



Metro

Los Angeles County
Metropolitan Transportation Authority

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SEPTEMBER 25, 2014

TO: BOARD OF DIRECTORS

THROUGH: ARTHUR T. LEAHY *AL*
CHIEF EXECUTIVE OFFICER

FROM: NOELIA RODRIGUEZ *N.R. For N.R.*
CHIEF COMMUNICATIONS OFFICER

SUBJECT: ADVERTISING REVIEW PROCEDURES

ISSUE

Metro's practice has been to review some but not all of the 1200-1400 paid ads that are posted on the Metro system annually. Due to the recent posting of an objectionable ad that was not reviewed by Metro, the Board asked staff at the September 2014 Executive Management Committee to review its procedures to prevent a similar occurrence in the future. Procedures now have been adjusted to require that all ads be reviewed by Metro prior to acceptance.

DISCUSSION

The Content Guidelines of the Metro Advertising Policy (Attachment A) have been revised twice in the last 15 months, changing the types of ads that may be accepted and increasing restrictions on their content.

Metro's advertising vendor has been the first line of enforcement of the Content Guidelines. The vendor rejects ads according to the guidelines, and may also forward advertising submissions to Metro for further review. Approximately 1200 to 1400 different paid ads are posted on the Metro system each year.

With the exception of two advertising categories, it has not been Metro's practice to screen ads prior to acceptance unless submitted to Metro by the vendor for review; Metro has relied on the vendor to identify any ads that violate the Content Guidelines. (Exceptions are large "station prominence" ads, which cover walls and pillars throughout a rail station for a single advertiser, and ads submitted under the "Non-Commercial" provisions for governmental entities and non-profits; these ads are regularly reviewed by Metro before acceptance.)

A recent lapse in the vendor's review procedures resulted in the posting of an ad that violated recent revisions to Metro's Content Guidelines. The ad would have been rejected by Metro had it been submitted to the agency for review.

As a result, Metro has revised its procedures and now has required the advertising vendor to submit all ads to Metro for review prior to acceptance. Metro will maintain a three-person panel in Communications to review each ad and ensure that all submissions are in compliance with the Board-approved Content Guidelines prior to acceptance.

NEXT STEPS

Communications has instructed the advertising vendor to forward all ads to Metro's review panel; the vendor has agreed. The panel will document all submissions and inform the vendor if the ad is acceptable or not within five days of Metro's receipt of the ad.

ATTACHMENT

- A. Metro System Advertising Policy

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POLICY STATEMENT

The Los Angeles County Metropolitan Transportation Authority (Metro) has determined that allowing revenue-generating advertising which does not compromise public or employee safety to be placed in designated areas on its transit properties is a responsible means of maximizing use of the authority's capital investments. Therefore Metro may enter into contracts with outside vendors to sell and display advertising on Metro buses, trains and transit facilities for the sole purpose of generating revenue. Issuance of such contracts must be in accordance with Metro's procurement policies and approved by Metro's Board of Directors. Locations for revenue-generating advertising may include but are not limited to: interiors and exteriors of buses, interiors and exteriors of rail cars, interiors of rail stations, and fixed outdoor displays on Metro property. Metro shall not place or allow any exterior advertising on its Orange Line vehicles. Metro reserves the right to reject any advertising based upon its guidelines for acceptable advertising content contained in this policy statement.

Metro has further determined that advertising on its own properties is a valuable means of communicating with its customers. Therefore Metro explains and promotes its transit services through the dissemination of information onboard the Metro Bus and Metro Rail systems. Informational advertising space is limited, and reserved exclusively for Metro transit information. All messages and materials distributed by this means are prepared, approved and/or authorized by the Chief Communications Officer or their designee.

PURPOSE

To clearly define the use of Metro's revenue-generating advertising space and informational advertising space throughout the Metro System.

APPLICATION

This policy and its procedures apply to all represented and non-represented employees, consultants and Board members.


APPROVED: County Counsel or N/A


Department Head


ADOPTED: CEO

Effective Date: 1/10/14



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1.0 GENERAL

The display of paid (revenue-generating) advertising carries with it a responsibility to protect the agency from potential litigation and to recognize the potential association of advertising images with Metro services while simultaneously respecting First Amendment principles. The agency addresses these issues through the responsible and consistent application of written criteria for advertising acceptability. It is not Metro's intent to create a public forum through the acceptance of advertising.

