

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
201833

Resolution:
☒ Yes ☐ No

TITLE:

New Year's Eve Sponsorship and Indemnification

PRESENTATION SUMMARY:

To provide an overview of the proposal for a partnership between MillerCoors and WMATA that would provide free rides to all passengers who enter the Metrorail system or board Metrobuses from midnight to system close at 3 a.m. on January 1, 2017.

PURPOSE:

Staff seeks Board approval for a partnership with MillerCoors to sponsor New Year's Eve Metro service, subsidizing the otherwise applicable fares to provide free rides to all passengers who enter the Metrorail system or board Metrobuses from midnight to system close at 3 a.m. on January 1, 2017. Staff is also seeking Board approval to indemnify MillerCoors for its support of this initiative.

DESCRIPTION:

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.

Key Highlights:

- The partnership/sponsorship is a revenue and cost neutral promotion. MillerCoors will pay Metro \$81,975 in advance, subsidizing the applicable fare to provide for the cost of rides on Metrorail and Metrobus from midnight to close of service on January 1, 2017.
- This payment is based on 2015 ridership during the same time period and current trends of 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.

Background and History:

In December 2015, Metro entered into an identical promotion with MillerCoors where the sponsor paid for all rides to provide safe rides home after New Year's celebrations. This was the first year for the sponsorship and MillerCoors paid \$165,000, which was calculated based on the previous two years' ridership. However, actual ridership was approximately half the projections. Still, the benefits were similar – good will and support for safe travel options for local revelers.

At that time, WMATA also agreed to indemnify MillerCoors 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, Dallas, Milwaukee and the Twin Cities (Minneapolis/St. Paul), 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, 2017; and, generates good will for both WMATA and MillerCoors. MillerCoors will purchase advertising, including in-system advertising, to promote the partnership.

MillerCoors will pay WMATA \$81,975 in advance for Metrobus and Metrorail rides from midnight through system close at 3 a.m. on January 1, 2017. The figure is based upon rail and bus ridership for the same time period in 2015. 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 with 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.

As part of the agreement, WMATA must agree to indemnify, defend and hold harmless MillerCoors, its affiliates, parents, and each of their respective employees, officers, directors, and agents 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 midnight to 3 a.m. on January 1, 2017. 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.

FUNDING IMPACT:

The payment of \$81,975 from MillerCoors will compensate WMATA for fares based upon previous year's ridership during the same time period (midnight – 3 a.m. on New Year's Eve). 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	December 2015: MillerCoors entered into sponsorship agreement for late-night service on New Year's Eve
Anticipated actions after presentation	December 31, 2016: Metrorail will operate until 3 a.m. on New Year's Eve to provide safe travel options for local partygoers and workers.

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, 2017. Additionally, staff recommends that the Board approves the indemnification of MillerCoors from any damages occurred in connection with or arising from the program.

SUBJECT: APPROVAL OF MILLERCOORS JANUARY 1, 2017, SPONSORSHIP AND
CORRESPONDING INDEMNIFICATION OF MILLERCOORS BY WMATA

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 with MillerCoors to provide free Metro service on New Year's Eve, as part of MillerCoors' nationwide Free-Rides program, whereby MillerCoors works with public transit systems throughout the country to provide free rides on New Year's Eve, as part of a public relations campaign and alcohol responsibility strategy to prevent drunk driving; and

WHEREAS, As part of its promotional partnership with WMATA, MillerCoors will sponsor New Year's Eve Metro service on January 1, 2017, from midnight to system close, defraying the otherwise applicable fare to all passengers who enter the Metrorail system or board Metrobuses during this timeframe, and in exchange, WMATA will recognize MillerCoors sponsorship of the free rides; and

WHEREAS, The Board of Director's 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, 2017. 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, 2016; 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 whereby MillerCoors defrays the otherwise applicable fare; and be it further

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,



Patricia Y. Lee
General Counsel

WMATA File Structure No.:
15.2.1 Grants of Indemnification