



April 11, 2016

Chairman Harry Mathis and MTS Board Members  
1255 Imperial Avenue  
Suite 1000  
San Diego, CA 92101

**RE: Upgrading the Compass Card and fare payment systems for MTS**

Dear Chairman Mathis and MTS Board Members:

On behalf of Circulate San Diego, whose mission is to create excellent mobility choices and vibrant, healthy neighborhoods, we are writing to provide comments for how MTS can address issues with the Compass Card and improve access to the region's transit systems.

We are heartened to see that MTS has taken immediate action to apply for a grant to fund an upgrade to address PCI compliance for the Compass Card, and to hold a hearing to update the public on the Compass Card at the MTS April board meeting. We are pleased to submit the following suggestions regarding how MTS can enhance fare payment systems for our region's transit systems.

**I. Short Summary**

In summary, our comments are as follows:

1. To protect customers from credit card fraud, MTS should quickly fix the PCI data security issues with the Compass Card.
2. To provide payment access similar to most other large transit operators, MTS should implement stored value on the current Compass Card medium.
3. Mobile ticketing is a promising innovation for transit payment, but MTS should not wait for mobile ticketing to implement near-term improvements.

**II. Comments from Circulate San Diego**

- A. To protect customers from credit card fraud, MTS should quickly fix the PCI data security issues with the Compass Card.

Recent reporting by KPBS revealed that the MTS Compass Card is not PCI compliant, leaving customers vulnerable to credit card fraud.<sup>1</sup>

The MTS board authorized during their March board meeting an application for funding to the State of California's Cap-and-Trade Transit and Intercity Rail Capital Program. Circulate San Diego fully supports this application and offered MTS Staff to write letters of support to the California Transportation Agency.

MTS has stated a possibility of not fixing the current Compass Card, and instead replacing it with a newer fare payment system after the current contract with CUBIC ends in 2018. If MTS does not plan to upgrade their existing Compass Card system with PCI compliance, then they should both notify the public of this intent, and move quickly to replace it with a complete system replacement that is PCI compliant so that users of the system do not continue to have their credit card information at risk.

- B. To provide payment access similar to most other large transit operators, MTS should implement stored value on the current Compass Card medium.

Regardless of whether MTS replaces or upgrades the Compass Card, MTS should implement stored value on the current Compass Card immediately.

1. *Stored value would benefit both choice riders and riders without cars.*

Stored value would allow occasional riders to more easily access transit when a bus or trolley works for their situations. Stored value will be useful for choice riders who have access to cars, but who want to occasionally use transit, including to visit sporting events or enjoy nightlife or cultural destinations downtown.

Moreover, there is a strong equity rationale for stored value. Stored value will allow occasional ridership for those who cannot or choose not to own a car. Walking and biking commuters for whom a monthly MTS card is either unaffordable or not cost-efficient, can use stored value to access transit for occasional trips like, doctor visits, weather incidents, and other unforeseen circumstances. Implementing stored value on the current Compass Card medium will allow this payment type without owning an expensive smart phone.

2. *Stored value would be relatively cheap and easy to implement.*

MTS told KPBS that estimates for adding stored value to the Compass Card "ranged from \$50,000 to more than \$100,000."<sup>2</sup> This is much less expensive than the \$10 million estimate for fixing PCI compliance.

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<sup>1</sup> KPBS, MTS Admits Credit Card Security Gaps (February 29, 2016), available at <http://www.kpbs.org/news/2016/feb/29/mts-credit-card-security-pci-dss-san-diego-transit>.

<sup>2</sup> KPBS, "San Diego's MTS Compass Card Stuck In The Past" (January 14, 2016), available at <http://www.kpbs.org/news/2016/jan/14/san-diego-mts-compass-card-stuck-past/>.

Additional funds would ideally be spent to advertise the new stored value option. However, scarce funding for promotions should not be a barrier to implementation, as the current payment options would remain, and stored value would not disrupt usage by current riders. Moreover, implementation of stored value would generate significant and free earned media opportunities.

The cost for implementing stored value is so low, because the MTS fare system already incorporates stored value functionality. “In an interview with KPBS in 2013, MTS CEO Paul Jablonski said MTS had ‘all the system in place to be able to put a stored value card in the system right now.’”<sup>3</sup> LA Metro’s fare system uses the same product from CUBIC, and it utilizes a stored value functionality.

