



LEGISLATIVE ASSEMBLY

**FRANK KLEES, M.P.P.**  
Newmarket - Aurora

Thursday, January 16, 2014

The Hon. Glen Murray,  
Minister of Transportation  
Ferguson Block  
3rd Floor  
77 Wellesley St W  
Toronto ON M7A1Z8

Dear Minister,

Re. Ontario Taxpayer Subsidy of Accenture's Washington D.C. Transit Fare Card Contract

The announcement by Accenture that it has been awarded a \$184 million contract to deliver a new electronic fare payment system for installation in Washington D.C.'s transit system raises serious questions concerning your ministry's oversight of Metrolinx and the competency and judgement of the Metrolinx management and Board of Directors as related to the Accenture/Presto contract.

I look forward to your timely response to the following questions:

1) According to Ontario's Auditor General, Ontario taxpayers will have paid more than \$700 million to Accenture to develop the Presto "Next Generation" electronic fare payment system. This system is to enable commuters to use bank-issued payment cards, credit and debit cards or mobile phones to pay their transit fares. The same system Accenture has now sold to the Washington D.C. Transit Authority.

According to Presto, that system will not be available to the GTA transit system until some time in 2015, and yet Accenture has committed to have this same technology operating under a Pilot Project in Washington D.C. later this year. How is this possible?

2) Ontario taxpayers have already paid Accenture multi millions to develop the Presto card and Metrolinx has committed to pay Accenture more than \$700 million more to develop the 'Next Generation' - open payment electronic fare payment system. That is the technology that Accenture has now successfully sold to the Washington D.C. transit system and has publicly represented that this system is operating in Canada. This claim is patently false. Given that Accenture is a key partner with Metrolinx and the Ministry of Transportation, how do you as minister condone this misrepresentation?

3) Metrolinx has admitted that it signed an agreement under which Accenture has been given world-wide marketing and distribution rights with no obligation to recognize the multi-million investment by Ontario taxpayers. The exception is the domestic Canadian market where Accenture is required to pay a royalty.

How can the Senior Management and Board of Metrolinx justify signing away Ontario's rights to a technology paid for by our taxpayers and how can you as Minister justify approving that decision?

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4) The Accenture bid was in excess of \$20 million less than the competitive bids. There is only one reason for such a substantial price difference. Ontario taxpayers have subsidized Accenture's development costs for a technology that it is now free to market world-wide with no return on that investment to those taxpayers.

How do you as minister justify to Ontario taxpayers and Presto card users that their taxes and their fees are subsidizing the bottom line of Accenture - a multi-million dollar private company?

The taxpayers of Ontario deserve answers to these questions.

A handwritten signature in black ink, appearing to read 'Frank Klees', written in a cursive style.

Frank Klees, MPP