At the same time, Metro's ability to reach its customers directly is crucial to adequate dissemination of transit information. Any use of the unique distribution channels at its command (such as allotments of interior and exterior bus advertising space as well as on-board "take-one" boxes and in-station Variable Message Signs) for purposes unrelated to customer information or retention is to be avoided, as it effectively "pre-empts" the availability of transit information to the public. Metro's Communications Department administers the use of these unique distribution channels as part of its overall responsibility for customer communication.

2.0 PROCEDURES

2.1 Revenue-Generating Advertising

Metro contracts with outside vendors to sell and display advertising on bus and rail vehicles and facilities for the sole purpose of generating revenue. Metro does not sell or post advertising directly. Vendors for such contracts are solicited through competitive bids which must conform to Metro's procurement procedures and be approved by Metro's Board of Directors. Such agreements may dedicate no more than 90% of the available space covered by the contract for revenue-generating advertising, reserving the remaining available space for Metro's own transit-related information.

Locations for revenue-generating advertising may include, but are not limited to: exterior surface areas of buses and rail cars (see restrictions in section 2.1.1 below), interior display frames in bus and rail vehicles, back-lit map cases inside stations, automated public toilets and other fixed outdoor displays on Metro property, electronic Variable Message Signs (VMS) on station platforms, banner ads on Metro's website, space in Metro's printed brochures, timetables and other publications and printed materials, and any other location approved by Metro's Board of Directors. Metro shall not place or allow any exterior advertising on its Orange Line vehicles.



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Content restrictions for advertising displayed through these arrangements are as follows:

1. Alcohol and Tobacco Advertising

Advertising of all alcohol and tobacco products is prohibited. All products that simulate and/or encourage the act of smoking also are prohibited.

2. Non-Commercial Advertising

Metro does not accept advertising from non-governmental entities if the subject matter and intent of said advertising is non-commercial. Specifically, acceptable advertising must promote for sale, lease or other form of financial benefit a product, service, event or other property interest in primarily a commercial manner for primarily a commercial purpose.

Exception 1: Governmental Agencies, meaning public agencies specifically created by government action located in Los Angeles County or a Federal or State of California Governmental Agency, may purchase advertising space for messages that advance specific government purposes. The advertising must clearly, on the face of the advertising, identify the Governmental Agency. It is Metro's intent that government advertising will not be used for comment on issues of public debate.

Exception 2: Metro will accept paid advertising from non-profit organizations that partner with a Governmental Agency (as defined in Exception 1 above) and submit advertising that advances the joint purpose of the non-profit organization and the Governmental Agency, as determined by each of them. In order for advertising to qualify under this exception, the advertising must clearly, on the face of the advertising, identify the Governmental Agency and indicate that the Governmental Agency approves, sponsors, or otherwise authorizes the advertising. The non-profit organization must also provide a Statement of Approval (attached) from the Governmental Agency describing the joint purpose to be advanced and setting forth a statement acknowledging support and approval for the submitted advertising. Any message displayed under this exception must adhere to all other content restrictions stated in this policy.



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3. Other Subject Matter Restrictions

Advertising may not be displayed if its content involves:

- **Illegal activity** - Promotes or relates to an illegal activity.
- **Violence** - Contains images, copy or concepts that promote guns/firearms or gun violence, or that depict weapons or other devices in an act of violence or harm on a person or animal, or contain any material that incites or encourages, or appears to incite or encourage, violence or violent behavior.
- **Demeaning or disparaging matter** - Contains images, copy or concepts that actively denigrate, demean or disparage any individual or group.
- **Vulgarity** - Contains images, copy or concepts that are obscene, vulgar, crude, sexually suggestive, indecent, profane or scatological.
- **Obscene matter** - Contains obscene matter as defined in the Los Angeles County Code, Chapter 13.17, Section 13.17.010, or sexually explicit material as defined in the Los Angeles County Code, Chapter 8.28, Section 8.28.010D.
- **Adult entertainment** – Promotes or displays images associated with adult book stores, video stores, dance clubs or other adult entertainment or sexually-oriented establishments, telephone services, internet sites, films, video games or escort services.
- **Political endorsements** – Contains messages that are political in nature, including messages of political advocacy, that support or oppose any candidate or referendum, or that feature any current political office holder or candidate for public office, or take positions on issues of public debate.
- **Religion** - Contains images, content or copy related to religion or religious ideas or viewpoints.
- **Negative connotations of public transit** - Contains images, copy or concepts that actively denigrate public transportation.
- **Unsafe transit behavior** – Contains images, copy or concepts that depict unsafe behaviors aboard buses or trains, or in or around transit stations or railroad tracks.
- **Injurious to Metro's interests** – Promotes products, services or other concepts that are adverse to Metro's commercial or administrative interests.



