375 Beale Street, Suite
800
San Francisco, CA 94105

Meeting Agenda

Fare Integration Task Force

Members:
Michael Hursh, Chair ***Denis Mulligan, Vice Chair***

Michelle Bouchard, Carolyn M. Gonot, Daryl Halls,
Beth Kranda, Carter Mau, Therese W. McMillan, Kate Miller,
Robert Powers, Rick Ramacier, Michael Tree, and Jeffrey Tumlin

Monday, October 18, 2021 **12:30 PM** **REMOTE**

In light of Governor Newsom's State of Emergency declaration regarding COVID-19 and in accordance with the recently signed Assembly Bill 361 allowing remote meetings, this meeting will be accessible via webcast, teleconference, and Zoom for all participants.

A Zoom panelist link for meeting participants will be sent separately to Task Force members.

The meeting webcast will be available at http://mtc.ca.gov/whats-happening/meetings Members of the public are encouraged to participate remotely via Zoom at the following link or phone number. Task Force Members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. When called upon, unmute yourself or dial *6. In order to get the full Zoom experience, please make sure your application is up to date.

Attendee Link: https://bayareametro.zoom.us/j/83237249682
Join by Telephone Dial (for higher quality, dial a number based on your current location) US: +1 408 638 0968 or +1 669 900 6833 or +1 253 215 8782 or +1 346 248 7799 or +1 312 626 6799 or +1 646 876 9923 or +1 301 715 8592 or 877 853 5247 (Toll Free) or 888 788 0099 (Toll Free)
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Detailed instructions on participating via Zoom are available at:
https://bayareametro.zoom.us/u/keF6DXG0Ji
https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom

Members of the public may participate by phone or Zoom or may submit comments by email at info@bayareametro.gov by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name and agenda item number in the subject line. Due to the current circumstances there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.

1. Roll Call / Confirm Quorum

Quorum: A quorum of this committee shall be a majority of its regular voting members (7).

2. Chair's Introduction / Remarks - Hursh

3. Consent Calendar

3a. 21-1238 Minutes from the September 20, 2021 Meeting

Action: Task Force Approval

Attachments: 03a_Fare Integration Task Force Meeting Minutes_09-20-2021.pdf

4. Subcommittee Reports

4a. 21-1239 Policy Advisory Council Fare Coordination and Integration Subcommittee Report

Summary of materials presented and discussions from the Policy Advisory Council Fare Coordination and Integration Subcommittee on September 10, 2021.

Action: Information

Presenter: Adina Levin, Policy Advisory Council Fare Coordination and Integration Subcommittee Chair

Attachments: 04a_Policy_Advisory_Council_Meeting_Summary.pdf

5. Information

5a. 21-1240 Bay Area Transit Fare Policy Vision Statement and Draft Project Report

The Task Force will be asked to review a fare policy vision statement based on the draft recommendations of the Fare Coordination/Integration Study and Business Case.

Action: Information

Presenter: William Bacon, MTC Co-Project Manager
Michael Eiseman, BART Co-Project Manager

Attachments: 05a_Bay Area Transit Fare Policy Vision Statement and Draft Project Report.pd
05a_Correspondence Received.pdf

6. Public Comment / Other Business

*Task Force Members and members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial *9. When called upon, unmute yourself or dial *6.*

7. Adjournment / Next Meeting

The next meeting of the Fare Integration Task Force will be held at a time and location to be duly noticed.

Public Comment: The public is encouraged to comment on agenda items at Committee meetings by completing a request-to-speak card (available from staff) and passing it to the Committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

Meeting Conduct: If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

Record of Meeting: Committee meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site (mtc.ca.gov) for public review for at least one year.

Accessibility and Title VI: MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章：MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

Acceso y el Titulo VI: La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Attachments are sent to Committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

375 Beale Street, Suite
800
San Francisco, CA 94105

Meeting Minutes - Draft

Fare Integration Task Force

Members:
Michael Hursh, Chair ***Denis Mulligan, Vice Chair***

Michelle Bouchard, Carolyn M. Gonot, Daryl Halls, Beth Kranda, Carter Mau, Therese W. McMillan, Kate Miller, Robert Powers, Rick Ramacier, Michael Tree, and Jeffrey Tumlin

Monday, September 20, 2021 **12:30 PM** **Board Room – 1st Floor (REMOTE)**

1. Roll Call / Confirm Quorum

Present: 10 - Chair Hursh, Task Force Member Halls, Task Force Member McMillan, Task Force Member Miller, Vice Chair Mulligan, Task Force Member Powers, Task Force Member Ramacier, Task Force Member Tree, Task Force Member Kranda, and Task Force Member Bouchard

Absent: 3 - Task Force Member Tumlin, Task Force Member Mau, and Task Force Member Gonot

Derek Hansel acted as a delegate and voting member of the Board in place of Carter Mau. Actions noted below as “Mau” were taken by Hansel.

Julie Kirschbaum acted as a delegate and voting member of the Board in place of Jeffrey Tumlin. Actions noted below as “Tumlin” were taken by Kirschbaum.

2. Chair’s Introduction / Remarks - Hursh

3. Consent Calendar

Upon the motion by Task Force Member Tree and second by Task Force Member McMillan, the Consent Calendar was unanimously approved. The motion carried by the following vote:

Aye: 12 - Chair Hursh, Task Force Member Halls, Task Force Member McMillan, Task Force Member Miller, Vice Chair Mulligan, Task Force Member Powers, Task Force Member Ramacier, Task Force Member Tree, Task Force Member Tumlin, Task Force Member Kranda, Task Force Member Mau and Task Force Member Bouchard

Absent: 1 - Task Force Member Gonot

3a. 21-0994 Minutes from the May 17, 2021 Meeting

Action: Task Force Approval

Attachments: 03a_FITF Minutes_07-19-2021.pdf

4. Subcommittee Reports

4a. 21-0833 Policy Advisory Council Fare Coordination and Integration Subcommittee Report

Summary of materials presented and discussions from the Policy Advisory Council Fare Coordination and Integration Subcommittee on August 2, 2021.

Action: Information

Presenter: Adina Levin, Policy Advisory Council Fare Coordination and Integration Subcommittee Chair

Attachments: 4a_Policy_Advisory_Council_Meeting_Summary.pdf

5. Information

5a. 21-0995 Fare Coordination/Integration Study - Draft Findings and Recommendations

Presentation on draft findings, recommendations, and proposed near-term fare policy actions resulting from the work of the Fare Coordination/Integration Study.

Action: Information

Presenter: William Bacon, MTC Co-Project Manager
Michael Eiseman, BART Co-Project Manager

Attachments: 05_FITF_Presentation.pdf
05_Appendix.pdf
05_Handout_Correspondence Received.pdf

Written public comments were received from: Graham; Sara; Rachel; Martin; Davis; Joe; Jeffrey; and Seamless Bay Area, San Jose State University, Richmond Progressive Alliance, The Center for Independent Living (TheCIL), East Bay for Everyone, Choice in Aging, Acterra: Action for a Healthy Planet, RideAmigos, Silicon Valley Independent Living Center, SPUR, Urban Environmentalists, Streets for People Bay Area, Friends of Caltrain, Associated Students of the UC, San Francisco League of Conservation Voters, and Palo Alto Forward.

The following individuals spoke on this item:
Roland Lebrun;
Adam Hall;
Wendi Kallins, Policy Advisory Council Fare Coordination and Integration Subcommittee Vice-Chair;
Joe Kunzler;
David Sorrell, Transportation Demand Management Administrator for UC Berkeley;
Tiffany Rodriguez, Associated Students of San Jose State University;
Christine Fitzgerald, Community Advocate for the Silicone Valley Independent Living Center;
Rich Hedges;
Ian Griffiths, Seamless Bay Area; and
Jim Schmidt.

6. Public Comment / Other Business

Joe Kunzler was called to speak.
Roland Lebrun was called to speak.

7. Adjournment / Next Meeting

The next meeting of the Fare Integration Task Force will be held on Monday, October 18, 2021 at 12:30 p.m. remotely and by webcast as appropriate depending on the status of any shelter in place orders. Any changes to the schedule will be duly noticed to the public.

Clipper® Executive Board Fare Integration Task Force

October 18, 2021 **Agenda Item 4a**

Policy Advisory Council Fare Coordination and Integration Subcommittee Report

Subject:

Summary of materials presented and discussions from the Policy Advisory Council Fare Coordination and Integration Subcommittee on September 10, 2021.

Background:

At the Policy Advisory Council Fare Coordination and Integration Subcommittee meeting, the project team presented detailed business case findings and draft recommendations for feedback and questions.

Emerging findings from the business case analysis were detailed for each of the four tiers of fare integration across four dimensions (strategic, socio-economic, financial and delivery/operation) of analysis. Project team presented modeling results which included ridership and revenue impacts associated with each option, preliminary findings from an equity analysis, and customer experience impacts as distilled from user research conducted throughout the study among a vast array of analysis results.

The project team also presented draft recommendations, which included the pilot of an institutional pass, broadly and consistently expanding transfer discounts region-wide, developing additional pass products pending pilot results, and continuing to evaluate alignment of fare structures across regional operators (Tier 3).

Discussion:

A substantial portion of the discussion was dedicated to clarifying and technical questions on the business case findings, which led to a broadly supported request to further synthesize materials for future meetings and for other stakeholder groups. Subcommittee members continued to be largely supportive of the recommendations, particularly the pass products and pilot under consideration. There were several suggestions for expanding the institutional pass pilot to include affordable housing residents. However, there were several subcommittee members who voiced support for a stronger and more defined commitment to advance Tier 3, as well as

additional consideration for Tier 4 integration, where there were questions about the customer experience and modeling impacts presented through the business case.

Issues:

None identified.

Recommendations:

Information Item for Task Force discussion and feedback

Attachments:

- None

Michael Eiseman, Co-Project Manager, BART

William Bacon, Co-Project Manager, MTC

Clipper® Executive Board Fare Integration Task Force

October 18, 2021 **Agenda Item 5a**

Bay Area Transit Fare Policy Vision Statement and Draft Project Report

Subject:

The Task Force will be asked to review a fare policy vision statement based on the draft recommendations of the Fare Coordination/Integration Study and Business Case.

Background:

The Fare Coordination/Integration Study and Business Case (FCIS), which began in the spring of 2020, was tasked with developing recommendations for how changes to fare policy may be an effective strategy to increase public transit ridership in the nine-county Bay Area. The FCIS has been a collaboration between the Bay Area's transit agencies and MTC. Work undertaken over the course of the project has included ridership and financial modeling, transit user and stakeholder research, and policy research on best practices from around the United States and internationally.

On September 20, 2021, the Fare Integration Task Force was presented with preliminary policy recommendations from the FCIS based on the research and analysis conducted by the project team. The recommendations were organized based on a tier structure (Tiers 1 through 4), to indicate the level of fare policy management change that would likely be needed to successfully deliver a given fare policy. The higher the tier number, the more fare policy management change would likely be needed. These draft recommendations included the following, listed in the recommended order by which they could be implemented:

- Tier 1: Deployment of an all-transit agency institutional/employer pass demonstration pilot in 2022, with a focus on educational institutions, affordable housing properties, and employers of various sizes, pending available resources/technical considerations.
- Tier 2: Implement a no-cost and reduced cost transfers for transit users transferring between different transit agencies beginning in 2023, coinciding with the rollout of the Next Generation Clipper® system/Clipper 2.

- Tier 1: Continue to develop a proposal for implementing an all-transit agency pass product for the general public after the launch of the Next Generation Clipper system/Clipper 2 in 2023 or later (pending outcomes and data from the pilot noted above).
- Tier 3: Continue to refine the vision of eventually creating a common fare structure (distance or zone-based) for regional rail, ferry, and express bus service after Next Generation Clipper system/Clipper 2 implementation

Transit Fare Policy Vision Statement:

As the FCIS project concludes its work over the next few months the project team is seeking the Task Force's guidance on if the draft policy recommendations can serve as a policy vision for transit fare policy in the Bay Area. Attachment A to this item is a Bay Area Transit Fare Policy Vision Statement, which could serve as a template to help guide changes to fare policy in the future. Implementation of any changes to fare policy in the future would occur through the appropriate process and would be subject to necessary financial, transit agency governing board, and technical considerations.

The purpose of the Transit Fare Policy Vision Statement is to allow the Fare Integration Task Force to begin to articulate a policy direction it could support in principle and to provide direction to transit agency and MTC staff about how to prioritize upcoming work, including returning to the Task Force with specific actions related to the proposed pilot all-transit agency employer/institutional pass.

Fare Coordination/Integration Study Report:

Also attached to this item is a draft of the final report for the FCIS (Attachment B). The draft report is being shared for review by the Task Force and members of the public at this time. The Task Force may consider adopting the final report of the FCIS at a future meeting.

Recommendations:

Provide Task Force feedback on the Bay Area Transit Fare Policy Vision Statement (Attachment A) and the Fare Coordination/Integration Study – Draft Report (Attachment B).

Attachments:

- Attachment A: Draft Bay Area Transit Fare Policy Vision Statement
- Attachment B: Bay Area Fare Coordination and Integration Study – Draft Business Case Summary
- Attachment C: PowerPoint

Michael Eiseman, Co-Project Manager, BART

William Bacon, Co-Project Manager, MTC

Draft Bay Area Transit Fare Policy Vision Statement

Based on the draft findings of the Fare Coordination and Integration Study (FCIS), the Fare Integration Task Force (Task Force) recognizes that the implementation of more coordinated and integrated transit fare policies may offer cost-effective options for improving the transit customer experience, promoting transit ridership recovery from the COVID-19 pandemic, and reducing regional vehicle miles traveled, greenhouse gas emissions, and transit travel times for customers, in ways that are compatible with the equity goals of transit operators, local stakeholders, MTC, and the State of California.

Prerequisites for Delivery of Transit Fare Policy Initiatives

The Task Force recommends that transit operator and MTC staff work to advance the below policies if the following prerequisites can be met:

- Implementation will not require the transfer of locally sourced funds between transit agencies.
- Prior to implementation of any of the Transit Fare Policy Initiatives, new funding sources will be sought to offset adverse transit agency revenue impacts resulting from implementation.
- Implementation of any of the Transit Fare Policy Initiatives will require approval by the appropriate transit agency governing body.
- Implementation of any of the Transit Fare Policy Initiatives shall not result in a reduction of transit agency operating service levels.

Transit Fare Policy Initiatives for Further Development

The Task Force endorses continued work by transit operators and MTC staff to advance the following policy initiatives:

1. Deployment of an all-transit agency institutional/employer pass demonstration pilot in 2022, with a focus on educational institutions, affordable housing properties, and employers of various sizes, pending available resources/technical considerations.
2. Implement a no-cost and reduced cost transfers for transit users transferring between different transit agencies beginning in 2023, coinciding with the rollout of the Next Generation Clipper® system/Clipper® 2.
3. Continue to develop a proposal for implementing an all-transit agency pass product for the general public after the launch of the Next Generation Clipper® system/Clipper® 2 in 2023 or later (pending outcomes and data from the pilot noted in no. 1 above).

4. Continue to refine the vision of eventually creating a common fare structure (distance or zone-based) for regional rail, ferry, and express bus service after Next Generation Clipper® system/Clipper® 2 implementation. Direct transit operator staff and MTC staff to continue to evaluate the benefits and costs of a common fare structure for regional transit services in the context of a broader evaluation of post-COVID-19 pandemic ridership patterns, the role of regional transit service in the region, and the funding strategy for these regional transit services.

Bay Area Fare Coordination and Integration Study

Draft
Business Case Summary

Acknowledgments

Fare Integration Task Force

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Alameda County Transit District

Denis Mulligan, Vice Chair
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Carter Mau
San Mateo County Transit District

Therese W. McMillan
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Kate Miller
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Robert Powers
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Rick Ramacier
tral Contra Costa Transit Authority

Michael Tree
Livermore Amador Valley Transit Authority

Jeffrey Tumlin
San Francisco Municipal Transportation Agency

Past Members

Jim Hartnett
Nuria Fernandez
Evelynn Tran
Nina Rannells

Acknowledgments

Policy Advisory Council FCIS Subcommittee

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Representative for environmental organizations

Wendi Kallins, Vice Chair
Representative for environmental organizations

Bob Allen
Urban Habitat

Abigail Cochran
Representative for the people with disabilities

Zack Deutsch-Gross
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Additional acknowledgements:

The project team would like to thank the following agency staff for their support of the study:

Chris Andrichak (AC Transit), Edward Meng (MTC), Alvin Lucas (VTA), Joshua Widmann (GGBHTD), Kevin Connolly (WETA), Arthi Krubanandh (WETA) Antonio Onorato (NVTA), Melody Reebs (CCCTA) Diana Hammons (SFMTA) Melissa Jones (Caltrain), Jennifer Yeamans (LAVTA) Kristina Botsford (SolTrans), Christiane Kwok (SamTrans), Michael Gougherty (WETA), Rael Manlapas (VTA), Robert Del Rosario (AC Transit), Monique Webster (SFMTA), Franklin Wong (VTA), Diane E. Feinstein (FAST) Christy Wegener (SamTrans), Rob Thompson (WestCAT), Steve Adams (Union City) Joanne Parker (SMART); Bryan Albee (Sonoma County Transit), Matthew Wilcox (Santa Rosa), Carol Kuester (MTC), Helise Cohn (MTC), Cheryl Chi (MTC), Theresa Romell (MTC), Pamela Herhold (BART), Patricia Nelson (BART), Brendan Monaghan (BART)

Table of Contents

1.

Introduction

Purpose of Study

This document presents a summary of the Business Case for Fare Coordination and Integration Study (FCIS). This study was launched in 2020 by the Bay Area's transit agencies and MTC to explore the following:

- Do current fare policies suppress ridership and/ or impede ridership growth for travelers that could make use of multiple operators?
- Are there potential regional fare coordination and integration policies that can increase ridership?

The study was delivered through collaboration between the region's transit agencies alongside technical analysis that included modelling, public and stakeholder research, and policy research. This document is one of the key deliverables for the FCIS . It evaluates benefits, costs, risks, and requirements for six fare policy options to provide a technical evidence base to support decision makers in identifying a potential path forward for fare integration. The fare policies and options explored in this business case have been scoped and analyzed at a 'strategic level', meaning the document is intended to compare options and select polices for further review and development. Future studies will be required to refine the scope and impact estimates for options that are advanced to the next stage of development.

Disclaimer on COVID-19

The COVID-19 pandemic has had a profound impact on transportation demand and travel patterns. The long-term impacts of the pandemic are currently unknown and there is insufficient data to accurately forecast their impacts. The study made use of ridership data and Clipper data from 2019 to inform all analysis and business case development. 19. As a result, they do not model the impact or potential long-term outcomes of the current global pandemic.

