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FOR IMMEDIATE RELEASE

Seamless Public Transit

LA COUNTY ON BRINK OF UNIVERSAL FARE SYSTEM AS MTA BOARD AWARDS \$84 MILLION CONTRACT TO MANUFACTURER

MTA's Board yesterday decided to aggressively move forward with a revolutionary plan to make using all public transit in LA County, including MTA's Metro System, as smooth as silk.

The MTA Board awarded a \$84 million contract to Cubic Transportation System Inc., a subsidiary of San Diego-based Cubic Corp. (AMEX:COM), to manufacture and implement automated fare collection equipment, commonly referred to in industry lexicon as the universal fare system (UFS), eliminating the need for tokens, cash and passes.

With the wave of a plastic, wallet-sized Smart Card imbedded with computer chips, passengers will be able to board all MTA buses and trains and transfer to services offered by municipal operators, paratransit and Metrolink without worrying about purchasing new fare or carrying change.

The move to Smart Cards, expected to take place within three years, is expected to vastly improve customer service and increase ridership.

"This is, without doubt, one of the most ambitious and important projects every undertaken by the MTA from the standpoint of making public transit far more attractive to the residents of LA County," said MTA Board Chairman John Fasana. "The day when passengers experience public transit the way it was envisioned, effortless and quickly, is just around the corner. The award of this contract is another reminder of MTA's commitment to creating the best transit system imaginable."

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"We are proud and delighted that the Los Angeles MTA chose Cubic to help provide high-tech, smart ticketing for its public transit customers," said Walter C. Zable, president and CEO of Cubic Transportation Systems. "We look forward to providing public transit commuters across L.A. County with the same speedy, hassle-free transit access using Smart Cards that we have provided in Washington, D.C., and Chicago."

The changeover to Smart Cards will be gradual as customers become acquainted with the benefits of the new technology. A temporary version of the Smart Card, a paper flash regional pass — Los Angeles County's first "universal" fare media — will be introduced by the summer of 2002, in advance of Smart Card implementation.

The paper flash pass will also enable the region's customers to seamlessly travel on any transit system or on any operator without worry of differing fare structures and media

"MTA's customer-first focus requires designing a convenient, seamless countywide fare collection system to serve our public transit customers," said MTA CEO Roger Snoble. "The awarding of a contract for new fare collection equipment brings us closer to that goal."

Late last year, in an early test of UFS, Montebello Bus Lines became the first municipal bus operator in LA County to partner up with MTA by accepting MTA transit passes on all its bus lines. When UFS is fully implemented, the paper pass, like all other passes in the county, will become transparent to all customers in the form of one regional transit Smart Card.

Since Smart Cards utilize radio frequencies that communicate between the card and fare reading equipment, there is no need to remove a card from a purse or jacket to pay a fare, which will speed up the boarding.

The Smart Cards can be programmed to hold more than just cash equivalents for use on transit. Among the numerous potential prospects are partnerships with other government entities, schools, convention centers,

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parking lots and retailers with businesses near transit stops and rail stations.

For example, with the Smart Card, people today pay for soft drinks in vending machines at the transit stations in Sydney, Australia or for clothing in Hong Kong. The Smart Card also provides the opportunity for employer transit benefits to be directly added to the card each month — all the customer has to do is validate a card at a ticket vending machine (TVM) or a near-by validator.

Corporate or public agencies can offer transit subsidies to their employees — it is both a corporate tax savings to the employer, as well as an employee benefit. If an organizations elects to offer such a feature, the Smart Card can be programmed so that an individual merely “taps” their Smart Card at a TVM, or stand-alone validator (SAV), and the benefit will be loaded directly into their Smart Card.

The UFS contract will include the design, manufacture, delivery, installation, and support of TVMs, SAVs, validating bus fare boxes, revenue collection equipment, ancillary equipment, spare parts, services and associated software.

The automated fare collection system will improve data collection and reporting for the MTA through a new central data collection system. Revenue and ridership information will be readily available, providing timely, accurate information retrieval and expanded financial control and service planning. With this data, MTA and other transit operators can better tailor service to meet ridership demand.

“The MTA’s plate of projects geared to encourage people to leave their cars at home, and in the process make our roads less congested and improve air quality, seemingly gets fuller everyday,” said Fasana. “At this pace, MTA will soon, and deservedly, be regarded as one of the top transit agencies in the nation.”