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- Metro's endorsement – Contains images, copy or concepts that inaccurately state or imply Metro's endorsement of the subject of the advertisement.
- Harmful or disruptive to transit system – Contains material that is so objectionable as to be reasonably foreseeable that it will result in harm to, disruption of, or interference with the transportation system.

4. Metro's Right of Rejection

Beyond the above, Metro's vendors may review advertising content according to their own guidelines of acceptability. Metro does not screen individual ads submitted to its vendors prior to posting unless specifically requested to do so by the vendors. Nevertheless, in all contracts Metro reserves the right to reject any advertising content submitted for display on its properties and/or to order the removal of any advertising posted on its properties. Decisions regarding the rejection or removal of advertising are made by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

2.1.1 Vinyl Window Graphics

To ensure the safety and security of passengers, operators and law enforcement officers, advertising displays which employ vinyl window graphics are restricted from obscuring window surfaces on Metro vehicles as follows:

- **Buses:** No more than 30% of the vehicle's total window surface, and no more than 50% of the window surface of any bus side, may be covered by vinyl window graphics. (Note: this excludes the front window surface, which may not be covered in any manner.)
- **Rail Cars:** No windows may be covered on rail cars.
- **Metro Rapid:** No wrapped advertising, bus backs or oversized king ads are permitted on Metro Rapid vehicles or on any articulated buses.

2.2 Informational Advertising

Metro has several unique distribution channels at its disposal for disseminating transit information for which it incurs no "space" cost (the fee charged for advertising space). These distribution channels include, but are not limited to: "take-one" boxes on board Metro Buses and Metro Rail trains, "take-one" racks



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at Metro Customer Centers, back-lit and non-lit map cases inside Metro Rail stations and on Metro Bus Stop poles, advertising kiosks at select Metro Rail stations, electronic Variable Message Signs (VMS) on Metro Rail platforms, and interior rail posters on board Metro Rail trains.

In addition, as specified in section 2.1, Metro has the use of an allotment of exterior and interior bus advertising space at no charge by agreement with the vendor that sells all remaining interior and exterior bus advertising space under a revenue-generating agreement.

Acceptable information for these distribution channels is categorized as follows:

2.2.1 Regular Transit Information

Regular transit information is prepared by Metro's Communications Department in accordance with its annual strategic planning process as well as upon request from other internal departments. Regular transit information includes, but is not limited to: service features and changes, fare information and changes, safety and security messages, maps and explanations of related transportation services.

2.2.2 Cross-Promotional Information

On an occasional basis and only when space is available, Metro's Communications Department may use Metro's distribution channels to participate in cross-promotional opportunities that offer a direct opportunity to promote use of transit. Any materials distributed for this purpose must prominently include promotion of Metro services (i.e. "Go Metro to Fiesta Broadway"). Metro is prohibited by law from simply donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro's Communications Department, provide an equivalent or greater value in cross-promotional benefits (i.e. advertising space, editorial space, etc.). Any cross-promotional arrangement must be approved by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

2.2.3 "Added Value" Materials

On an occasional basis and only when space is available, Metro's Communications Department may use Metro's distribution channels to



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provide "added value" materials to its customers. Such materials must present a specific and time-dated offer uniquely provided for Metro Bus and Metro Rail customers (generally a money-saving discount) in which transit can be used to access the redemption point. Any materials distributed for this purpose must prominently include the Metro logo and other wording approved by Metro's Communications Department to indicate that the offer is specifically designed for Metro Bus and Metro Rail customers. Metro is prohibited by law from simply donating advertising space to any entity for purposes that are not directly transit-related.

The outside organization involved must either bear the cost of producing such materials or, if approved by Metro's Communications Department, provide an equivalent or greater value in cross-promotional benefits (i.e. advertising space, editorial space, etc.). Any added value programs must be approved by the Chief Communications Officer or their designee based upon the criteria in this policy statement.