There is currently insufficient data or information available to allow the models employed in this business case to reasonably analyze the impact of the COVID-19 outbreak on this project or for the models to be used to comment on the expected changes in the forecasts described in this business case. Where possible, scenario analysis was used to assess the potential impacts of COVID-19 on study findings. Readers of this business case should consider its findings in this context and analysis included in this business case should be updated as pandemic recovery progresses.

FCIS Scope and Time-lines

The FCIS accommodates the nine counties within the Bay Area and its 27 transit operators serving more than 1.7 million passengers per day. It also takes into consideration current conditions and future projections (which can be uncertain) related to transportation systems, policies, and projects. This document summarizes the study, its methodology, analyses, and findings that were carried out from July 2020 to September of 2021.

The work followed a six-stage project plan:

- Problem Definition and Goals
- Existing Conditions and Market Analysis
- Identification of Barriers to Riding Transit
- Alternatives/ Options Development
- Alternatives Analysis/Business Case Evaluation
- Reporting and Delivery Planning

Business Case Structure

The study was developed under a Business Case framework based on comprehensive insights that support and assess different fare integration and coordination policy options. The structure uses a systematic approach to understand benefits and risks tied to each of the options. Its objective is to support decision-making and investment-thinking for achieving fare integration.

The Business Case employs four dimensions to evaluate possible strategies: strategic, socio-economic, financial, and delivery and operations.

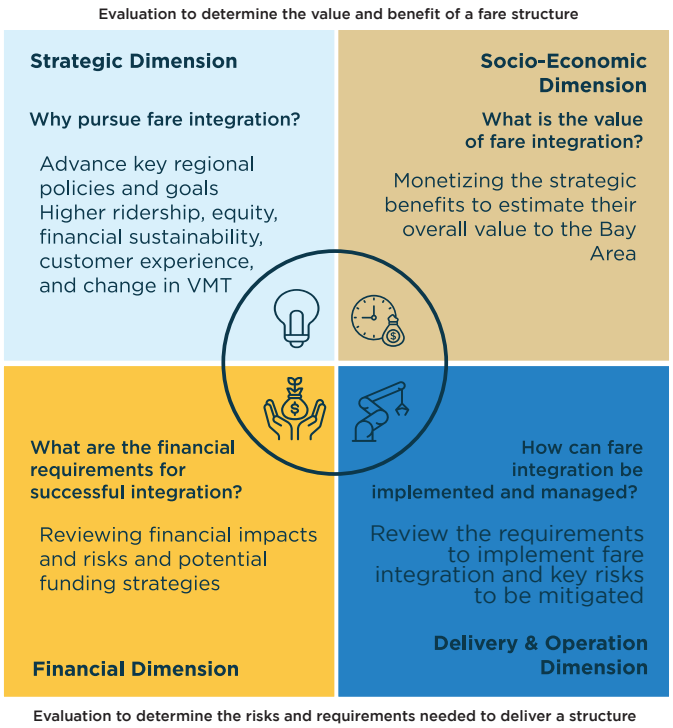
The Business Case used four approaches across all four dimensions, to weave a comprehensive analysis and determine a set of recommendations for each of the strategy options.

The approaches are:

- **Forecasting and Modelling** - used for understanding how each tier or option could impact ridership revenues and potential wider benefits
- **User Research** – used to inform how different tiers or options should be assessed, and solicit wider perspectives on fare structure change
- **Stakeholder Engagement** – used to inform how different tiers or options should be assessed and solicit wider perspectives on fare structure change
- **Agency Engagement** – used to inform how different tiers or options should be assessed and confirm key strategic, financial, and implementation considerations

The results of this methodology are meant to assess if a particular fare coordination and integration strategy is worth pursuing or not, based on its benefits and challenges. The Business Case is designed to support agencies with decision-making through a structured and comprehensive way.

Figure 1.1 Business Case Dimensions



How to use this document

The remainder of this document is composed by the following sections:

Chapter/Description	Questions Answered by Chapter
Section 2 The Case for Change – a summary of the central challenges fare integration could face and provides key data points that demonstrate the barrier exists	Is there a central problem that fare integration could address? Are there opportunities to increase ridership in the region that fare integration could action?
Section 3 Alternatives – a summary of the fare integration tiers and options included in the Business Case	What range of policies were considered? How were they developed?
Section 4 Strategic Case – an evaluation of how each tier or/and option aligns with policy goals regarding fare coordination and integration	What is the socio-economic value of the options? Do they increase regional welfare
Section 5 Economic Case – an evaluation of each tier or/and option based on the social value for local communities and the whole region	What is the socio-economic value of the options? Do they increase regional welfare?
Section 6 Financial Case – an evaluation that addresses the impact of fare integration to funding for transit policies and projects	What are the financial requirements for each option? What is the financial value for money (cost per new rider) of each option?
Section 7 Implementation Case – an evaluation of the requirements to successfully deliver each tier and/or option	What management, operations, infrastructure, and customer changes are required for each option? What are the risks for each option?
Section 8 Business Case Conclusions – a summary of the Business Case and its findings and recommendations	What are the consequences and trade-offs of each option? What did the study identify as potential next steps?

2.

The Case for Change

The Problem Statement

Fare policy is among several factors that have constrained the growth of transit ridership in recent years. Current fare policies are informed by funding and governance models that incentivize locally-focused fares. Each agency sets its own fare structure, prices, products, concessions, customer experiences' goals, and policies. These components, managed in an isolated manner, create barriers in terms of affordability and complexity of navigating the system, particularly for cross boundary and multi-agency trips, and limit the potential benefits of long-range investment and service plans. As a result, fare coordination and integration has a role to play in restoring transit ridership, supporting recovery from the COVID-19 pandemic, and delivering the transportation system the Bay Area needs for its coming decades of growth.

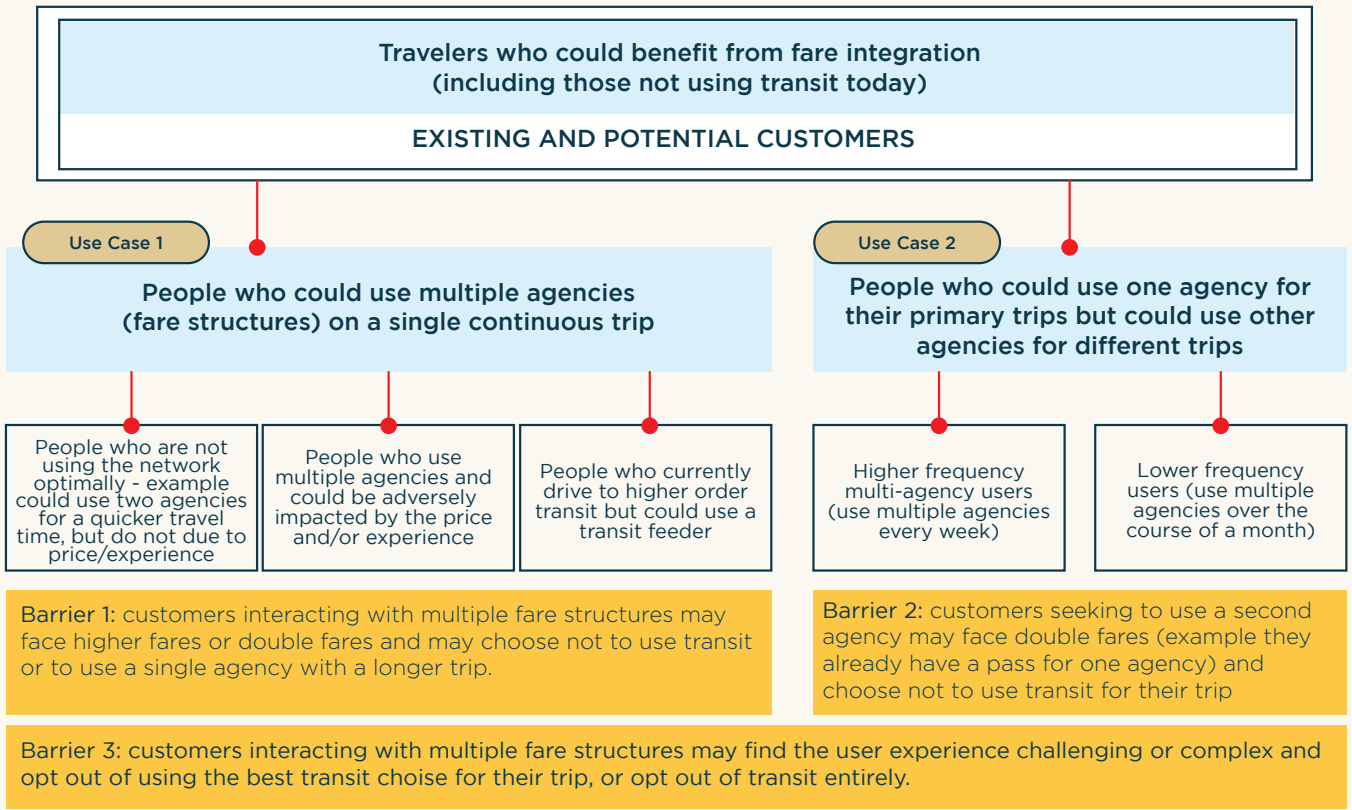
Figure 2.1 Four key Issues that impact ridership

CUSTOMER VALUE	Current fare policies can lead to a disconnect between the fare charged and the value a customer places on their trip.
PAYMENT EXPERIENCE	Current fare products, passes, payment technologies, and payment experiences may not be legible.
EQUITY	Current fares may not consistently meet the needs of Equity Priority Communities.
FUTURE TRANSIT	Current fares may not optimize the ridership and benefits of proposed transportation investments.

How does this problem suppress ridership?

These four fare barriers impact transit ridership through two general use cases:

Figure 2.2 Understanding Customer Experience through User Cases



Issue 1: Value

Analysis of travel behavior in the Bay Area combined with insights from user research provided the basis for understanding how customers value transit in the Bay Area. Pre-covid transit data showed that while only a small percentage of the region's transit users interact with multiple fare systems, the barriers faced are nevertheless complex and significant.

According to survey and Clipper data, less than 10 percent of daily transit riders transfer between operators within a single trip. Over the course of a day, about 14 percent use multiple operators. The majority of riders use BART, Muni and AC Transit as their primary operator.

Only about 1 percent of daily Clipper cards interact with more than two agencies (primary agency plus two additional). Therefore, very few people are making transfer likely to use more than one operator daily.

Transfer patterns indicate that pre-Covid riders were using feeder service to access regional services like BART and Caltrain.

- 20 percent of transfer trips occur between BART and Muni
- An additional 10 percent of transit trips occur between AC Transit and BART
- 6 percent of transfer trips occur between Muni and Caltrain

Although a smaller percentage of total transfer trips in the region, customers in the East Bay, Napa Solano region, and Union City are also more likely to use more than one operator daily. Clipper analysis indicated that more than 20 percent of the customers riding these services used one or more operator.

Figure 2.3 Daily Clipper Card Usage on Single and Multiple Operators (Source: Clipper Data, 2019)

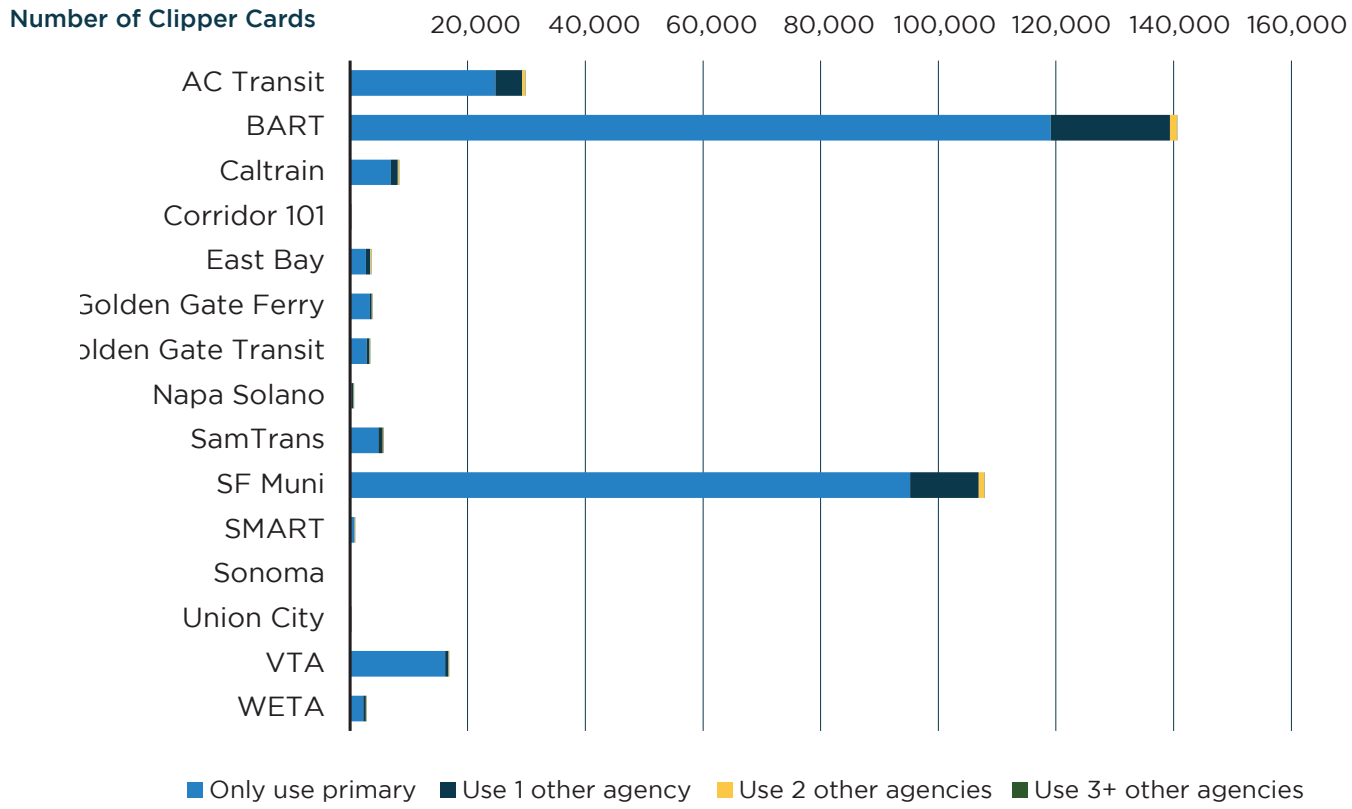
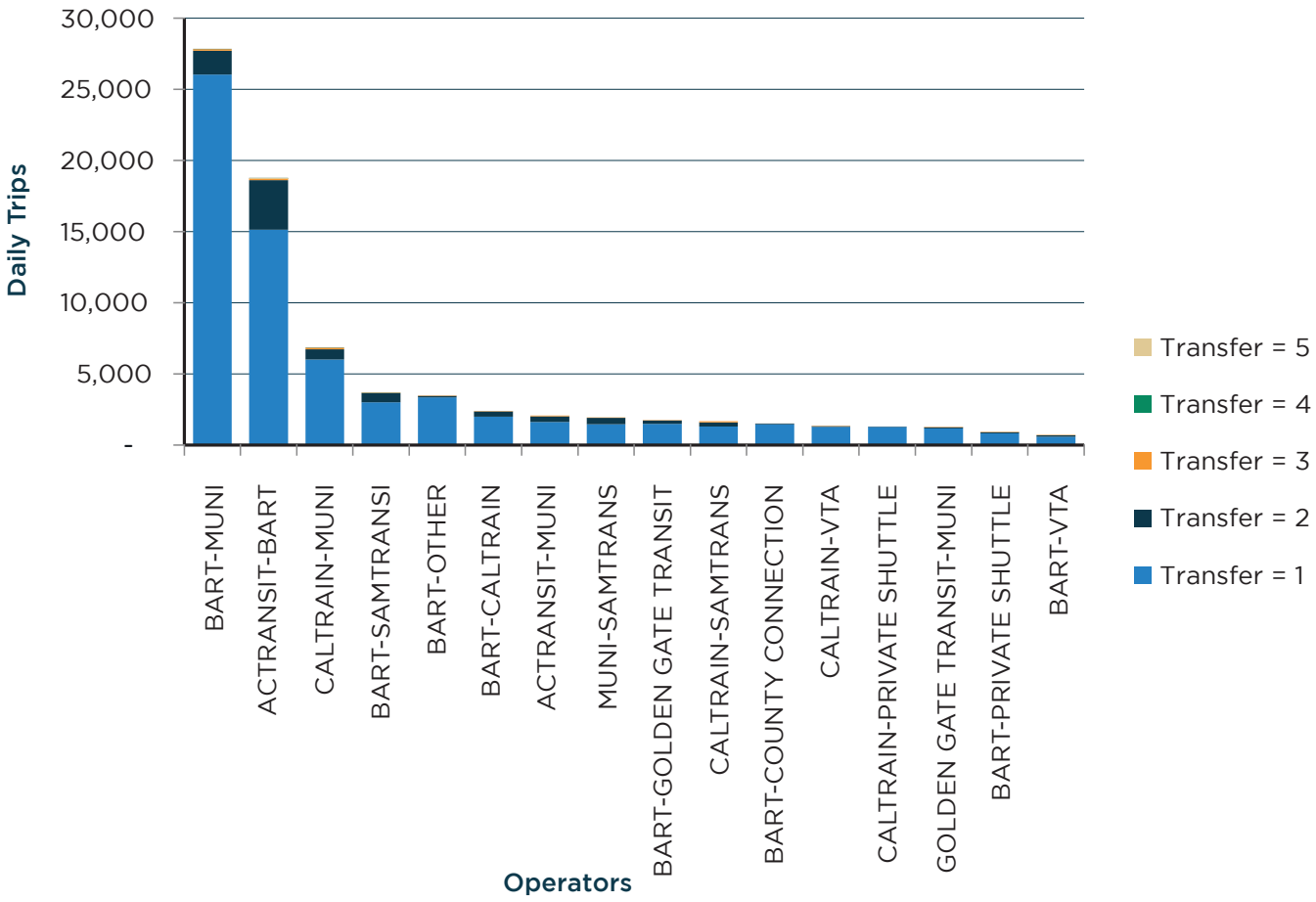


