



SEPTA Key: Project Questions

June 19, 2019

Dear Mr. Knueppel, Mr. Burnfield, and Mr. Heinle:

The SEPTA Youth Advisory Council (YAC) congratulates SEPTA on the completion of recent milestones in the SEPTA Key program and improvements to the customer website.

At this juncture, as the system reveals its final form in contract fruition, the YAC is requesting information on remaining questions that we have on the Key program's continued challenges and opportunities for growth moving forward.

SEPTA is operating in an extremely competitive market for millennials and is deeply embedded into our larger regional economy and health of communities. Therefore, as this project aspires to be one of the transit customer experience projects of our generation, we find it especially important that we take a careful look at a few specific areas detailed in the following pages.

Prepared and Submitted by:

A handwritten signature in black ink, appearing to read 'Will Herzog'.

Will Herzog
Executive Chair

A handwritten signature in black ink, appearing to read 'Evan Wise'.

Evan Wise
Executive Vice-Chair

A handwritten signature in black ink, appearing to read 'Jake Madeson'.

Jake Madeson
Secretary

SEPTA Key: Project Update Questions

1. The YAC is confident that SEPTA negotiated the 2011 contract with Key vendor Conduent's predecessor to the best of their ability. There seems to be increasing concern that with the number of change orders that one of the two parties — Conduent or SEPTA — may simply be differing in contract interpretation.
 - a. Is the current contract being implemented to the satisfaction of SEPTA management?
 - b. Has SEPTA's legal department reviewed contract terms and interpretation, and are they satisfied with their findings, or are investigations ongoing?
 - c. The current fare system implementation in New Jersey, also administered by Conduent, does not appear to be plagued by the same challenges in delivered quality or change orders. Why is their outcome different?
 - d. Does SEPTA management find Conduent to be an attentive vendor in their working relationship?

2. Conduent uses their installation of SEPTA Key as [demonstrative of their ability](#) to implement a transit fare system that "enhances rider experience." It states that the system will be compatible with "smartphone using NFC enabled e-wallets." Moreover, it states that the architecture of "open standards and non-proprietary technologies" makes the system "Future Proof." The YAC was informed that smartphone compatibility is no longer within the scope of the SEPTA Key system, as every reader across the system would need to be replaced with new technology.
 - a. Does Conduent make any such claims in their contract regarding (a) enhancing rider experience, (b) compatibility with smartphones, or (c) providing a future-proof platform?
 - b. While the Google Pay or Apple Pay e-wallets may pose issues with system compatibility, has SEPTA considered building their own app specifically for paying with a SEPTA Key reader on an NFC-enabled smartphone?

3. The YAC commends SEPTA on the progress made towards improving the SEPTA Key website. Interestingly, the YAC learned that Conduent was responsible for the construction of the new website, and they were the original architect of the old website.
 - a. What specifically in the change order was SEPTA required to modify in order to build a satisfactory website?
 - b. Is Conduent the only company authorized to modify the software of our system?
 - c. Does our system appear to have a "steep learning curve" in technology development or maintenance, or can other technology services companies, higher educational

institutions, or staffing solutions (interns, contract labor, fellowships, technology design challenges, etc.) assist SEPTA in the enhancement of our fare collection system?

4. The YAC has begun to see planning for “Key 2.0.” What is the scope of this project?
5. The lack of a chain retailer participation (7-11, CVS, etc) leads to a difficult-to-navigate, fractured network of suburban locations where users can refill their Key cards; and it’s very concerning to our members that there is an abundance of check cashing participants, pointing customers towards potentially predatory locations to make transactions. The YAC spoke to a prominent, Philadelphia-based national convenience store retailer who declined to participate in the SEPTA Key external retail network because of “a material amount of time, cost, and coding” to make the sales possible. In Washington, CVS and Giant both sell and reload the legacy Smartrip fare instrument.
 - a. Has SEPTA considered (a) reaching out to chain retailers to understand their technological barriers, and (b) remedying them through future investment?
 - b. Has SEPTA investigated the existence of SEPTA Key refill surcharges in (a) reports to SEPTA, and (b) random checks?
6. The YAC is equally concerned about the [existence of “predatory” fees for use of the SEPTA Key card as a debit card](#). Moreover, despite large-scale advertising throughout the system, less than 100 people use the debit card feature as of September 2018.
 - a. Many of these fees are assessed by SEPTA Key Card issuer Metabank. Has SEPTA (a) spoken to Philadelphia-based credit unions and financial institutions about possibilities for establishing a more advantageous card, or (b) engaged in a competitive process for soliciting offers for the most advantageous open payment card for riders?
 - b. Has SEPTA considered issuing a non-MasterCard branded transit payment card?
7. Last year, [a record-breaking 43.3 million visitors traveled to Philadelphia](#), spending \$7.1 billion locally, with \$1.5 billion (21%) spent on transportation. Ten new hotels have opened to accommodate this growth. Equally important is the [22.3% of Philadelphians who are speakers of a non-English language](#) — the two largest groups being native speakers of Spanish (9.87%) and Chinese (2.45%). The YAC believes both groups have significant market growth potential as SEPTA riders.
 - a. Does SEPTA have plans to introduce Spanish and/or Chinese on Regional Rail kiosks?
 - b. Do SEPTA kiosks have the ability to accept promotional codes at checkout, if we were to establish partnerships with area hotels that required a unique code, similar to Uber and Lyft?

8. According to recent Customer Satisfaction Surveys, many customers do not find out about delays in advance of travel. This is a significant frustration for customers, new, old, and unfortunately former riders, who remember these experiences and share them with others. Other cities, like Boston, have fully-customizable web portals where riders can customize text alerts according to route, days, times, and start/end destinations. However, the YAC believes a similar implementation would be reactive, rather than predictive of customer needs. Google Maps sends push notifications to car commuters about traffic delays based on location data and predictive commuting travel. SEPTA's success in competing in a technology-centric future relies on duplicating this Mobility-as-a-Service (MaaS) experience.
 - a. Has SEPTA considered the possibilities regarding data and predictive commuting behavior from (a) app users, and (b) SEPTA Key users, to learn more about riders and enhance the seamlessness of the ride experience?
 - b. There is a push within the industry for agencies to focus on providing robust data and leaving the app-building to MaaS apps like Google Maps, Transit, and Lyft. Does SEPTA maintain regular communication with the two largest smartphone software manufacturers, Google and Apple, to collaborate on how we can build the most technologically-integrated transit experience?