3.0 DEFINITION OF TERMS

Added Value Materials – Informational advertising which offers a tangible benefit to patrons as a means of rewarding and retaining customers (i.e., a money-saving discount).

Cross-Promotion – A cooperative partnership in which two or more entities work together with the goal of jointly promoting their respective services.

Exterior King Ad – Large ad measuring 144" x 30" displayed on the sides of Metro Buses. King ads are directly applied to the bus with adhesive vinyl.

Exterior Tail light or "Tail" Ad – Smaller ad measuring 48" x 15 ½" or 72" x 21" displayed on the rear of Metro Buses. Tail ads are directly applied to the bus with adhesive vinyl.

Governmental Entities – Public entities specifically created by government action.

Interior Bus Car Card – A 28" x 11" poster that mounts above the seats in Metro Buses to provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

Interior Rail Poster – A 21" x 22 ¼" poster that mounts in frames on the walls of Metro Rail cars, used to display Metro Rail System Maps and provide information on fares,



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routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

Map Cases – Fixed cases in Metro Rail stations that hold a 46¾" x 46¾" display, usually back-lit. Used to display Metro Rail System Maps and provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

Non-Commercial Advertising – A public service announcement, event notification, political statement or other message which does not have as its primary purpose to propose a commercial transaction.

Take-One – A printed brochure measuring 3½" x 8½" placed inside Metro Buses or Metro Rail trains, used to provide information on fares, routes, safety, pass & token sales locations, service changes and other matters relevant to the use of the Metro System.

Take One Box – A metal rack or plastic holder installed on the interior of Metro Buses and Metro Rail trains designed to hold approximately 40 take-ones. Many Metro Buses have a multi-pocket rack in addition to 2 plastic take-one boxes; most Metro Rail cars have from 2 to 6 plastic take-one boxes.

Variable Message Signs (VMS) – Electronic sign boards in Metro Rail stations controlled from the Rail Operations Control Center that scroll through a series of written messages. Used to provide information on safety, pass & token sales locations, service changes, emergency announcements and other matters relevant to the use of the Metro System.

Vinyl Window Graphics – An adhesive vinyl super-graphic which covers a portion of the window surface of a bus or rail vehicle. Such graphics are manufactured to be largely transparent to those inside the vehicle, permitting passengers to see outside through the graphics.

4.0 RESPONSIBILITIES

Communications Department prepares all messages and materials for dissemination on board Metro Buses and Metro Rail trains; administers the distribution/display of transit information; tracks/coordinates the availability and use of Metro's unique information distribution channels.



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Mailroom distributes quantities of take-ones to Metro Operating Divisions and Customer Centers according to distribution list prepared by project managers in Communications.

Operators and Service Attendants physically place take-ones on buses/trains for distribution to the public.

Advertising Vendors sell, post and maintain all revenue-generating advertising on Metro properties; implement Metro's policies on revenue-generating advertising; post all Metro informational advertising according to instructions from Metro Marketing Department.

Chief Communications Officer (or designee) reviews and approves/rejects all cross-promotions and added value programs using Metro's unique distribution channels based upon the criteria in this policy statement; enforces Metro's right to reject and/or order removal of revenue-generating advertising based upon the criteria in this policy statement.

5.0 FLOWCHART

Not Applicable

6.0 REFERENCES

Not Applicable

7.0 ATTACHMENTS

Statement of Approval form pertaining to advertising from Non-Profit organizations partnered with a Governmental Agency.

8.0 PROCEDURE HISTORY

- 03/23/00 Original policy adopted by Metro's Board of Directors.
- 01/27/05 Policy amended by Board of Directors to permit advertising on Metro Rapid vehicles.
- 09/26/08 Biennial review and update. Policy updated to include Board of Directors amendment to permit all forms of non-traditional advertising displays as well as advertising on rail car exteriors and other types of transit service with the exception of Orange Line vehicle exteriors.



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- 6/27/13 **Content Guidelines amended by Metro's Board of Directors to add an exception for non-profit organizations pertaining to the non-commercial advertising prohibition, and to expand language regarding various other types of prohibited content.**

- 12/5/13 **Content guidelines amended by Metro's Board of Directors to prohibit messages that are injurious to Metro's interests and to clarify restrictions regarding vulgarity.**