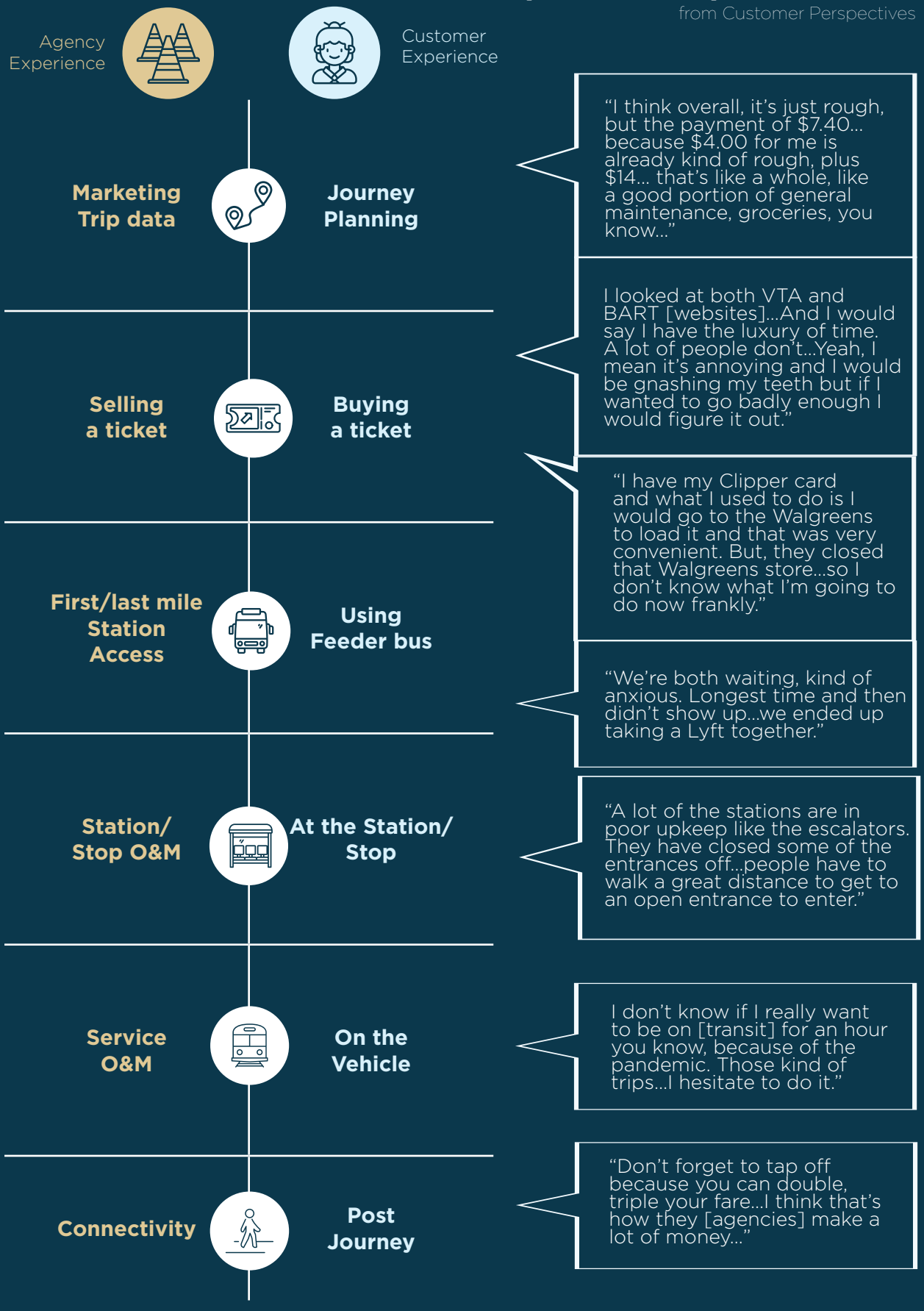
Figure 2.4 Number of transfers between operators by agency (Source: MTC Onboard Survey, 2015)



Issue 2: Customer Experience

User research showed that transit riders determine the value of transit in relative terms to other modes and other experiences. Reliability was most often cited as the most important determinant of customer value. Nevertheless, user testimonials suggest that fares can play a significant role in increasing affordability and usability for transit riders.

Figure 2.5 Understanding Customer Fare Barriers from Customer Perspectives



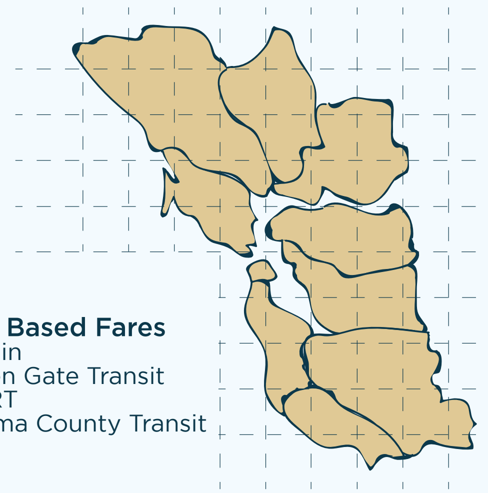
How do customers pay for transit today?

Local Bus/LRT Fare (adult Clipper fare)

Fare	Operators
$2.50	SMFTA, VTA*
$2.25	AC Transit*
$2.05	SamTrans*
$2.00	CCTA*, SolTrans*, Tri Delta Transit*, Union City Transit, LAVTA
$1.80	Golden Gate Transit*, Marin Transit
$1.75	FAST*, WestCAT*
$1.60	Napa Vine*
$1.50	Petaluma Transit, Sonoma County Transit, Vacaville City Coach, Santa Rosa City Bus

* Higher fare for express/regional bus services

Figure 2.4 Overview of Current Transit Fares and Products



Zone Based Fares
Caltrain
Golden Gate Transit
SMART
Sonoma County Transit

Distance/Route Based Fares

-ACE -BART -Golden Gate Ferry -WETA

Offers a Pass Product | **Does Not**

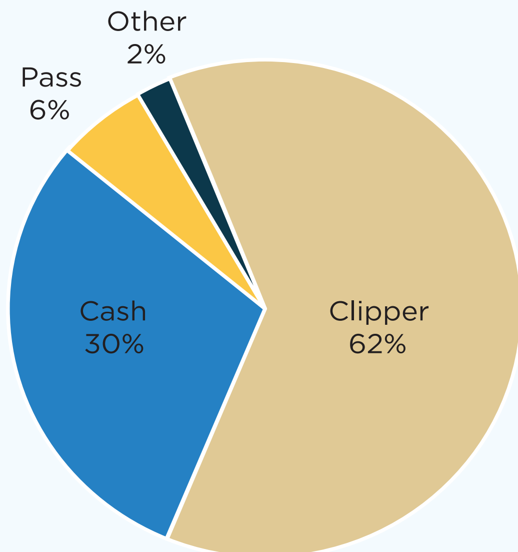


Figure 2.6 Fare Product usage
Source: MTC Onboard Survey, 2019)

Issue 3: Equity

Fare barriers have a disproportionate impact on vulnerable populations, which can include low-income individuals, people of color, people with disabilities, older adults/seniors, and "transit dependent" people who have low rates of vehicle ownership. Nearly half of Bay Area transit riders qualify as low income and they also make the majority of transfer trips.

- Roughly 48 percent Bay Area transit users report an annual household income of less than $50,000 and more than 60 percent of riders are non-white/minorities.
- The share of low-income and minority riders varies by transit agency. Nearly 99 percent of riders on Santa Rosa Bus and City of Rio Vista qualify as low-income compared to roughly 30 percent of riders on BART. More than half of Bay Area agencies serve a majority low-income customer base.
- SFMTA Muni service alone accounted for nearly half of all boardings by low-income persons.
- Thus, some agencies may serve a disproportionately low-income customer base, other agencies provide the most transit rides for low-income transit riders in the region.

Transit riders who qualify as low-income make roughly 52 percent of transfer trips that include one transfer. The percentage increases to 57 percent for transit riders make three or more transfers.

By definition, transit costs incur a higher cost-burden on low-income transit riders. Pass products and concessions can be designed to make transit more affordable; however Bay Area pass products typically require payment up-front, which can be challenging. As a result, many low-income riders still opt for cash payment and therefore don't benefit from the Clipper discounts.

Figure 2.7 Share of annual boardings by low-income transit riders by agency (Source National Transit Database, 2019)

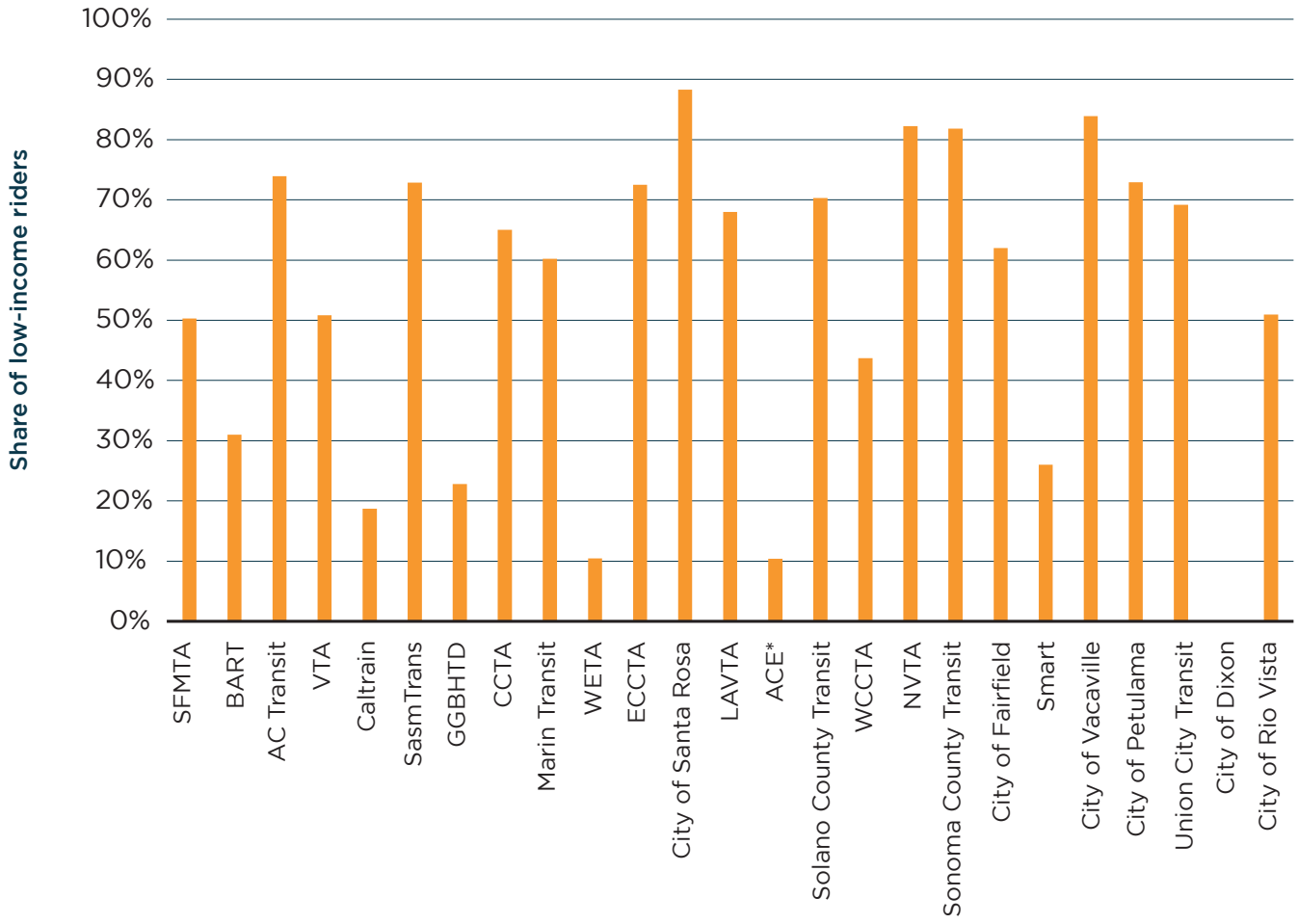
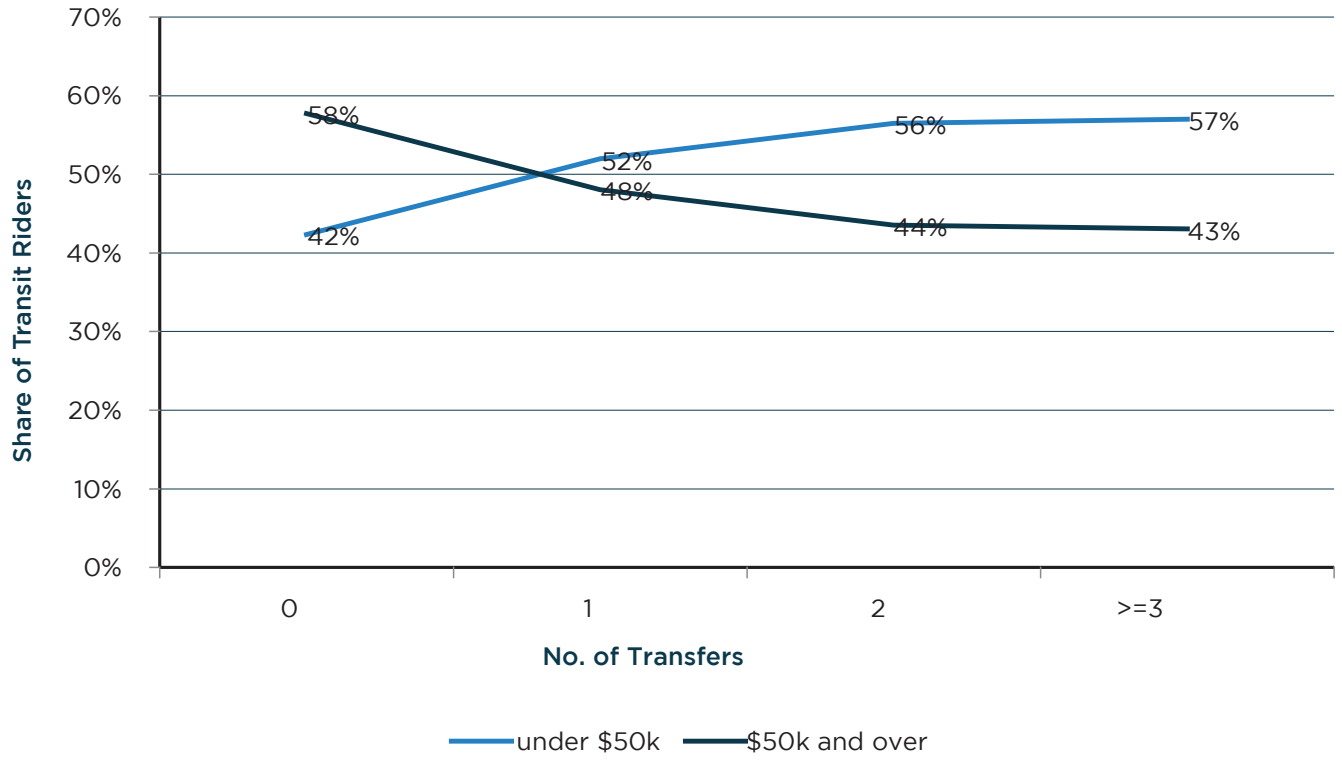


Figure 2.8 Percentage of transfer trips by household income (Source: MTC Onboard Survey, 2015)



In addition, the challenges of affordability were well-documented in the user research among low-income transit riders.

When pursuing fare integration, special attention needs to go into fare changes or increases, and technology-based approaches (such as relying solely on apps or cards) to assure that vulnerable groups are not affected by the implementation of strategies, on the contrary, they should be benefited from them.

Issue 4: Future Transit

Fare integration has the potential to help optimize future transit investments and alter future transit service design and delivery. The study considered how a selection of projects proposed under Plan Bay Area 2040 and explored how each investment could produce a better return on investment based on fare integration's potential to augment ridership.

3.

Alternatives

Fare Integration Tiers

The fare integration business case evaluated six different policy options organized into four tiers of integration. Policy options were intentionally selected to demonstrate the range of integration approaches available, spanning those that required minimal change to existing fare structures and policies at individual agencies as well as those requiring more dramatic transformation.

The tiers illustrate how changes to local and regional fare structures may unlock new benefits for the Bay Area. Each tier builds upon the previous tier with further changes. Tier 1 could be applied to the existing fare structures in the region or as part of each higher tier.

	Tier 1: Overlays to the existing fare structure	Tier 2: Free and Discount Transfers	Tier 3: Regional Change	Tier 4: Regional and Local Change
Changes to Fares	Explored benefits of introducing new pass and cap products to the existing system or as part of other tiers.	Explored benefits of adding free and discount transfers for multi-agency trips, eliminating double payments.	Explored the additional benefits that could be unlocked by bringing regional services under one unified fare structure, while maintaining a region-wide system of transfer discounts.	Explored significant changes to both regional and local fares through introduction of new concepts such as cellular zones and unified flat fare for local services throughout the region.
Changes to Agency Control of Fares	No changes to agency authority, new passes or products could receive funding	No changes to agency authority, discounts could receive funding	Regional agencies would either agree to fares or a central entity could control fares	Would require all agencies to agree to a single fare formula or for a centralized entity to control fares

Alternative Development Process

The Alternative Development process began with the identification of roughly 20 fare policies, which were refined through an initial screening to the final six policies described below for further evaluation and testing. The shortlist screening process eliminated options based on high-level criteria:

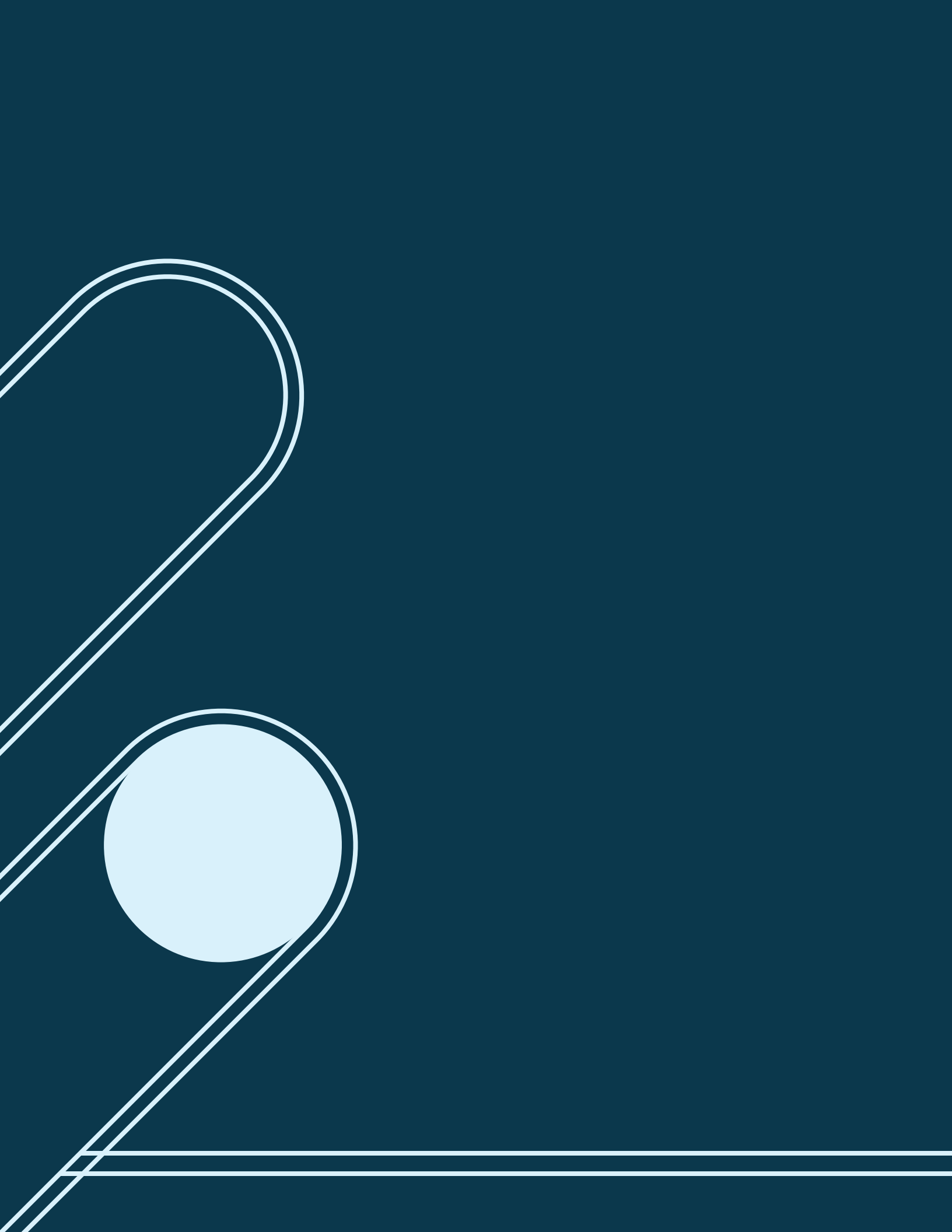
- Whether the policy addressed existing fare barriers or created new ones
- Improved customer experience
- Equity impacts
- Support for future transit investments
- Challenges in delivery

Examples of policy options that were not considered as a result of this screening include:

- Fare by distance on all regional and local modes: presented technical challenges for delivery and would have negative operational impacts on local buses.
- Corridor pricing: potential to create further equity issues and does not fully address study problem statement.

