



**January 9, 2025**

**To:** Transit Committee  
**From:** Darrell E. Johnson, Chief Executive Officer  
**Subject:** Proposed New Fare Media

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is written over the "From:" line of the header.

**Overview**

The Orange County Transportation Authority Board of Directors approved the implementation of the rider validation system in October 2023 and complementary fare policy amendments in November 2024. In further support of these actions, a new fare media, commonly known as a smart card, is proposed to be implemented as part of the Rider Validation System. The Federal Transit Administration guidelines require transit agencies to evaluate new fare media implementations for potential impacts to people of minority and/or low-income populations. As part of this evaluation process, the Orange County Transportation Authority will implement a Public Involvement Plan that will gather community feedback about the upcoming changes to fare media.

**Recommendations**

- A. Direct staff to implement a Public Involvement Plan and solicit feedback on the proposed new fare media.
- B. Direct staff to return to the Board of Directors on March 24, 2025, to present the preliminary public outreach findings and to conduct a public hearing.

**Background**

The Orange County Transportation Authority (OCTA) has been actively working to modernize its fare collection methods. In 2018, OCTA took a major step by installing mobile ticketing validators across its fixed-route fleet, enabling mobile ticket validation and laying the groundwork for further advancements. This initial investment set the stage for the development of the Rider Validation System (RVS), which aims to significantly improve the fare payment experience, enhance rider validation, and offer greater flexibility in fare policy.

To achieve these objectives, the OCTA Board of Directors (Board) approved a contract with Innovations in Transportation (INIT) on October 23, 2023, to allow implementation of the RVS to modernize the existing fare collection methods with

a more equitable and adaptable system that includes features like fare capping, mobile payment options, and open payments with plans to implement it in July 2025. In addition, on November 25, 2024, the Board approved amendments to the existing fare policy to include implementation of fare capping and a free two-hour transfer period.

***Discussion***

The RVS will greatly improve the rider experience by allowing for the introduction of a new fare media commonly known as smart cards. These are typically plastic cards embedded with a small chip and are far more durable and offer several added benefits from the current paper magnetic strip paper passes. Smart cards will allow riders to store fare value in an online account linked to the card, enabling features like automatic fare loading, balance protection in the event the card is lost, fare capping, and account management through an online portal. Additionally, riders will have the option to use virtual smart cards through mobile wallets on their smartphones, making it even easier to pay for rides without needing a physical card.

In addition to the online portal, OCTA will offer both cash and credit card payment options for fare purchases and reloads through an expanded retail network. This retail network will offer OCTA-branded smart cards sold alongside popular gift cards like Amazon and Starbucks, making fare media more accessible to all riders, including those without bank accounts. In addition, OCTA-branded smart cards will be available at the OCTA store.

**Public Involvement Plan (PIP)**

Federal Transit Administration Title VI (Title VI) guidelines require OCTA to evaluate the implementation of any new fare media for potential impacts to people of minority and/or low-income populations. Staff has developed a public involvement plan consistent with the Board-approved “strategies and methods for promoting public involvement” that includes specific strategies with targeted outreach to fulfill Title VI requirements. This initial phase focuses on gathering meaningful feedback, ensuring the changes do not create undue barriers to access or use among minority and low-income populations.

To achieve this, OCTA staff has developed a PIP for achieving Title VI compliance that emphasizes reaching underserved populations through community engagement (Attachment A). Outreach activities include hosting community meetings in both virtual and in-person formats, conducting pop-up events at major transit hubs and within local communities, engaging directly with riders through onboard outreach, and through a survey. Information will be distributed through multiple channels including printed materials in multiple languages, notices on buses, social media platforms, targeted email campaigns, blog posts, and dedicated pages on the OCTA website. These materials will explain the benefits

and features of the new fare collection methods, while actively soliciting community input on potential concerns or barriers to adoption.

This first phase will lead to subsequent educational and promotional activities. This multi-phased approach will ensure compliance with Title VI, engage underserved populations, gather feedback in the first phase before transitioning to the next phases that include comprehensive awareness and education, as well as a launch campaign and promotion to prepare riders with information about the system changes, and drive adoption through promotional efforts.

**Summary**

OCTA will be introducing a new fare media known as smart cards. With Board direction, staff will implement the public involvement plan to ensure public outreach, participation, and inform the community about the upcoming fare media changes.

**Attachment**

- A. Public Involvement Plan for Fiscal Year 2024-25 New Fare Media

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