

## Consent Item (B) 10-22-2020

Washington Metropolitan Area Transit Authority  
**Board Action/Information Summary**

Action  Information

MEAD Number:  
202217

Resolution:  
 Yes  No

### TITLE:

Waive Android Virtual SmarTrip® Card Fee

### PRESENTATION SUMMARY:

To promote the rapid adoption of, and transition to the new Android-based virtual SmarTrip® mobile application, a six-month waiver of the virtual SmarTrip® card fee is requested.

### PURPOSE:

To seek Board approval of a six-month waiver of the virtual SmarTrip card fee for cards issued on Android mobile phones anticipated to begin as early as November 2020, the anticipated launch for the Android-based solution.

### DESCRIPTION:

Metro's vendors for this SmarTrip app are Android (Google), NXP and Cubic.

#### Key Highlights:

- Staff requests a six-month waiver of the virtual SmarTrip card fee for cards issued on Google Pay /Android mobile payment solution
- This action places customers who use Android devices on the same footing as those who use Apple devices.

#### Background and History:

In September, 2020, the Board confirmed the applicability of the \$2 SmarTrip Card fee to virtual SmarTrip cards associated with the newly launched SmarTrip Mobile App. Concurrent with that action, the Board waived the application of that fee for the first six months of the availability of the Apple version of the application and clarified that the fee does not apply to Mobile App. transactions where the patron is converting a plastic SmarTrip Card to a virtual SmarTrip Card.

Today, WMATA is approaching the launch of the virtual SmarTrip card application on the Android platform. Staff seeks authorization to waive the \$2 new virtual SmarTrip card fee during a promotion pilot to begin as early as November 2020, the anticipated launch on the SmarTrip Mobile App on the Android platform, and end six months thereafter from the date of launch. This six-month fee-waiver is designed to encourage faster customer adoption of the new digital platform and to place Android users on the same footing as Apple users with regard to the costs of adopting this new technology.

The benefits of faster adoption include improving safety for customers using contactless payment and accelerating a shift to a lower cost sales channel.

On September 1, 2020, WMATA launched the SmarTrip mobile payment feature on Apple iPhones and Apple Watches.

**Discussion:**

With health and safety as a top priority for many of WMATA’s riders in today’s environment, accelerating adoption of a contactless payment option will show our commitment to rider safety and a high level of customer service. At the same time, promoting early adoption of the app accelerates capture of fare collection cost savings conservatively estimated at \$3.6M (NPV, FY21 to FY29). Savings are generated by reducing fare collection and card provisioning costs, collectively an anticipated savings of \$4.4 million. The six-month waiver of the SmarTrip fee is anticipated to reduce these savings by \$800,000. *Note that the acceleration of cost savings is for contactless payment adoption across both Apple and Android platforms, not in addition to the savings presented in the request for Temporary Waiver of Virtual SmarTrip® Card Fee on Apple Mobile App.*

**FUNDING IMPACT:**

It is anticipated that this action will accelerate adoption and use of the SmarTrip app. The faster the app is adopted by Metro customers; the sooner Metro will realize the estimated \$3.6 million in savings from transition away from plastic cards. As noted in the discussion, the waiver of the virtual SmarTrip Card fee would result in a loss of \$800,000 of revenue, which is more than off-set by the anticipated future cost reductions. *Note that the acceleration of cost savings is for contactless payment adoption across both Apple and Android platforms, not in addition to the savings presented in the request for Temporary Waiver of Virtual SmarTrip® Card Fee on Apple Mobile App.*

**TIMELINE:**

<b>Previous Actions</b>	September 2020 – Establish Virtual SmarTrip Card fee and provide Six Month Waiver of Virtual SmarTrip fee for Apple Mobile App
<b>Anticipated actions after presentation</b>	Fall 2020 – Launch of Google Pay / Android application

**RECOMMENDATION:**

Authorize waiver of the \$2 virtual SmarTrip Card fee on Android devices for the six-month period beginning on the launch date.

SUBJECT: WAIVER OF VIRTUAL SMARTRIP® CARD FEE FOR A SIX-MONTH PROMOTIONAL PILOT OF THE GOOGLE PAY/ANDROID SMARTRIP® MOBILE APP

RESOLUTION  
OF THE  
BOARD OF DIRECTORS  
OF THE  
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, The fee charged to customers for the purchase of a physical SmarTrip® card has previously been established by the Board of Directors; and

WHEREAS, The fee for a virtual SmarTrip® card was previously established by the Board to be the same as that of a physical SmarTrip® card; and

WHEREAS, To promote the launch of the SmarTrip® Mobile App and accelerate cost savings to WMATA, staff recommends waiving the SmarTrip® card fee for new virtual SmarTrip® cards issued on Android mobile devices during a six-month promotional pilot beginning on the launch date of the Google Pay/Android SmarTrip® Mobile payment solution;

NOW, THEREFORE, be it

*RESOLVED*, That the Board of Directors approves the temporary waiver of the virtual SmarTrip® card fee on the Google Pay/Android mobile platform beginning on the launch date of the Google Pay/Android SmarTrip® Mobile payment solution and ending six months thereafter; and be it finally

*RESOLVED*, That in order for this authorization to apply on the first day of the Google Pay/Android mobile platform launch, this resolution shall be effective immediately.

Reviewed as to form and legal sufficiency,

/s/ Patricia Y. Lee  
Patricia Y. Lee  
Executive Vice President and General Counsel