The final six policy options were determined to be viable approaches based on the initial screening and were recommended for further testing and evaluation. Multiple of variants of each policy were tested through modelling using the MTC Transportation Model 1.5 as well as off-model Clipper analysis.

Tier	Policy Option	What was tested	Examples
Tier 1: Overlays to the existing fare structure	Option 1.1 Individual Pass ("Puget Pass" Modell)	Policy Option 1 included multiple pass/cap variations: » Trip-based caps (daily, weekly and monthly) assuming local to regional transfers free » Value-based caps (daily, weekly, and monthly) assuming local to regional transfers free » Tiered pass products (local only, all-inclusive) » Individualized monthly pass (Puget Pass) based on customer's preferred trip, multiplied by factor of 36. Customer pays difference when making trips that exceed this preferred trip value.	» Monthly trip cap of 35, 40 or 50 trips on any local or regional service. Trips over this amount are free. » Daily value cap of $5, $10 or $15 on any local or regional service. Trips over this amount are free. » Individualized monthly pass set to $4 trip value. Monthly pass is $144; customer only pays additional fare for trips valued over $4.
Tier 2: Free and Discount Transfers	Option 2.1 No-cost transfers (local/local, local/regional)	Policy Option 2 applied a 100% discount for transfers from local services to other local services and from local services to regional services.	» Free transfer from SamTrans local service to VTA local service (pay only one fare) » Free transfer from AC Transit local service to BART (pay only BART fare).
	Option 2.2 No-cost transfers (local/local, local/regional, regional-regional)	In addition to the local to local and local to regional discount included in Option 2, this policy applies a discount for transfers between regional operators.	» Discount (no cost) transfer from Caltrain to BART » Discount (no cost) transfer from regional bus to ferry
Tier 3: Regional Change	Option 3.1 Unified Fare by Distance for Regional Service Only	Under Policy Option 3b, regional rail, bus and ferry services were unified under a common fare by distance curve.	» Caltrain-BART trip is priced based on the BART price per mile. » WETA-Muni trip is priced per mile for ferry, with a free transfer to Muni services.
Tier 4: Regional and Local Change	Option 4.1 Unified Fare by Distance for Regional Services + Local Fare	Fare Policy Option 4 applied a single fare by distance curve to all regional operators and introduced a local flat fare based on the weighted average. No transfers fees were applied when transferring from local to regional services. Multiple subsidy scenarios tested.	» Caltrain-BART trip is priced based on the BART price per mile. Transfers to/from local bus services are free. » For a local bus trip using SamTrans and Muni service, customers play a single flat fare.
	Option 4.2 Small zones for all service	Fare Policy Option 5 applied a cellular zone concept (81 total zones) to all regional and local services. Multiple subsidy scenarios tested: $100m/year, $70m/year, 12.5m/year.	» Trips on AC Transit and BART services are priced by number of zones travelled. » Trips on a single local operator like Santa Rosa Bus or SolTrans are also priced by number of zones travelled.
	Option 4.3 Large Zones + local flat fare	Fare Policy Option 6 applied a larger zone concept (36 zones) to regional service providers and introduced a local flat fare based on the weighted average. Two levels of subsidy tested.	» For trips on AC Transit and BART services, customers pay for BART trip based on number of zones travelled. Transfer to/from local AC Transit service is free. » Trips on a single local operator like Santa Rosa Bus or SolTrans are priced by a region-wide local flat fare.



4.

Strategic Case

Summary of the Strategic Case

The Strategic Case evaluates each option using four "strategic dimensions" based on the stated policy goals for fare coordination and integration. The four strategic dimensions used in the strategic evaluation are:

Ridership Development – assessing the extent to which each option can increase ridership by removing fare integration barriers;

Vehicle Miles Traveled (VMT) Reduction – assessing how each option supports regional and State goals for VMT reduction;

Equity Impact – assessing the impacts and benefits of each option to equity policies and objectives; and

Customer Experience – assessing how each option will impact traveler experience.

Strategic Evaluation

Fare Integration has the potential to increase daily ridership by 11,500 to 30,200 with low investment and by 44,000 to 68,800 with high levels of investment.

Benefit 1: Increased Ridership

What is the benefit?

This benefit assesses the extent to which each option and tier generate increased ridership in the Bay Area. This involves a review of changes to total trips in the region as well as a review of trips within a single county (intra-county) and between counties (inter-county). This benefit was analyzed using the regional transportation model.

Option Comparison

Each of the fare integration options were analyzed by tier to determine their impact on ridership for both the Bay Area (Figure 4.1) as well as inter- and intra-county trips (Figure 4.2).

Figure 4.1 Ridership Development - Bay Area Wide Perspective

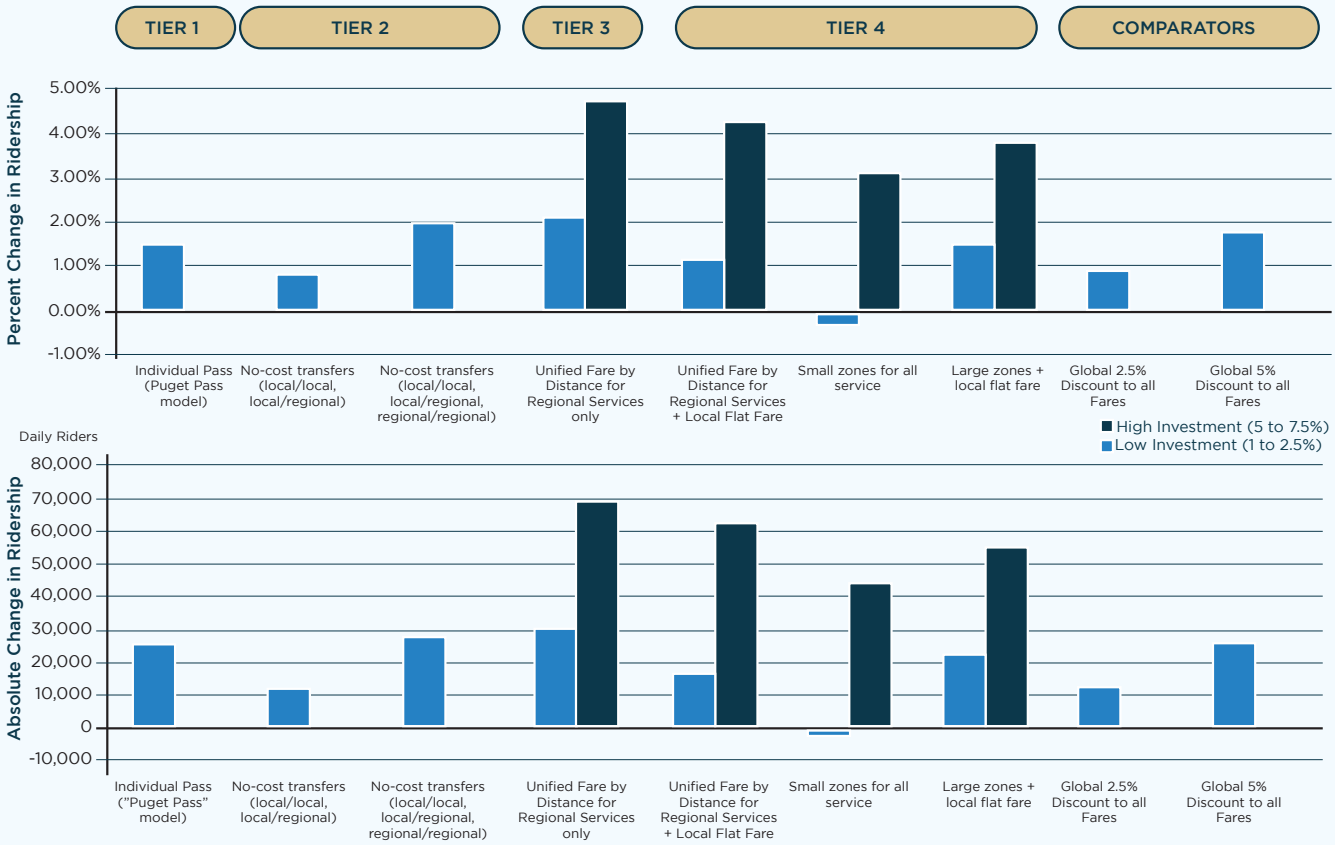
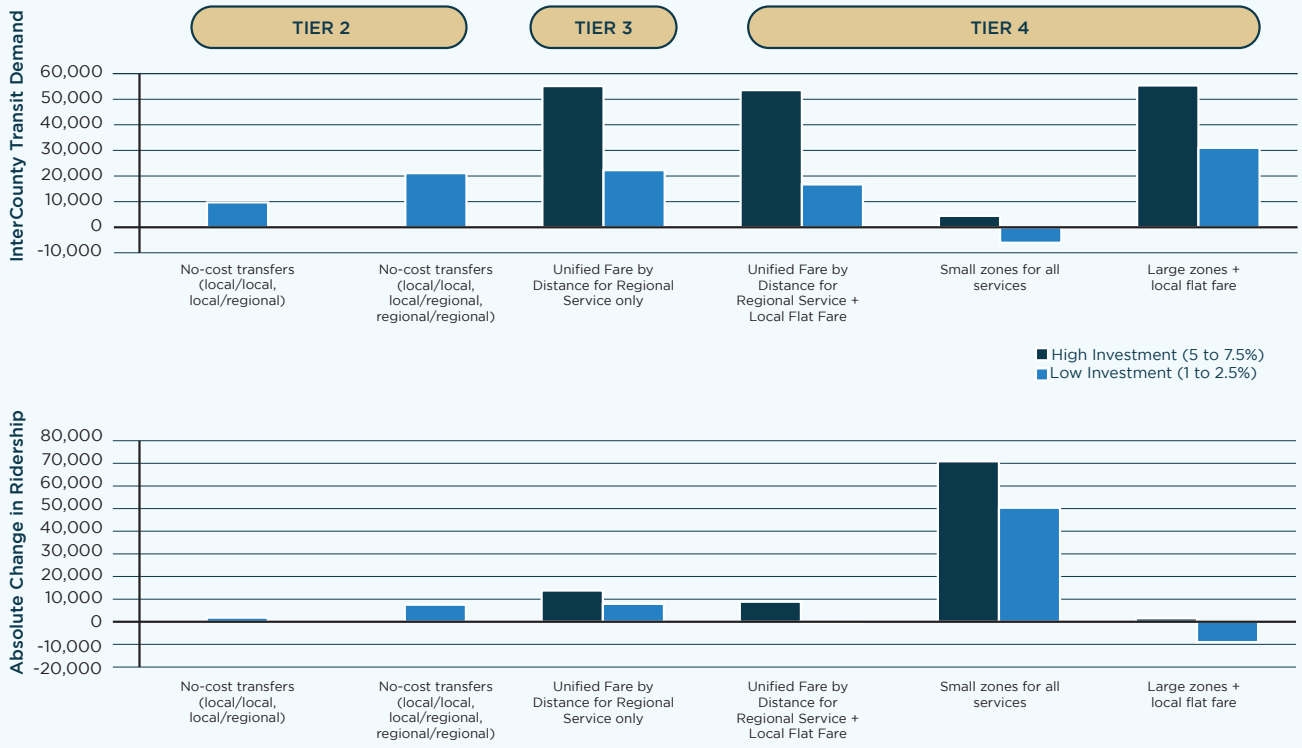


Figure 4.2 Ridership Development - Inter and Intra County Trips



Key Insights on Benefit 1

Figure 4.1 note the following conclusions for region-wide trips:

- Low Investment: As shown in Figure 4.1, options in Tiers 1 and 2 only impact customers who face an integration price barrier and can generate between 0.75% to 2% more ridership with a low level of investment. These options have a ceiling for ridership growth compared to higher tiers because they do not directly impact trips that do not use multiple agencies. Tier 3 can generate comparable ridership as Tier 2 (2%) at low investment, while Tier 4 tends to generate lower levels of ridership (range of ridership losses to a 1.5% gain).
- High Investment: Tier 3 has the highest ridership potential of the options (+4.7%) as it allows seamless use of all regional services along with free transfers between local and regional services. Tier 4 tends to perform poorer as it requires price changes for local services that may lead to ridership losses on some local operators (total impacts range from +3% to 4.2%)

Figure 4.2 notes the following conclusions for intercounty trips:

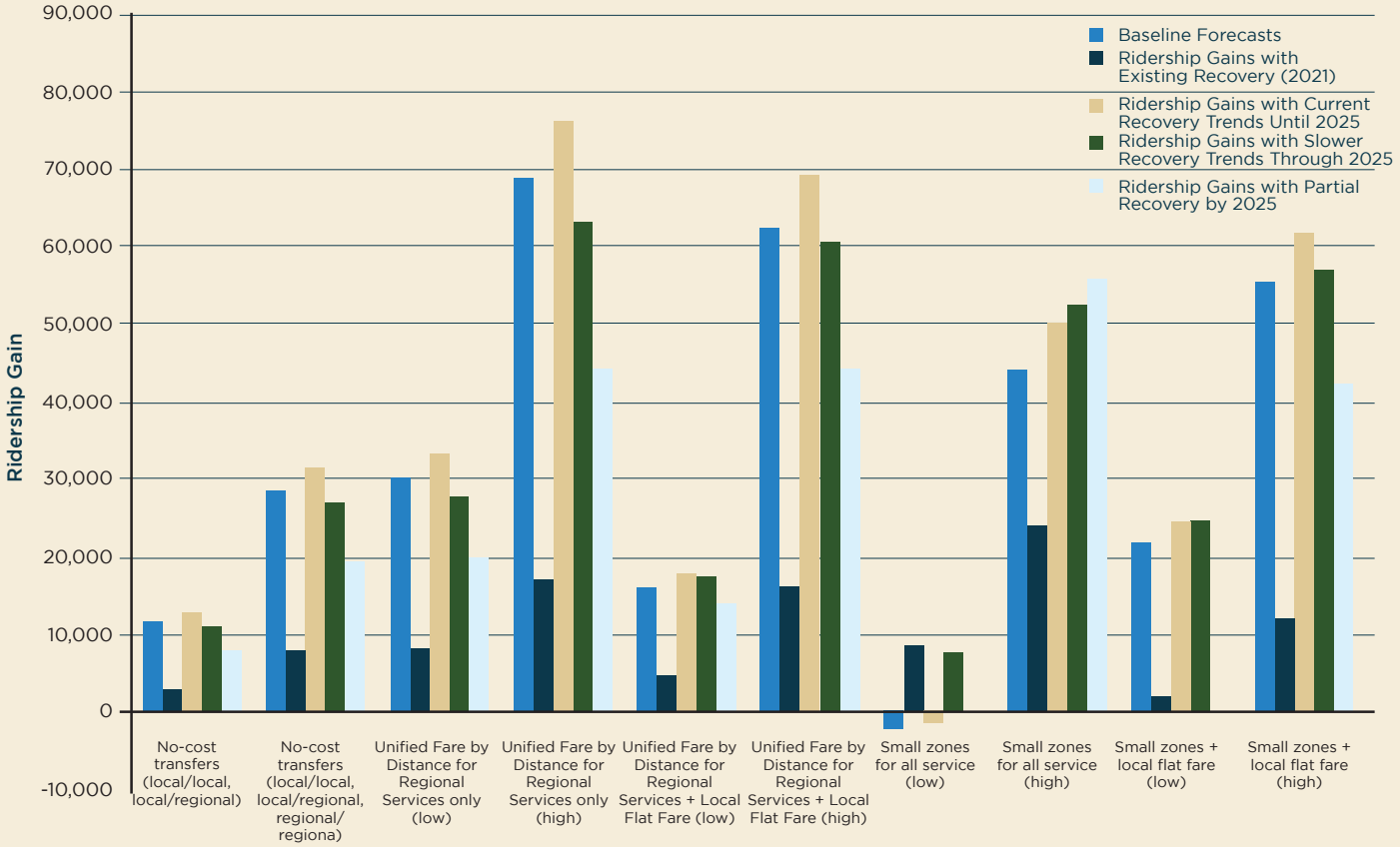
- As seen in Figure 4.2, no cost transfer options (Tier 2) promote inter-county ridership (~11,000 to 25,500 passengers per day) with limited intra-county gains.
- At a high level of investment, Tier 3 generates nearly 69,000 new riders per day of which 55,000 are inter-county trips. With low investment this option can generate 30,000 trips a day, of which 22,000 are inter-county.
- At $70 million per year of new subsidy, small zones for all services generates intra-county and/or singer operator ridership (about 50,000 trips per day). This option loses ridership at lower levels of subsidy, and with high subsidy gains intra-county but loses inter county ridership.

