▪ Utah Transit Auth | full implementation |

Active Procurements

- SEPTA (Philadelphia) – proposals due August 18, 2009
- WMATA (Wash D.C.) - proposals due August 12, 2009

Next Steps

The Project Plan calls for a 2-step RFP process

Complete RFP process and commence transition to open fare system in Summer 2010

Complete transition and achieve full implementation by Summer 2012

Note: The above dates are estimated target dates and are subject to shifting as the project unfolds. We will keep you apprised of date shifts / changes as the project proceeds.