MTS has been saying that stored value is just around the corner, for three years. “In an interview with KPBS in 2013, MTS CEO Paul Jablonski said... he hoped ‘by late summer, fall, we’re going to roll out stored value.’”<sup>4</sup> Updating the Compass Card should be a priority now, without further delay.

While a complete upgrade to fix PCI compliance would be relatively expensive, implementing stored value would be both quick and inexpensive. Doing so would be a positive sign to the public that MTS is taking seriously the concerns raised about its fare system.

*3. Stored value is a standard fare payment option for American transit agencies.*

MTS is a substantial outlier in American transit agencies for choosing not to implement stored value. Of the top 20 transit agencies in the United States, San Diego is one of only six that does not provide stored value. According to research by Circulate San Diego, San Diego is the only transit agency in the top 20 to have created a system-wide fare payment card that does not utilize stored value.

An appendix is attached to this letter with fare payment information about other transit agencies in the United States.

C. Mobile ticketing is a promising innovation for transit payment, but MTS should not wait for mobile ticketing to implement near-term improvements.

Circulate San Diego fully supports efforts by MTS to implement advanced mobile ticketing options. Transit is best when riders have multiple options to pay for a ride. Mobile payment will be a useful companion to the Compass Card.

However, MTS is not planning to replace the Compass Card in the near-term with mobile payment systems. Any mobile payment system should not be confused with a solution to MTS’s current and substantial problems with its Compass Card.

While a mobile payment system may implement a form of stored value, that functionality is not planned for the first years of the program’s implementation. MTS should still implement stored value on the

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<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

current Compass Card, to provide near-term functionality, and stored value access for those who do not own smart phones.

Similarly, while presumably any new mobile payment system will be PCI compliant, the purchase of such a system will not solve the problems in the Compass Card that put current customers at risk of credit card fraud.

### **III. Conclusion**

MTS has enjoyed great success attracting more and more riders each year. The region can build on that success with relatively low-cost improvements to fare payment systems.

Upgrading the Compass Card to protect customer security, and to allow easier access with stored value will help ensure that the San Diego region provides safe and convenient access to transit.

Circulate San Diego is a strong supporter of transit and our transit agencies. We are eager to support efforts to upgrade fare payment systems, and to celebrate success on that front. We urge you to act quickly to implement updates to the Compass Card.

Sincerely,

A handwritten signature in blue ink that reads "Colin Parent". The signature is written in a cursive, flowing style.

Colin Parent  
Policy Counsel, Circulate San Diego

## Appendix A

(Ridership Source Data from: <http://www.apta.com/resources/statistics/Documents/Ridership/2014-q4-ridership-APTA.pdf>.)

Rank	Agency	Largest city served	Daily ridership	Stored Value (Y/N)	Card Name	Stored Value Source	Notes
1	<a href="#">MTA</a>	<a href="#">New York City</a>	2,574,900	Y	MetroCard	<a href="http://web.mta.info/metrocard/">http://web.mta.info/metrocard/</a>	Magnetic strip card (as opposed to more typical contactless smartcards)
2	<a href="#">LACMTA</a>	<a href="#">Los Angeles</a>	1,079,100	Y	TAP (Transit Access Pass)	<a href="https://www.taptogo.net/">https://www.taptogo.net/</a>	Accepted on almost all LA County transit agencies (including LADOT)
3	<a href="#">CTA</a>	<a href="#">Chicago</a>	878,000	Y	Ventra	<a href="https://www.ventrachicago.com/">https://www.ventrachicago.com/</a>	Card also accepted on regional Pace buses
4	<a href="#">SEPTA</a>	<a href="#">Philadelphia</a>	556,500	N	n/a	<a href="http://www.septa.org/fares/">http://www.septa.org/fares/</a> ; <a href="http://www.septa.org/key/">http://www.septa.org/key/</a>	New contactless smart card for both stored value and passes, SEPTA key, is currently in development. Initial trial rollout will be to 10,000 riders
5	<a href="#">WMATA</a>	<a href="#">Washington, D.C.</a>	436,600	Y	SmarTrip	<a href="http://www.wmata.com/fares/smartrip/">http://www.wmata.com/fares/smartrip/</a>	Stored Value Interchangeable w/ Baltimore CharmCard
6	<a href="#">MBTA</a>	<a href="#">Boston</a>	377,600	Y	CharlieCard	<a href="http://www.mbta.com/fares_and_passes/charlie/">http://www.mbta.com/fares_and_passes/charlie/</a>	
7	<a href="#">King County Metro</a>	<a href="#">Seattle</a>	325,300	Y	ORCA Card	<a href="https://orcacard.com/ERG-Seattle/p1_001.do">https://orcacard.com/ERG-Seattle/p1_001.do</a>	
8	<a href="#">Muni</a>	<a href="#">San Francisco</a>	300,900	Y	Clipper	<a href="https://www.clippercard.com/ClipperWeb/index.do">https://www.clippercard.com/ClipperWeb/index.do</a>	Clipper is accepted on almost all Bay Area transit agencies (including VTA below)
9	<a href="#">MTA Maryland</a>	<a href="#">Baltimore</a>	283,300	Y	CharmCard	<a href="http://www.mtacharmcard.com/">http://www.mtacharmcard.com/</a>	Stored Value Interchangeable w/ Wash. DC SmarTrip
10	<a href="#">Miami-Dade Transit</a>	<a href="#">Miami</a>	240,700	Y	EASY Card	<a href="http://www.miamidade.gov/transit/easy-card.asp">http://www.miamidade.gov/transit/easy-card.asp</a>	