COVID-19 Recovery and Integration Ridership

A set of COVID-19 recovery scenarios were developed to explore how different extents of recovery by 2025 could impact option ridership gains. Figure 4.3 illustrates ridership gains for five scenarios:

1. Baseline ridership forecasts
2. Ridership gains if the option was delivered with existing extent of recovery
3. Ridership gains if recovery continued a similar trajectory as today until 2025
4. Ridership gains with a slower recovery (recovery rates are 50% of what has been observed)
5. Ridership gains with a partial recovery (no are in the Bay Area is 100% at 2019 levels by 2021).

Figure 4.3 COVID-19 Recovery and Integration Ridership



This assessment illustrates that lower levels of recovery has more severe impacts to performance for options with higher inter-county travel (unified fare by distance, with large zones).

Benefit 2: Vehicle Miles Travelled Reduction

Fare Integration has the potential to reduce regional vehicle miles travelled by 120,000 to 260,000 a day with low investment and by 170,000 to 847,000 under high investment.

What is the benefit?

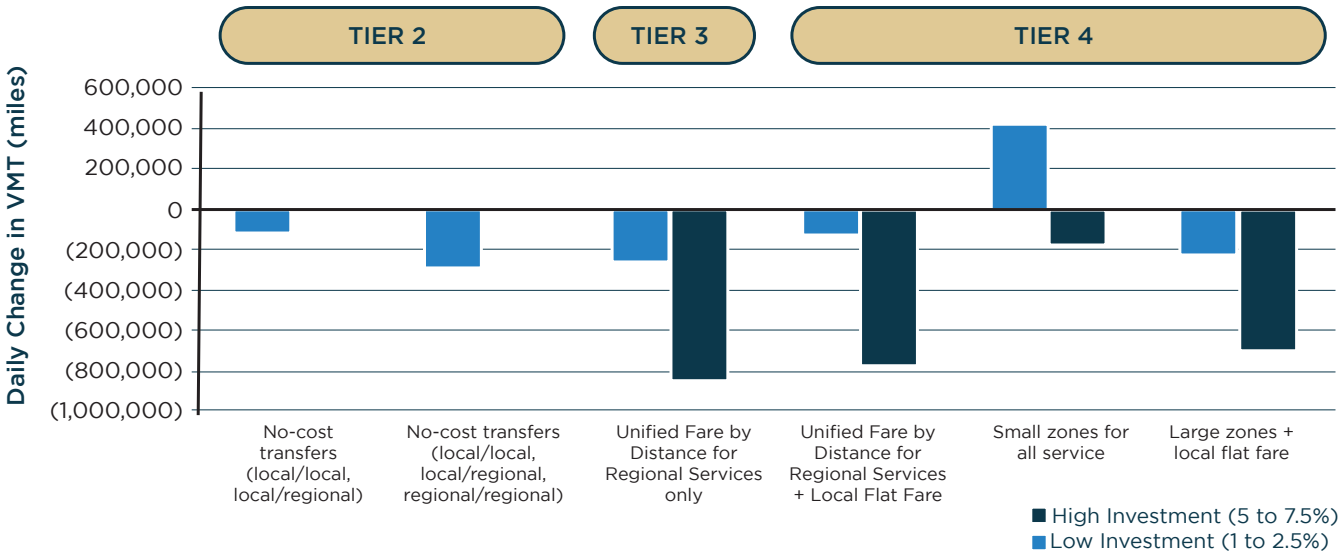
Reducing vehicle miles travelled (VMT) is a key policy theme at the local, regional, and State level. VMT reductions vary between options based on the types of trips that are generated by fare policy changes.

Option Analysis

Figure 4.4 shows the VMT reduction per tier option.

As shown in Figure 4.4, Tier 2 and Tier 3 tend to have higher VMT reduction per new trip because most trips are longer distance trips using a combination of regional and local modes. Unified fare by distance options have the highest VMT reduction as their ridership growth is focused on the regional network and includes longer distance travel. The small zones option generates mostly shorter distance Muni trips and has a net loss of about 6,000 inter-county trips, so its impact on VMT is lower.

Figure 4.4 Vehicle Miles Travelled Reduction



Benefit 3: Equity Impact

What is the benefit?

The strategic evaluation also takes into consideration the equity impacts of different fare structures, by evaluating quantitative data provided by the TM 1.5 model outputs to determine how travel behavior varies by household income groups:

- How would new subsidy be distributed between household income groups?
- How are fare increases distributed between household income groups?
- How are fare decreases distributed between household income groups?
- Do the fare structures change the modes used by travelers based on household income?

Option Comparison

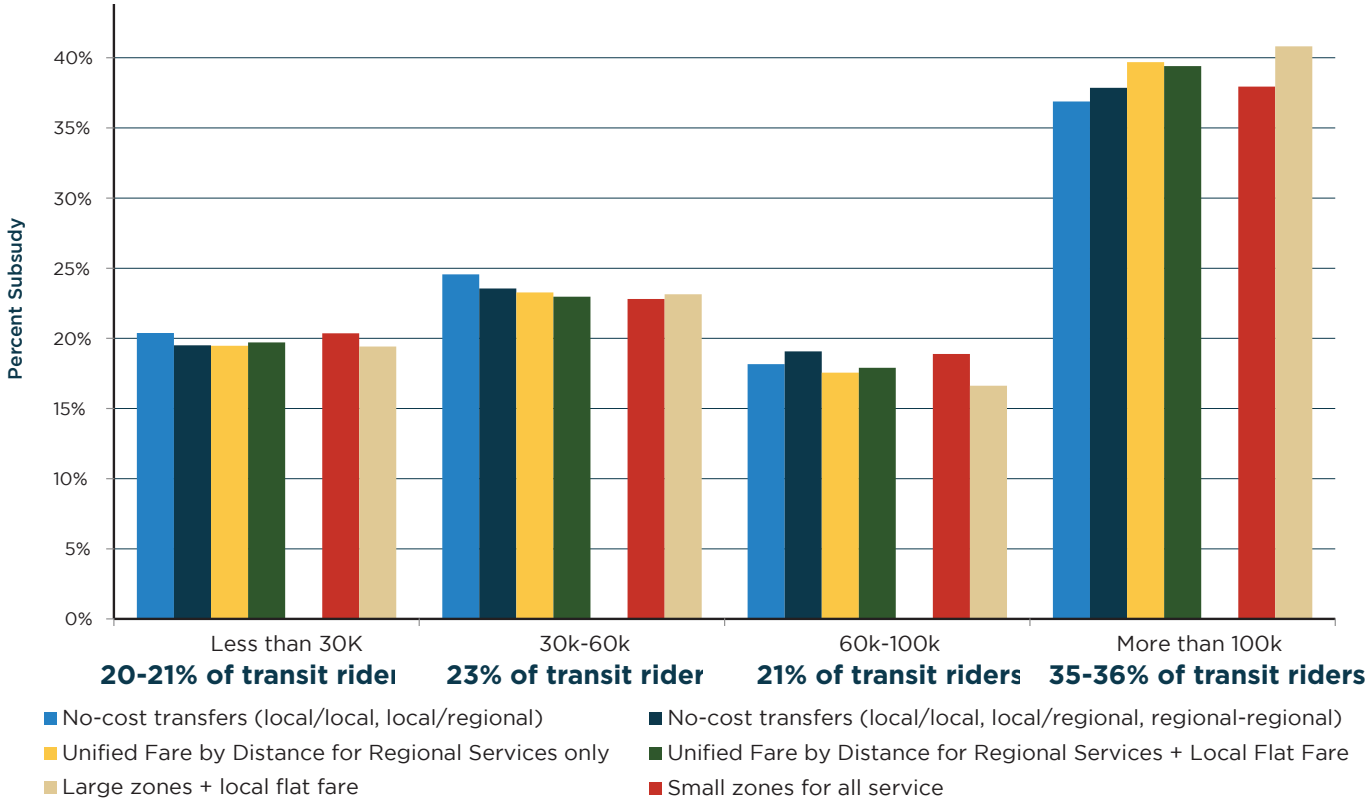
Model outputs were analyzed to understand how dollars invested in lower fares were distributed among income groups, as shown in Figure 4.5.

Tier 2

Tier 3

Tier 4

Figure 4.5: Equity Impact - Share of Subsidy Compared to Share of Ridership



Level of subsidy invested in each income band only varies slightly between options. GenerallyGenerally, level of subsidy aligns with proportion of riders in each income category, with the exception of $60,000-$100,000, where investment is lower than the proportion of riders in this category.

Fare Increases Across Income Groups

This assessment focused on the number of customers paying more under each option and their average fare increases. Fare increases and decreases can be attributed to shift in mode (for example, from bus to rail) as well as increases in the price of the trip on a specific mode.

Figure 4.6 Percent of Riders Experiencing Increase in Fares

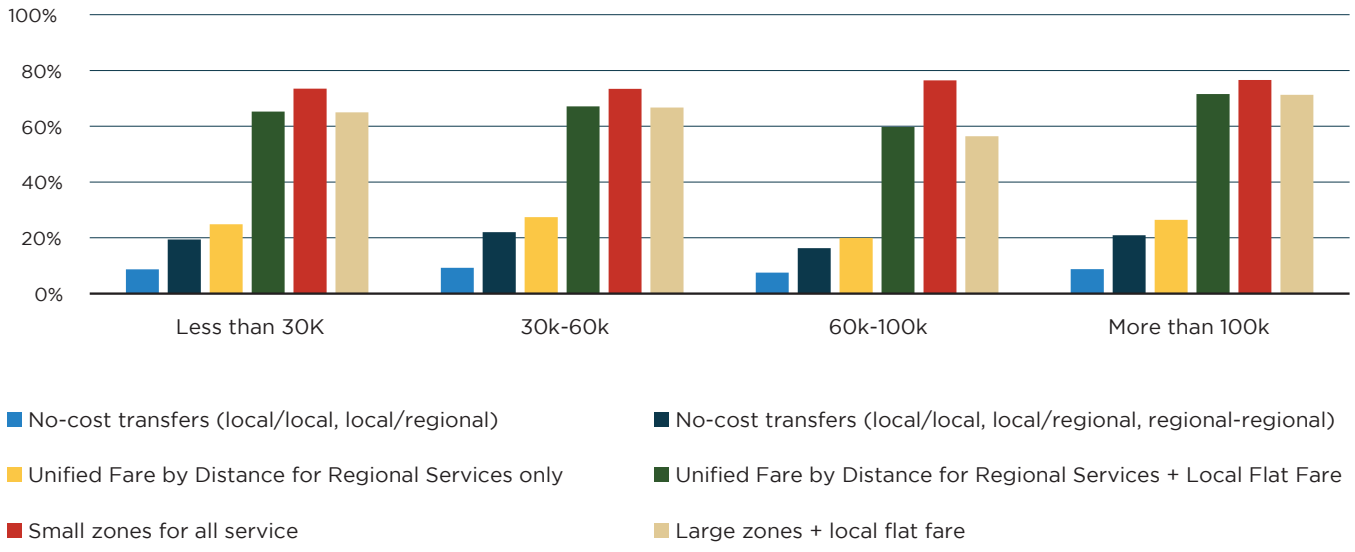
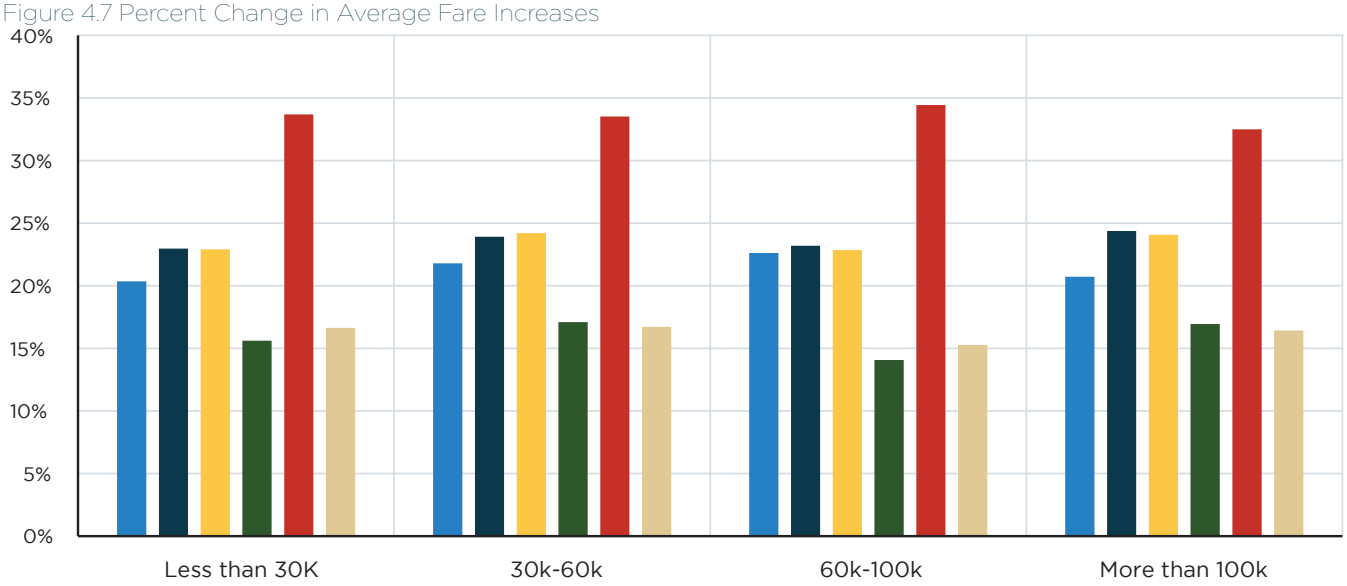


Figure 4.7 Percent Change in Average Fare Increases



This assessment notes that:

- Tier 4 options tend to have more customers across all income groups paying more. The small zones option also shows the steepest increase in average fares (more than 30 percent) in comparison to , however unified fare by distance with a local flat fare and large zones with a local flat fare have lower average fare increases than lower tiers and small zoneswhich each saw a roughly 15 percent increase in fares.
- Tier 4 options tend to have more customers paying more in the lower income bands than the higher income bands.
- Tier 3 results in fewer customers than Tier 4 paying more, with impacts that are generally consistent across the income groups.

Fare Decreases Across Income Groups

This assessment focused on the number of customers paying less under each option and their average fare decreases, , as shown in Figure 4.8 (number of customers receiving a fare decrease) and Figure 4.9 (average percent decrease in fare for customers receiving a decrease).

Figure 4.8 Percent of Riders Experiencing Decrease in Fares

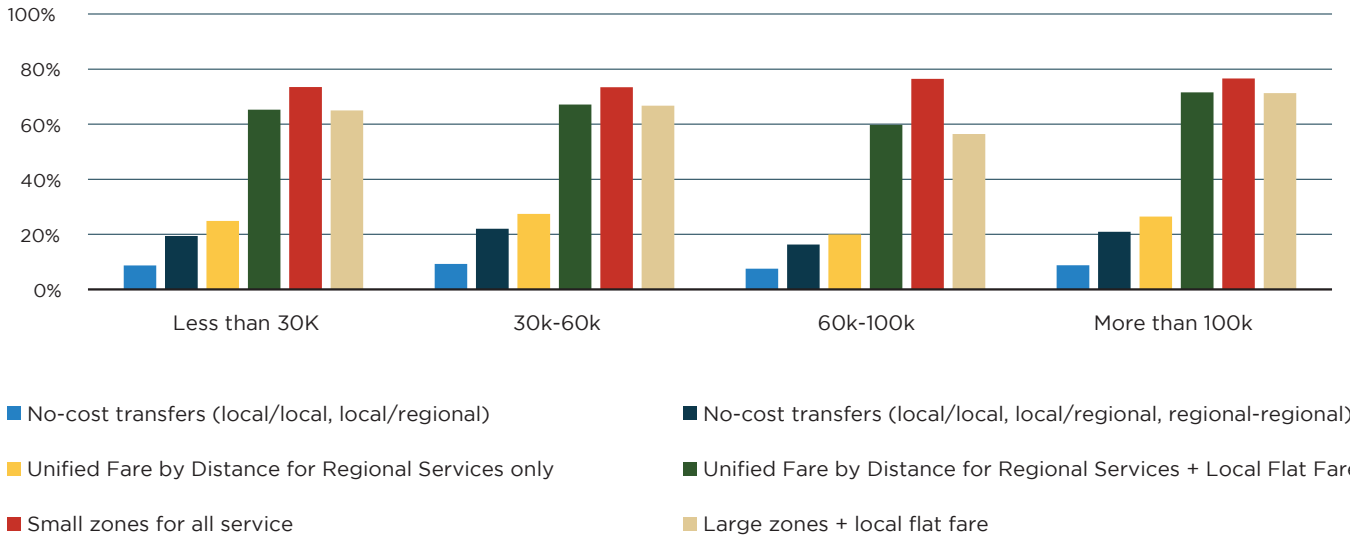
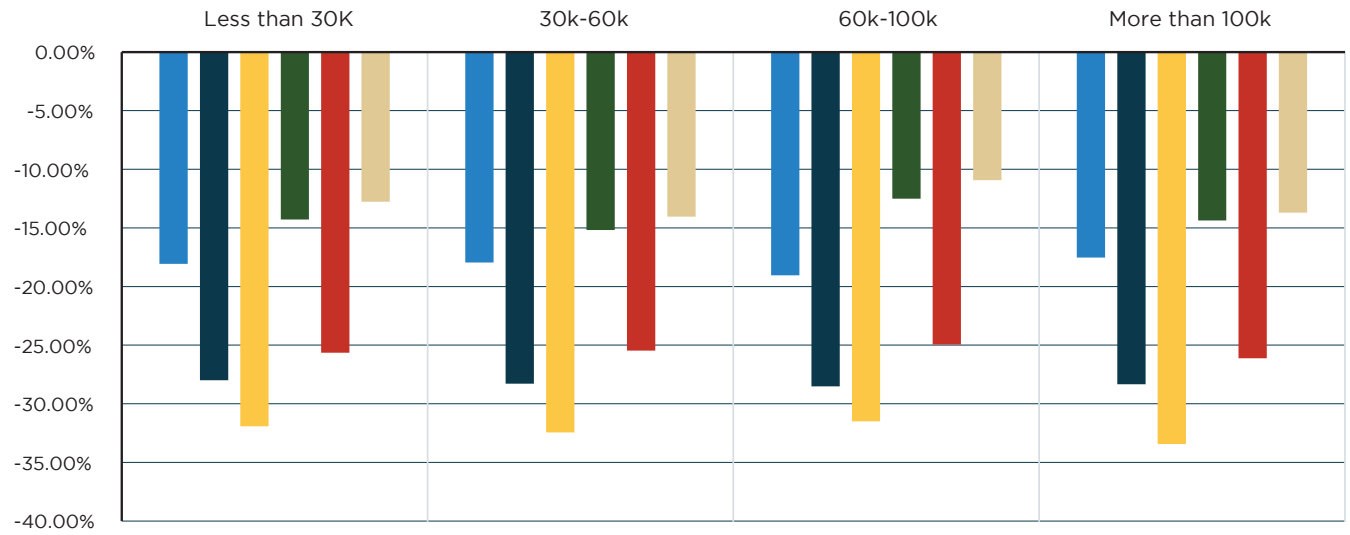


Figure 4.9 Percent Change in Average Fare Decreases



This assessment notes that:

- » Tier 4 options tend to have more customers paying less, with the number of customers paying less equally distributed between income levels
- » Tier 2 and Tier 3 have fewer customers paying less but offer greater fare reductions than Tier 4

Mode shift across income groups

Additional analysis was conducted to understand how mode choice changed because of fare policies, specifically whether changes could make rail services more accessible to lower income riders, as shown in Figure 4.10 (passengers changing from bus to rail) and Figure 4.11 (passengers switching from rail to bus).

