

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

Action Information

MEAD Number:
201699

Resolution:
 Yes No

TITLE:

New Year's Eve Free Rides

PRESENTATION SUMMARY:

As part of a national public service initiative, management is seeking Board approval for a partnership with MillerCoors to sponsor New Year's Eve Metro service, subsidizing the otherwise applicable fare to provide free rides to all passengers who enter the Metrorail system or board Metrobuses from midnight to system close on January 1, 2016. Management is also seeking Board approval to indemnify MillerCoors for its support of this initiative.

PURPOSE:

As part of a national public service initiative, MillerCoors partners with transit authorities to provide free rides on New Year's Eve. This promotion, known as "responsible commuting," encourages responsible drinking and alternatives to driving. Management is seeking Board approval for a partnership with MillerCoors to sponsor New Year's Eve Metro service, subsidizing the otherwise applicable fare to provide free rides to all passengers who enter the Metrorail system or board Metrobuses from midnight to system close on January 1, 2016. Management is also seeking Board approval to indemnify MillerCoors for its support of this initiative.

DESCRIPTION:

Key Highlights:

- This partnership/sponsorship is a revenue and cost neutral promotion. MillerCoors will subsidize the applicable fare to provide for the cost of rides on Metrorail and Metrobus from midnight to close of service on January 1, 2016.
- This payment is based on the past two years' ridership. There are no additional expenses as this promotion can be handled within normally deployed resources for New Year's Eve.
- Security will be heightened due to the holiday and events completely outside of the promotion, and no additional service is requested.
- The Sponsorship Agreement requires that WMATA indemnify MillerCoors. Specifically, WMATA agrees to indemnify, defend and hold harmless MillerCoors, its affiliates, parents, and each of their respective employees, officers, directors, and agents harmless from third-party claims, suits, actions, proceedings and damages incurred in connection with or arising from personal injury, death,

property damage or harm or loss caused by WMATA's operations during the period of 00:00 to 03:00 on January 1, 2016. WMATA may discharge the defense required under this section through the use of its in-house counsel or outside counsel, such decision being made in WMATA's sole discretion.

Background and History:

In December 2004, Metro entered into a similar promotion with ING DIRECT where the sponsor paid for all rides during a morning commute. The cost of that promotion was significantly higher (\$562,350) because it was a weekday, peak period; however, the benefits were similar – good will and support for transit.

At that time, WMATA agreed to indemnify ING DIRECT against any damages incurred in connection with or arising from that sponsorship.

Discussion:

MillerCoors has been promoting its “responsible commuting” campaign on New Year’s Eve by providing free rides in more than 20 cities for decades. In other markets including Chicago, Minneapolis, Atlanta, Dallas, and Milwaukee, Miller Coors has provided more than 2.4 million safe rides on holidays.

This co-promoted event provides WMATA with a unique opportunity to offer free rides to its customers; guarantees revenue for the period from midnight to close on January 1, 2016; and, generates good will for both WMATA and MillerCoors.

MillerCoors will pay WMATA for Metrobus and Metrorail rides from midnight through system close on January 1, 2016. The subsidy is based upon rail and bus ridership averaged for the same time period in 2013 and 2014. Unlike early opening/late closing policies, this sponsorship does not provide for a refund or other payments based upon actual ridership.

The promotion can be handled within normally deployed resources for that period. Security will be heightened due to the holiday and events completely outside of the promotion, and no additional service is requested.

FUNDING IMPACT:

The payment from MillerCoors will compensate WMATA for fares based upon historical ridership. Expenses will be unchanged as WMATA will provide service on the holiday regardless of the sponsorship.	
Project Manager:	Jawauna M. Greene/Donna M. Murray
Project Department/Office:	CSCM/MKTG

TIMELINE:

Previous Actions	None
Anticipated actions after presentation	December 2015 - Board to consider: 1. Approval of sponsorship/fare buydown; 2. Approval of indemnification of MillerCoors

RECOMMENDATION:

Staff recommends that the Board approve the partnership with MillerCoors to sponsor New Year's Eve Metro service, subsidizing the otherwise applicable fare to provide free rides to all passengers who enter the Metrorail system or board Metrobuses from midnight to system close on January 1, 2016.

Additionally, staff recommends that the Board approves the indemnification of MillerCoors from any damages occurred in connection with or arising from the program.

PRESENTED AND ADOPTED: December 17, 2015

SUBJECT: INDEMNIFICATION OF MILLERCOORS FOR SPONSORING METRO SERVICE ON JANUARY 1, 2016

2015-68
RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, The Washington Metropolitan Area Transit Authority (WMATA) has pursued a promotional partnership, whereby MillerCoors will sponsor New Year's Eve Metro service, defraying the otherwise applicable fare to all passengers who enter the Metrorail system or board Metrobuses from midnight to system close on January 1, 2016; and

WHEREAS, The Board of Directors' approval is required for WMATA to engage in the promotional partnership whereby MillerCoors defrays the otherwise applicable fare; and

WHEREAS, MillerCoors will not participate in the partnership unless WMATA agrees to the following indemnification provisions:

Indemnification. Transit Company agrees to indemnify, defend and hold harmless, MillerCoors, its affiliates, parents, and each of their respective employees, officers, directors, and agents harmless from third-party claims, suits, actions, proceedings and damages incurred in connection with or arising from personal injury, death, property damage or harm or loss caused by Transit Company's operations during the period of 00:00 to 03:00 on January 1, 2016. Transit Company may discharge the defense required under this section through the use of its in-house counsel or outside counsel, such decision being made in Transit Company's sole discretion; and

WHEREAS, Promotional activities surrounding this sponsorship will be initiated beginning on or about December 17, 2015; and

WHEREAS, The Board of Directors' approval is required for WMATA to indemnify a third-party; now, therefore be it

RESOLVED, That the Board of Directors approves the promotional partnership with MillerCoors; and be it further

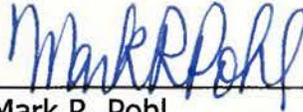
Motioned by Mr. Goldman, seconded by Mr. Corcoran

Ayes: 8 – Mr. Downey, Mr. Goldman, Mrs. Hudgins, Mr. Bulger, Ms. Tregoning, Mr. Corcoran, Ms. Harley and Mr. Dormsjo

RESOLVED, That the Board of Directors approves the granting of the requested indemnification described in this Resolution; and be it finally

RESOLVED, That this Resolution shall be effective immediately to support the immediate execution of the agreement and initiation of promotional activities.

Reviewed as to form and legal sufficiency,



Mark R. Pohl
Acting General Counsel

WMATA File Structure No.:
15.2.1 Grants of Indemnification