Rank	Agency	Largest	Daily	Stored	Card Name	Stored Value Source	Notes
11	<a href="#">RTD</a>	<a href="#">Denver</a>	239,200	Y	n/a	<a href="http://www.rtd-denver.com/myride.shtml#aq">http://www.rtd-denver.com/myride.shtml#aq</a>	Pilot program for new MyRide stored value smartcard currently underway
12	<a href="#">METRO</a>	<a href="#">Houston</a>	235,700	Y	METRO Q Card	<a href="http://www.ridemetro.org/Pages/Fares.aspx">http://www.ridemetro.org/Pages/Fares.aspx</a>	
13	<a href="#">Metro Transit</a>	<a href="#">Minneapolis</a>	219,100	Y	Go-To Card	<a href="http://www.metrotransit.org/go-to-card">http://www.metrotransit.org/go-to-card</a>	
14	<a href="#">MARTA</a>	<a href="#">Atlanta</a>	204,900	Y	Breeze Card	<a href="http://www.breezecard.com/">http://www.breezecard.com/</a>	
15	<a href="#">TriMet</a>	<a href="#">Portland</a>	200,400	N	n/a	<a href="http://trimet.org/fares/">http://trimet.org/fares/</a> ; <a href="http://myhopcard.com/">http://myhopcard.com/</a>	New Hop Fastpass contactless stored value smartcard to launch in 2017
16	<a href="#">Port Authority</a>	<a href="#">Pittsburgh</a>	176,900	Y	ConnectCard	<a href="http://www.connectcard.org/">http://www.connectcard.org/</a>	
17	<a href="#">MTS</a>	<a href="#">San Diego</a>	176,300	N	Compass Card	<a href="http://www.sdmts.com/fares-passes/compass-card">http://www.sdmts.com/fares-passes/compass-card</a>	System has a contactless smart card (Compass Card) but no stored value feature is available
18	<a href="#">RTC Transit</a>	<a href="#">Las Vegas</a>	167,800	N	n/a	<a href="http://www.rtcnv.com/transit/fare-information/">http://www.rtcnv.com/transit/fare-information/</a>	No card currently in development
19	<a href="#">OCTA</a>	<a href="#">Orange County</a>	146,600	N	n/a	<a href="http://www.octa.net/bus/Fares-and-Passes/Overview/">http://www.octa.net/bus/Fares-and-Passes/Overview/</a>	Los Angeles TAP cards are accepted on the 11 OCTA bus lines that serve LA County, as well as at stops allowing transfers to LA Metro's Route 460. It appears that riders can just show the driver their smartcard to board on these routes.
20	<a href="#">Valley Metro</a>	<a href="#">Phoenix</a>	136,900	N	n/a	<a href="http://www.valleymetro.org/paying_your_fare/fare_options">http://www.valleymetro.org/paying_your_fare/fare_options</a>	No stored value program is available to the general public. A smartcard, Platinum Pass, that includes a stored value feature is available for employers and universities providing transit benefits