Figure 4.10 Percent of Transit Riders Switching Modes (Bus to Rail)

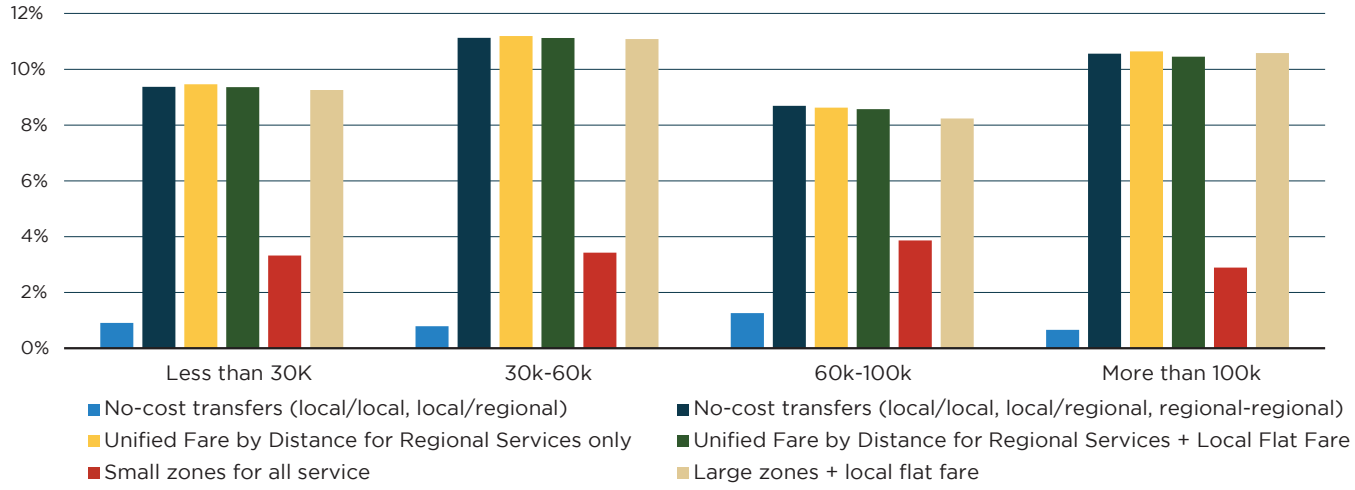
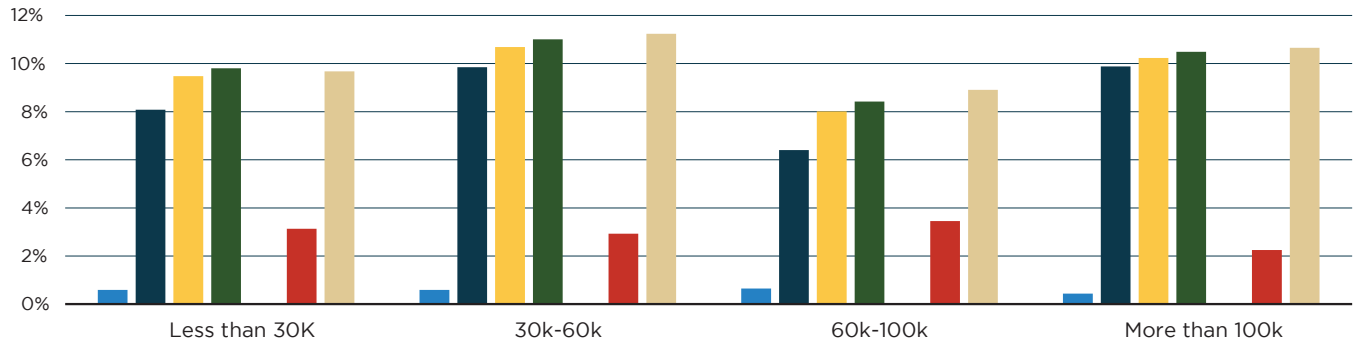


Figure 4.11 Percent of Transit Riders Switching Modes (Rail to Bus)



As seen in Figures 4.10 and 4.11, for Tier 2, more people switched from using bus to rail than from rail to bus across all income groups. This pattern continues for Tiers 3-4, except for the lowest income group. For Tiers 3-4, the "Less than $30k" were slightly more likely to switch from rail to bus (0.01% to 0.40% more switching to bus).

Benefit 4: Enhanced Customer Experience

What is the benefit?

The problem statement for the FCIS identified customer experience as a key integration barrier. The FCIS team worked extensively with travelers to identify how this barrier impacts their use of multiple operators (either for one trip or for different trips over the course of a week/ month) and how they perceived each option. Customers were asked to review each option under a range of scenarios and provide rankings and qualitative feedback on its value, fairness and legibility.

Option Comparison

The metric synthesizes this customer research to define:

- The likely impacts that each option will have to traveler experience and traveler willingness to use multiple operators
- Key customer identified pros and cons of each option

The following types of customer experience are explored:

1. **Overlays** – passes (transit pass at various price levels) and caps (fare cap based on number of trips or at a certain price)
2. **Transfer Discounts** – free or discounted transfers between local and/or regional transit
3. **Regional Change** – common distance-based or zone-based fare system for regional transit
4. **Regional and Local Change Zones on All Modes** – common distance-based or zone-based fare system for all Bay Area transit

Customer Impacts Summary

Table 4.1 provides an overview of each of the scenarios and their customer experience evaluation.
This summary shows that Tier 2 – the unified fare by distance for regional services only performs most favorably across all evaluation metrics, while Tier 4 with small zones for all service is the least favorable.

Table 4.1 Customer Impacts Survey

Tier	Option	Value	Legibility	Fairness
1	Caps and Passes	Generally positive	Mixed feedback - some passes may be more complicated to understand than others	Generally positive
2	Unified Fare by Distance for Regional Services only	Generally positive	Generally positive - some concerns about learning multiple fares and figuring out which one is discounted	Generally positive
3	Unified Fare by Distance for Regional Services + Local Flat Fare	Generally positive	Mixed feedback - stated need for tolls to interpret structure (similar to BART today)	Generally positive
4	Small zones for all service	Mixed feedback, trending negative - concerns on how zones may raise fares for local services and for travelers who don't use multiple agencies	Mixed feedback - some recognition of improved understandability, however general concerns about the number of zones and ability to determine fare	Mixed feedback, trending negative - concerns on how zones will impact fares that are flat today or use fare by distance (BART)
4	Unified Fare by Distance for Regional Services + Local Flat Fare and Large zone +local flat fare	Generally positive	Generally positive	Mixed feedback - some concerns about fare increases

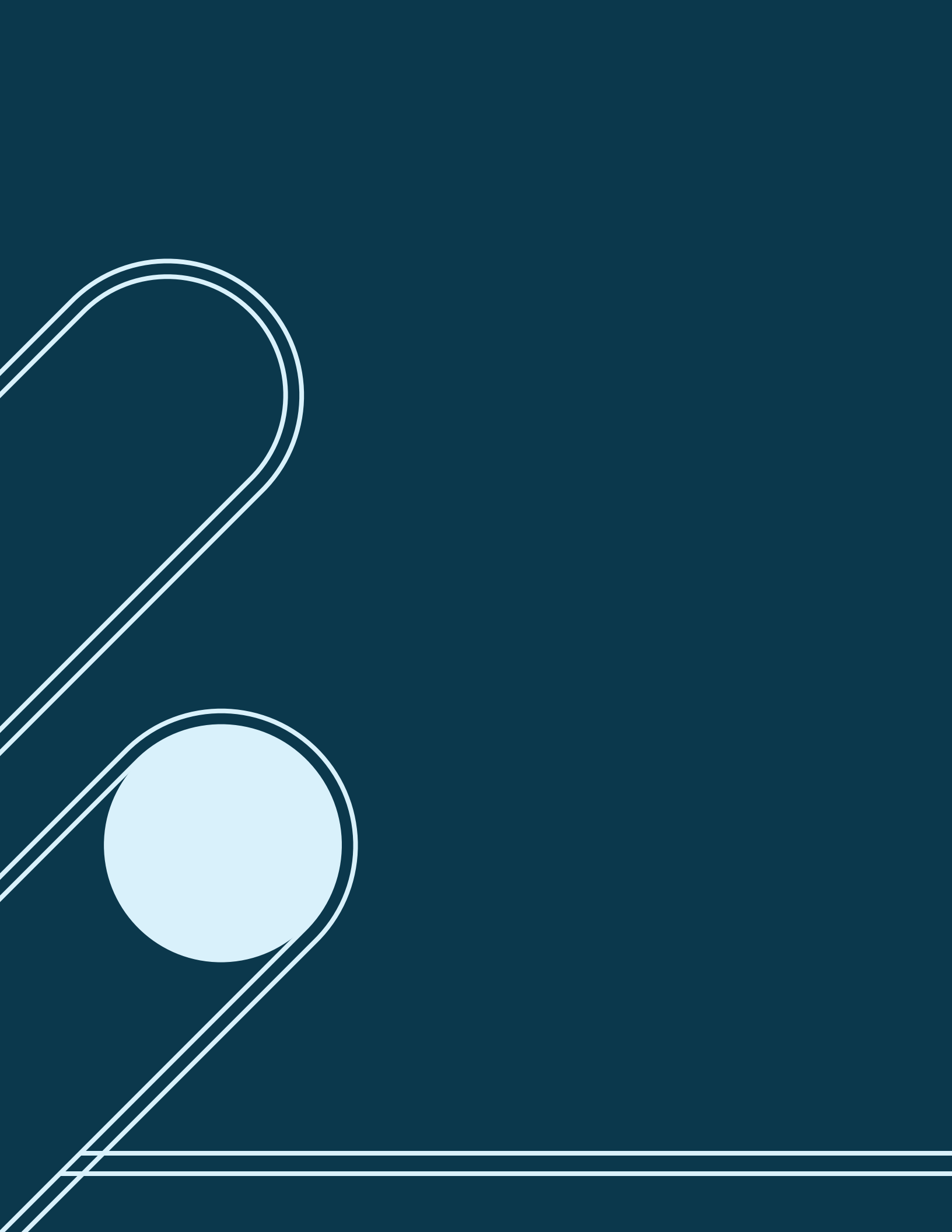
Strategic Case Summary

Table 4.2 illustrates how each option performs to meet daily ridership growth, equity impacts, and customer experience goals, as described in this chapter.

Table 4.2 Strategic Case Summary

Tier	Option	High Investment	Low Investment	Equity Impacts	Customer Experience
1	Individual Pass ("Puget Pass" model)	-	25,00	Requires mitigation -	
2	No-cost transfers (local/local, local/ regional)	-	11,500	Investment is balanced across income levels, with least low income travellers paying more	
2	No-cost transfers (local/local, local/ regional, regional/ regional)	-	27, 610	Investment is balanced across income lev- els, with least 10% of low income travellers paying more and 20% paying less	
3	Unified Fare by Distance for Regional Services only	68,800	30, 200	Investment is balanced across income lev- els, with least 10% of low income travellers paying more and 25% paying less	 *
4	Unified Fare by Distance for Regional Services + Local Flat Fare	62,500	16,100	Investment is balanced across income levels, with 20% of low income travellers paying more but 65% pay less	 *
4	Small zones for all service	44,000	-2,100	Investment is balanced across income levels, with 25% of low income travellers paying more but 73% pay less	
4	Large zones + local flat fare	55,000	22,00	Investment is balanced across income levels, with 35% of low income travellers paying more but 65% pay less	 *

Weaker Performance
Moderate Performance
Stronger Performance
- Not Aplicable
* Some issues to resolve



5.

Economic Case

Economic Case Overview

The Economic Case evaluates each option based on the social value they can realize for local communities and the broader region. These benefits include:

- Traveler benefits – including reduced travel time
- Externalities – including reduction in pollution, congestion, and collisions and improved health

Combined, these metrics answer the questions:

- What are the social benefits of Fare Integration over the next five years in discounted 2021 US dollars?
- Is the level of social value of the option appropriate for the risk and change management required to deliver it?

Economic Analysis Approach

The economic case applies standard transportation economic analysis to monetize the benefits of fare integration on an annual basis. Daily model outputs from Travel Model 1.5 are annualized and monetized based on reduced negative impacts, such as fewer collisions, reduced emissions, reduced expenditure on automobile operations, and reduced congestion resulting from reduced vehicle miles travelled.

These annual benefits are then discounted using a social discount rate that reflects how future benefits are generally perceived to be of lesser value than benefits today. All analysis uses a five-year period starting in 2025 and ending in 2029.

Costs are typically included in economic analysis. At this point costs and cost impacts are under development. Costs reflect the amount of resources (such as equipment or labor) used to operate the transportation system. Subsequent analysis should integrate net new costs, such as new infrastructure or changes in operating costs.

Revenue impacts are not considered in this economic analysis. Economic analysis is focused on the benefits and costs to society as a whole. Changes in fare revenues or subsidy reflect changes in "who pays" for transit but not what the total cost of transit is. For example, under both the low and high investment scenarios, transit level of service and infrastructure remains constant. Increased subsidy is provided to match a decrease in fares and does not reflect increased societal resources (such as labor or materials) being applied to transit. In other words, only net changes in total resource costs should be captured in economic analysis.

Economic Evaluation

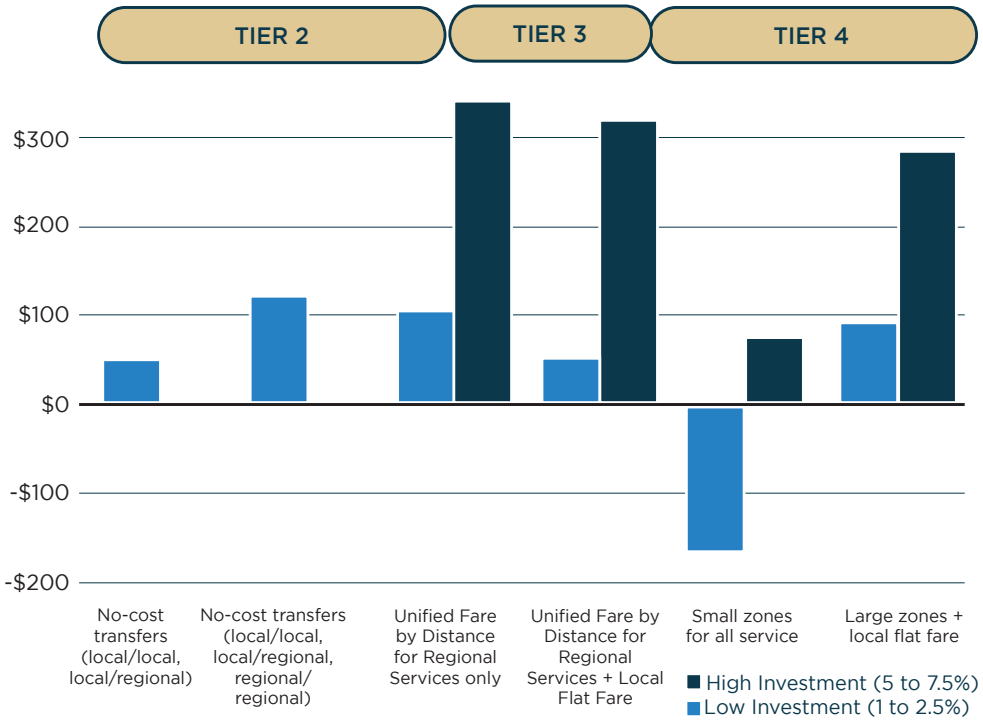
Fare integration can generate a welfare benefit of $50 million to $120 million with low investment and by $70 million to $340 million with high investment over its first five years.

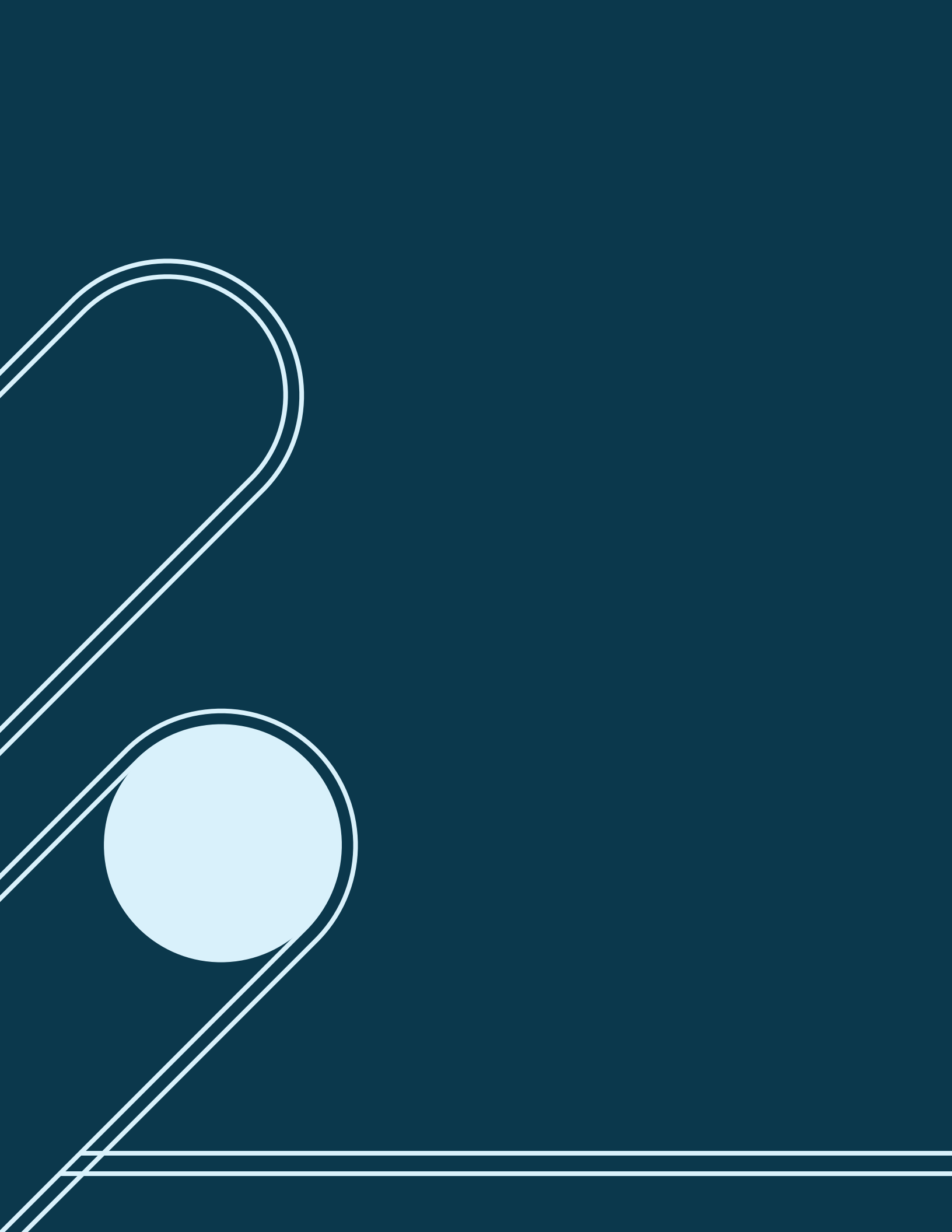
Economic Evaluation Summary

This evaluation notes the following conclusions for decision maker review:

» **Low Investment:** Tier 2 has the highest benefits over the first five years of integration – this is because it does not raise the price for any traveller while Tier 3 and Tier 4 options may require some increase at this level of subsidy. Price increases may cause some travellers to choose automobile, which results in some increases in VMT. Tier 2 does not increase any fares which results in higher VMT reduction. Tier 4 small zones is noted to have a net loss in regional welfare by -$170million over the first 5 years due to an increase in VMT.

» **High Investment:** Tier 3 generates the most significant value to the region ($340 m). Tier 4 offers lower benefits due to price changes to local agencies which results in some lost ridership, as well as generally higher fares for longer distance regional trips.





6.

Financial Case

Summary of the Financial Case

The Financial Case reviews the financial impacts and risks and identifies potential funding strategies. It evaluates each integration option based on three metrics: the required subsidy, the cost per new rider, as well as its cost effectiveness compared to other transit investments.

Combined, these metrics answer the questions:

» What level of financial commitment is required to delivery integration?
» How cost effective is each option?
» How does the subsidy required for integration compare to other options?

Costs in the Financial Case

The study team is reviewing the costs of fare integration. These costs include:

- **changes to operating costs for clipper (due to fare rule changes) and agencies**
- **capital costs for new software and equipment**
- **changes in maintenance and renewal costs for equipment**

These costs require additional detailed analysis that will be conducted as the study advances.

Financial Evaluation

Required Subsidy

Fare policy changes can either increase or decrease revenue generated. The six policy options evaluated decreased fare revenue. Without fare increases, fare integration will would require additional investment or "subsidy" to offset these costs to various transit agencies.

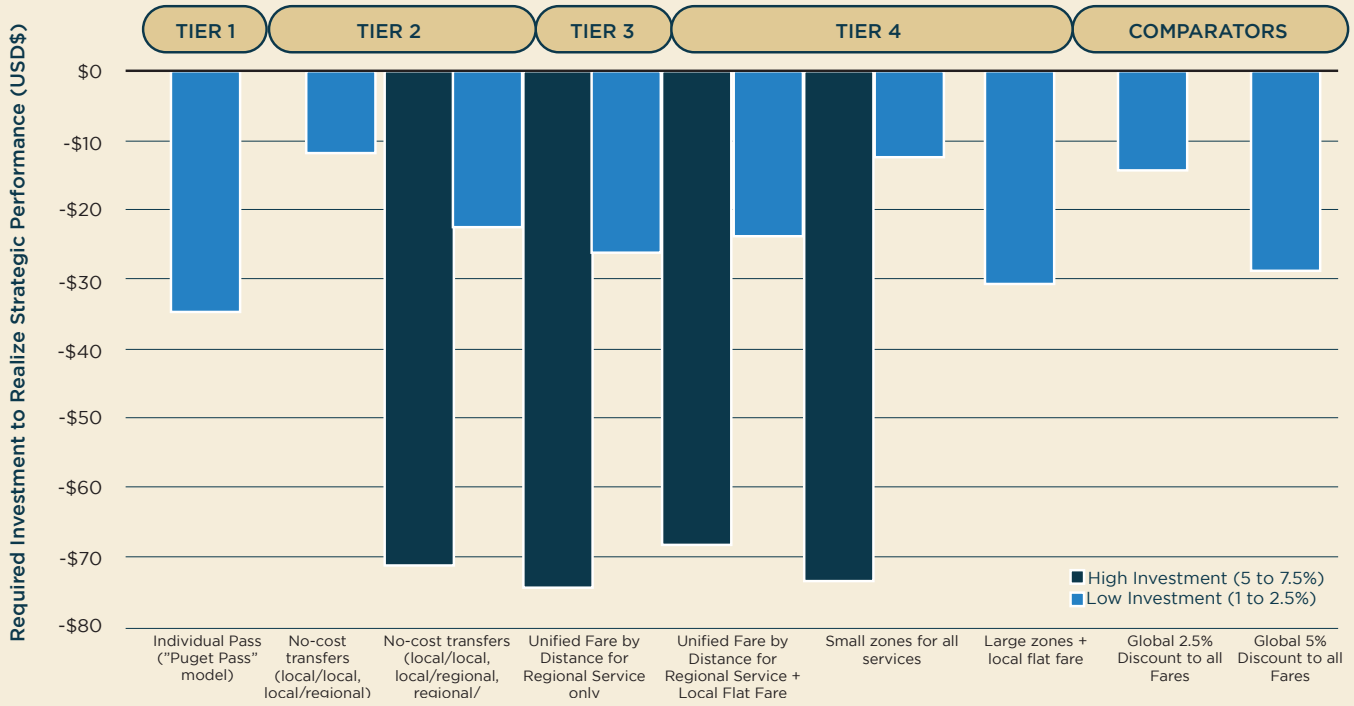
Options under Tier 2-4 were modeled based on the following "subsidy" scenarios:

» Low investment (1 to 2.5% loss of pre-COVID revenue)
» High investment (5 to 7.5% loss of pre-COVID revenue)

In addition, two global discount scenarios were modelled as comparators. These scenarios included:

» 2.5% general reduction in all transit fares
» 5.0% general reduction in all transit fares

Figure 6.1 Required Subsidy



The global discount scenarios help illustrate the relative benefits and cost efficiency of applying subsidy to fare integration in comparison to lowering fares generally across the region.

- Subsidy required for Tier 1 Individual pass is slightly more than other low investment options as well as global comparators at about $35 million per year. If applied in combination with other Tiers, this would require additional subsidy.
- The cost of Tier 2 transfer discounts between all services ranges between $11-$25 million per year.
- Lower investment variants of Tiers 3 and 4 will have some fare increases to offset these losses, while high investment variants of fare by distance with flat local fares, zonal, and zonal with flat local fare options also have fare increases. This is because Tier 2 level subsidy only covers free transfers and does not cover changes to regional-regional trips or local fares that are stipulated in higher tiers.
- Broader standardization of regional fares requires either significant new subsidy or raising fares for many customers to offset lost revenue.

Cost per New Rider

Comparing cost per new rider among various options demonstrates the cost efficiency of each option. As shown in the Strategic Evaluation, for example, Tier 4 options have the potential to significantly increase ridership in high subsidy scenarios. However, as shown in Figure 2.6, the relative value for money is much lower.

- Tier 2 has the lowest cost per new rider, while Tier 3 has a similar cost per new rider at low levels of investment.
- Widespread changes proposed under Tier 4 are more expensive as they lose ridership in some markets and generate growth in others – as level of subsidy applied to small zones decreases, the cost per rider increases as there are more ridership losses in key regional markets.
- Comparator tests illustrate that at a regional scale, direct discounts to the existing structure are likely to have a greater value for money than Tier 4 as they do not raise or lower fares in a structured – but arbitrary – manner.

Relationship between Ridership and Subsidy for Each Option

Across each of the four tiers, ridership gains increase with level of investment and cost per new rider, suggesting that there is a diminishing return on investment but higher overall gains to be realized with more subsidy.

Figure 6.2 Cost per New Rider

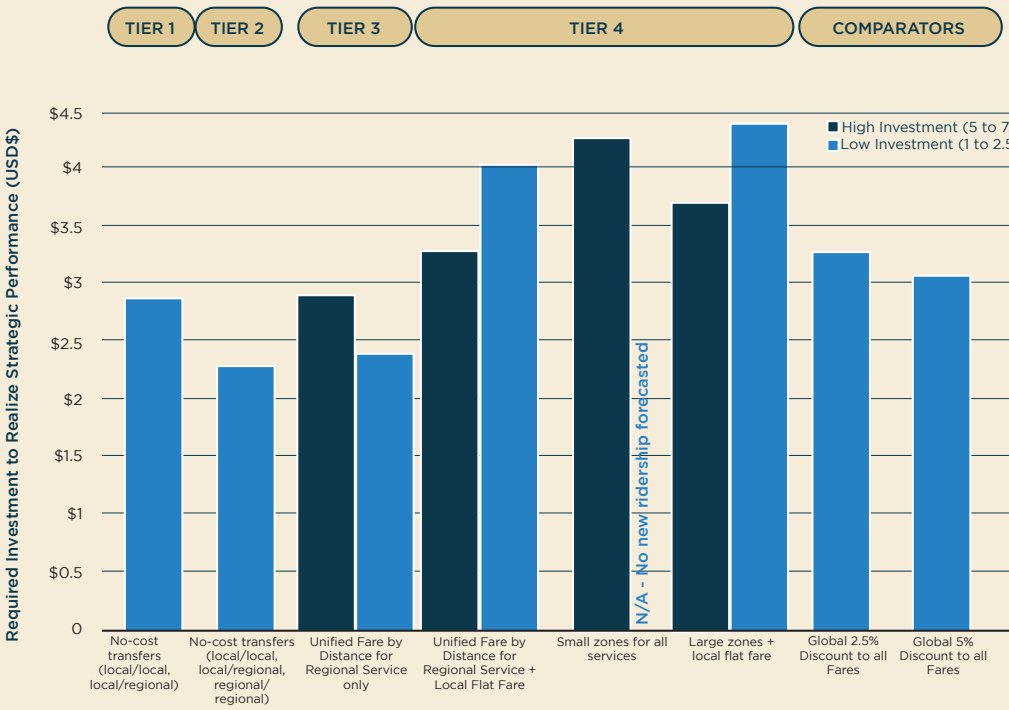


Figure 6.3 Relationship between Ridership and Subsidy

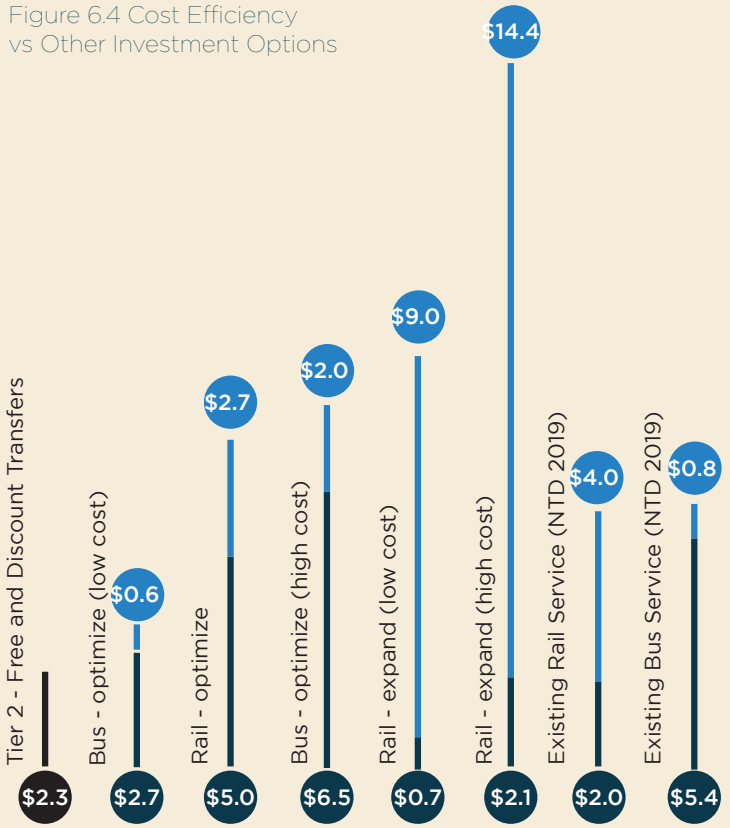
Figure 6.3 shows the relationship between ridership and revenue impact by mapping each of the options at similar levels of revenue impact (percent of revenue lost) and relative ridership increases.

- At low levels of investment (roughly 1-2% subsidy), Tier 2 and 3 options perform best. Tier 4 (small zones) loses ridership.
- At high levels of investment (roughly 5-7% subsidy), all Tiers show ridership increases more than 3%. Tier 3 has the highest ridership gains and exceeds Tier 4 options including zones and fare by distance options.

Cost Efficiency vs. Other Investment Options

Investment in fare integration performs favorably when compared with other investments in transit service and capital expansions. For example. the required subsidy for Tier 2 – Inter-Agency Transfer Discounts – has an estimated cost of $2.25 per new trip, which is less than the estimated cost-per-trip of most proposed and active Bay Area transit projects (as modeled in Plan Bay Area 2050 using RTM 1.5.) The revenue impact is also less than the average cost-per-trip of the existing Bay Area transit system as of 2019.

Figure 6.4 Cost Efficiency vs Other Investment Options



7.

Delivery and Operations Case

Summary of the Delivery and Operation Business Case

The implementation case is assessed based on the key changes required across the following dimensions:

- **Management** – how issues, risks, challenges, and changes will be managed over time
- **Technology** – how it is implemented and procured
- **Operations and Infrastructure** – how it will "run" on a day-to-day basis and what infrastructure is required
- **Customers** – what level of change management will be required for customers

Delivery and Operation Evaluation

Tier 1

Tier 1 is anticipated to have low impact on management, as it can be delivered with agency-to-agency agreements or delivered and managed centrally across the region. There will likely be more a more complex revenue allocation approach required if agency to agency agreements are used to manage this tier. It can be delivered with existing technology or with Clipper 2.0. It will require minimal changes to agency infrastructure and operations, as it can be rolled out with operator training and some investment in marketing and communications, either through the agency or centrally. It will also have low impact on customer and change management – if a pass, it will be opt-in and will require marketing and advertising, while a cap option should be broadly advertised but will automatically apply to customers and will not require additional action to access.

Tier 2

Tier 2 will have either a low impact or medium impact on management, depending on the change required. It can either be delivered with agency-to-agency agreements or be managed centrally across the region, which will require a formula for revenue allocation. Tier 2 can be delivered with existing technology on a limited basis or completely with Clipper 2.0 on the initial rollout. It will require minimal changes to agency infrastructure and operations, as it can be rolled out with operator training (to message the discounts) and supporting advertising material. Tier 2 will have a low impact on customers and change management, as the new changes would only have to be explained and will require little action on the part of the customer.

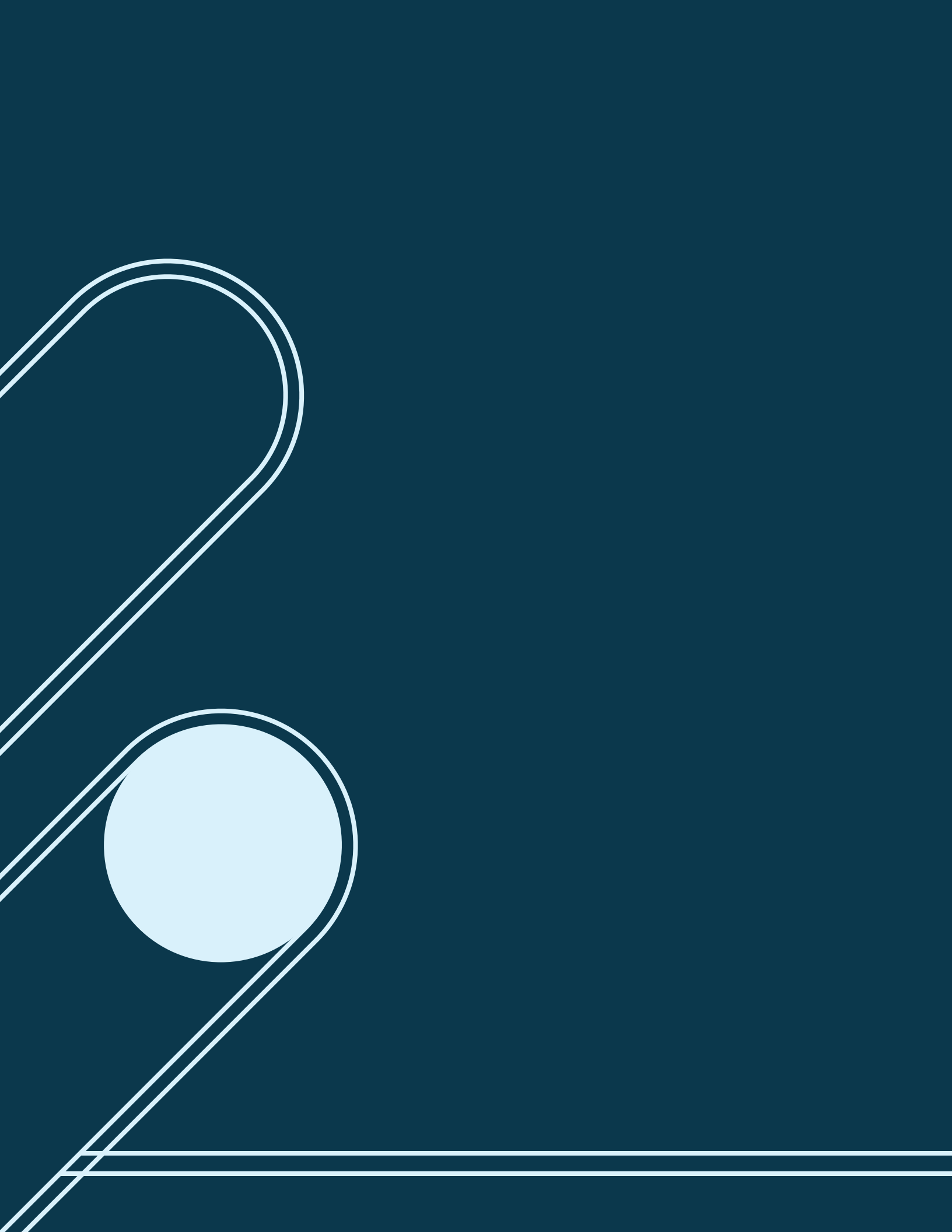
Tier 3

Tier 3 will have either a low impact or medium impact on management, depending on the change. It could either be partially delivered with agency-to-agency agreements, or delivered centrally across the region, which will require one agency to set fares and develop a formula for revenue allocation. It will require Clipper 2.0 as well as new fare setting approaches for one or more agencies. There will be a medium impact to agency infrastructure and operations, as Tier 3 requires new fare collection infrastructure, marketing materials, and staff training for all agencies that are integrated, either on an agency-by-agency basis or centrally. There will also be a medium impact to customers and change management, as the end fare structure will be fare by distance or zones across all regional operators.

Tier 4

Tier 4 will have the highest impact on management, as it requires an overhaul of revenue allocation and/or subsidy/funding allocation. The fare setting authority would need to be a central manager to ensure sustainable change and consistency. Tier 4 will require Clipper 2.0, new fare setting approaches for all agencies, as well as "tap off" or "check out" function on buses in region-wide zones. It will have a high impact on agency infrastructure and operations, as it requires a centralized approach to new fare collection infrastructure, marketing materials, and staff training for all agencies across the region. The "tap off" function on buses could have operational impacts over the short to medium term, and operators will require additional funding to cover shortfalls in fare revenue while maintaining level of service. It will also have a high impact on customers and change management, as customers will have to learn fare by distance/zones for regional trips or flat fare/zone structure for local trips, which are more complex and have wide-ranging chips for that used to be under an operator flat fare.

Tier	Options	Management	Technology	Agency Infrastructure and Operations	Customer Change Management
1	Individual Pass ("Puget Pass" model)	Low	Low	Low	Low
2	No-cost ransfers (local/local, local/regional)	Low/Medium	Low	Low	Low
	No-cost transfers (local/local, local/regional, regional-regional)				
3	Unified Fare by Distance for Regional Services only	Low/Medium	Medium	Medium	Low/Medium
4	Unified Fare by Distance for Regional Services + Local Flat Fare	High	Medium	High	Medium
	Small zones for all service				
	Large zones + local flat fare				



8.

Conclusion

The Conclusion provides a summary of the four evaluation cases and puts forward three recommendations for fare integration programs.

Business Case Summary

STRATEGIC CASE

Key conclusion - fare integration can generate significant ridership gains and VMT reductions while improving customer experience. Further analysis and policy development is required to manage the equity benefits and impacts of fare changes.

Under low investment scenarios, Tiers 1-3 generate the highest ridership and VMT reductions. Tier 1 (1.1 – Individual Pass) can generate up to 25,500 new daily trips, while Tier 2 can generate over 27,000 daily trips (option 2.2). Tier 3 has the highest ridership gains with over 30,000 trips daily trips (option 3.1). Tier 4 has mixed performance – option 4.1 and 4.3 generate 16,000 and 22,000 trips per day, while option 4.2 is forecast to lose 2,000 trips.

Under high investment scenarios, Tier 3 has the strongest performance with nearly 69,000 new daily trips (option 3.1). Tier 4 has a range of performance with 4.1 generating 62,500 daily trips, and 4.2 and 4.1 generating 44,000 and 55,000 trips respectively.

Customer research indicated a generally positive view of Tier 2 and 3, with some feedback and issues to resolve on Tier 4 options.

Bottom line – Tiers 2 and 3 are anticipated to generate similar ridership under low investment; however, if additional funding is available Tier 3 has the strongest strategic performance.

ECONOMIC CASE

Key conclusion – fare integration can generate socio-economic value for the region over five years when delivered with low ($50-$110m) and high investment ($280 to $340).

Under a low investment scenario, Tier 2 has the highest economic value at $120m over five years, while Tier 3 has nearly comparable performance at $110m over five years. Tier 4 performance is mixes – option 4.1 can generate $50m and option 4.3 can generate $90m, while option 4.1 is anticipated to generate -$170m (a net disbenefit).

Under a high investment scenario, Tier 3 has the strongest economic performance with up t $340m generated for the region over five years. Tier 4 can generate $310m (option 4.1), $70m (option 4.2), or $280m (option 4.3).

Bottom line – Tiers 2 and 3 are anticipated to generate similar impact under a low investment scenario; under high investment Tier 3 has the highest economic value of all policies considered

FINANCIAL CASE

Key conclusion – fare integration can generate ridership at a lower cost per new rider than other regional investments.

Under the low investment scenarios, Tiers 2-3 have the lowest cost per new rider, ranging from $2.24 (Option 2.1) to $2.39 (Option 3.1). Options in Tier 4 have a higher cost per new rider ranging from $3.28 to $3.69, with option 4.2 having a net loss in ridership.

Under the high investment scenarios, the cost per new rider for all options increases, reflecting declining financial efficiency. However, the cost per new rider is generally lower than other non-fare integration investments. Tiers 3 has a lower cost per new rider ($2.84 for Option 3.1) than Tier 4 ($4.02-$4.34).

Bottom line – tiers 2 and 3 are anticipated to have the lowest cost per new rider and therefore strongest financial efficiency and value for money. Financial efficiency declines under a high investment scenario for all scenarios, however value for money is still competitive with other regional transit investments.

DELIVERY AND OPERATIONS DIMENSION

Key conclusion – all tiers and options were assessed based on risks and requirements across management, technology, operations and infrastructure, and customer impacts. This noted that while all tiers are deliverable, Tiers 1-2 have the lowest requirements and Tier 4 has the highest.

Tier 1-2 have low risks and impacts across management, technology, infrastructure and operations, and customer impacts.

Tier 3 has low/medium impacts on management and customers, with medium impacts to technology and agency infrastructure and operations. Increased impacts come from integrating regional fares.

Tier 4 has high impacts and risks in the management and infrastructure and operations categories, and medium/high impacts and risks on technology and customers. These risks and requirements are due to the significant changes to local fares called for in this tier.

Bottom line – tiers 1-2 are likely to be less onerous and risky to deliver for the region, while Tier 3 may carry some increased risks or impacts compared to these tiers. Generally, tier 4 is considered the most complex and highest risk to deliver.

Overall Considerations for Fare Policy Development

- Tier 1 can be layered on other tiers and offers strong performance across all dimensions
- Tier 2 has strong performance across all dimensions but has a 'benefit cap'
- Tier 3 offers expanded benefits compared to Tier 2 at higher-levels of investment and comparable benefits at low investment. However, it is more complex to deliver.
- Tier 4 tends to have lower benefits than Tier 3 at high investment and both Tiers 2-3 at low investment. It is also the most complex to deliver due to extensive changes to local fares.

Key Lessons Learned

- In the short term, Tier 2 can be delivered with low investment to unlock a significant portion of the overall potential benefits of fare integration with minimal risk and negative impact to mitigate.
- In the longer term, Tier 3 could be delivered to realize expanded benefits of fare integration. Tier 3 may be a strong later phase for Bay Area fare integration because it requires more significant change and potentially higher levels of investment to deliver upon its full potential compared to Tier 2.

Recommendations

1) Advance Tier 1 Pilot project to explore effects of integration in a post-COVID environment

This recommendation can be implemented through an employer or institutional pass, and/or as an individual pass. Both options provide an opportunity to demonstrate ridership gains and user experience benefits in an environment of uncertainty.

Employer/Institutional Pass

An employer or institutional pass would be applicable to all agencies where institutions or employers buy all-you-can-ride passes for all constituents. This kind of pass program has been successfully modeled in the Bay Area (Caltrain's Go Pass) and in similar regions and could be piloted using the existing Clipper system.

Pricing would be based on business location for a long-term program but can be simplified or subsidized for a pilot. Importantly, the pass would require careful design and mitigation to achieve equity balance for low-income riders and would be priced to achieve subsidy parity with other fares.

This program would engage Bay Area institutions and the business community in the transit system's success and promote commuter market recovery. Implementing this recommendation as a pilot project would allow for an evaluation of a barrier-free all agency transit pass to build toward broader fare integration in 2023.

Individual Pass ("Puget Pass" model)

An individual pass would include multiple agencies, allowing multi-agency users the same high-volume discounts now available to single-agency riders. This pass is comparable to the multi-agency pass offered in the Seattle ("Puget Pass") and Washington D.C. regions, which reduce user friction for multi-agency trips. This option can be implemented in Clipper 2 but would require system changes, namely a multi-agency revenue sharing structure.

Pricing for this pass would be based on user-selected fare (the most common trip value) multiplied by a standard factor. For example, a $3.00 pass costs $3 x 18 round trips per month ($108). All trips up to $3 are covered (a $4 trip would require $1 payment from e-cash). Under this model each new trip would have a $4.25 cost in subsidy, with ridership expected to increase by 1.5% generating $34M in revenue each year.

This multi-tiered structure aims to minimize revenue loss and improve equity performance (ensuring highest-volume rail/ferry riders are not over-subsidized relative to local bus riders). However, an up-front payment may exclude low-income riders. Pairing pricing for the pass with Clipper START fare capping would help mitigate these impacts.

2) Implement no-cost and reduced cost transfers beginning in 2023, coinciding with C2 rollout

This recommendation includes free or reduced cost transfer region-wide and is compatible with an all-agency institutional or employer pass program. A no cost or reduced cost transfer can be implemented for various types of local and regional trips. For local-local or local-regional connections, customers would only pay for the most expensive segment. For regional-regional connections, a transfer discount about equal to the minimum fare or the local bus fare would be applied. This option is readily implementable in the next generation Clipper within existing governance structures. With a $2.25 subsidy per trip, modeling shows a 1.9% increase in ridership generating $22.5M per year in revenue.

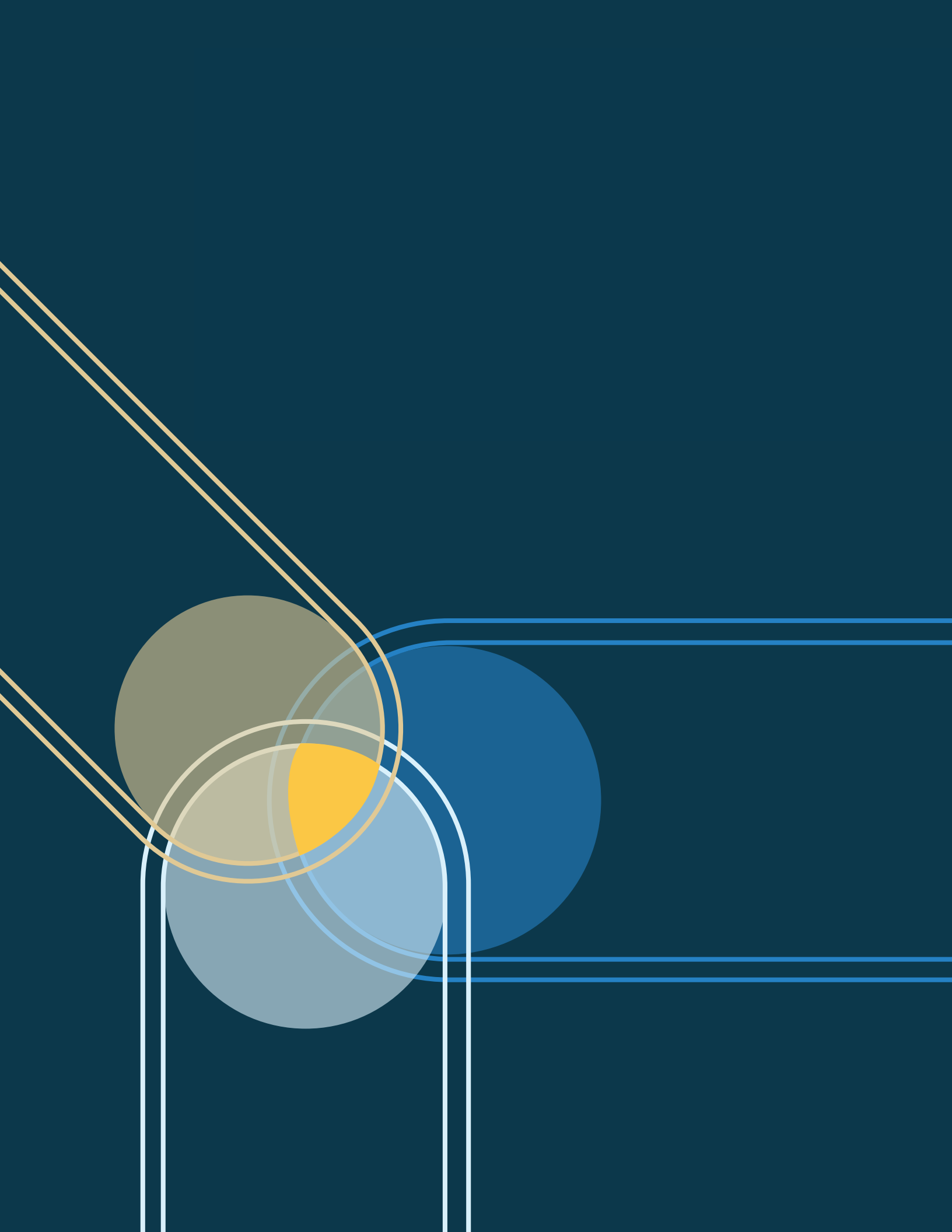
User research showed that reduced or no cost transfers were widely understood and valued by transit customers as they eliminate price barriers between agencies. They also create a more seamless transfer experience by treating inter-agency connections like single-agency connections and allowing regional service to function as a better part of the local network. Overall, discounts delivered clear ridership benefits, which are balanced across income levels.

3) Adopt a long-term plan to reach a Tier 3 level of integration, which aligns regional services under one fare structure

This recommendation involves a shared fare-by-distance structure for all regional services (rail, ferry, and regional express bus). Under a high investment option of $2.84 per new trip, ridership would increase 4.7% with a revenue impact of $70M per year. Under a low investment option of $2.39 per new trip, ridership would increase by 2.1% and generate $26M in revenue each year.

Implementing this structure would require new agreements or governance structures for regional service, some new Clipper equipment, and change management for some regional customers.
The benefits of this structure are balanced across all income levels, and it is a more legible system for regional travelers, infrequent users, and visitors. With this structure there is potential to be part of a broader customer-facing strategy for long-term regional recovery.

Further assessment of the benefits and costs of a single distance-based fare structure should be undertaken for regional services. Additionally, continued study of this option will help evaluate its impacts on post-COVID ridership, its role in the region, and a funding strategy for regional services.



Bay Area Fare Coordination and Integration Study

Fare Integration Task Force Meeting
October 18, 2021

BART

METROPOLITAN TRANSPORTATION COMMISSION

Agenda

1. Project Timeline
2. Recommendations Recap
3. Policy Vision Statement (for discussion)
4. Next Steps

1 Project Timeline

Project Timeline

Where have we been

Since May 2020	Defined problem statement, identified & shortlisted options, conducted business case analysis, and developed fare integration tiers
September 2021	Presented business case findings and draft recommendations to Fare Integration Task Force
Ongoing	Presenting project overview, study findings, and recommendations to transit agency boards

What's next

Today	Discuss draft Transit Fare Policy Vision Statement and Draft Report
October 27 & 28	Present recommendations to MTC Commission Workshop on 10/27-28
November 2021 - January 2022	Fare Integration Task Force considers endorsing a Transit Fare Policy Vision Statement, accepting final FCIS Report, direct staff on whether to develop an implementation strategy for pilots and other actions

2

Recommendations Recap

Fare Integration Tiers

The fare integration business case assesses the benefits, costs, and requirements associated with increasing tiers of fare policy integration in the Bay Area.

1.

Overlays to the fare structure

Passes and Caps

Cap based on # of trips, cap based on price cap, pass at various price levels

What level of benefit can be unlocked from overlays to the fare system alone or as part of other tiers?

2.

Free + Discounted Transfers

Free Transfers to/from Local Transit (Local Bus and LRT)

Discounted Transfers to/from Regional Transit (Rail, Ferry, Express Bus)

What level of benefit is unlocked by providing free or discounted transfers between agencies?

3.

Regional Change

Common Distance-Based or Zone-Based Fare System for Regional Transit (Rail, Ferry, Express Bus)

What additional benefits are unlocked by bringing all regional operators under one fare structure?

4.

Regional + Local Change

Common Distance-Based or Zone-Based Fare System for all Bay Area Transit

Common Flat-Fare for Local Transit

Can further benefits be realized by changing all local operator fares?

Summary of Recommendations

1

Phase A – Pilot (2022)

- ❑ All-agency institutional/employer pass pilot

2

Phase B – Clipper 2 Launch (2023)

- ❑ Free/reduced cost transfers region-wide
- ❑ All-agency institutional/employer pass (final design pending pilot findings)
- ❑ Continue to explore options for individual pass products and/or a Clipper START cap (final design pending pilot findings)

3

Phase C – Post Clipper 2 (2024+)

- ❑ Continue to assess benefits and costs of a single distance- or zone-based fare structure for <u>regional</u> services
  - ❖ *Continued study of this option in the context of broader evaluation of post-COVID ridership, role in the region, and funding strategy for regional services*

Notes Regarding Local Authority

- Recommendations do not contemplate transfer of locally-sourced funds between agencies
- Recommendations assume new regional funds would be sought to offset agency revenue impacts
- Phase A and Phase B recommendations do not contemplate changes to any agency board's fare-setting authority

3 Policy Vision Statement

Draft Bay Area Transit Fare Policy Vision Statement

What is it?

The purpose of the Transit Fare Policy Vision Statement is to allow the Fare Integration Task Force to begin to articulate a policy direction it could support in principle and to provide direction to transit agency and MTC staff about how to prioritize upcoming work, including returning to the Task Force with specific actions related to the proposed pilot all-transit agency employer/institutional pass.

What does it mean?

- Fare Integration Task Force may want to *demonstrate support* for a fare policy vision, subject to certain prerequisites, in order to provide direction to staff and signal a policy vision to outside stakeholders.
- Endorsement may *strengthen the case for new funding*, to support delivery of fare policy initiatives.
- Endorsement of a policy vision ***does not*** commit operators to any particular action or funding obligation.
- **The Fare Policy Vision Statement is presented today for discussion and feedback, not for adoption.**

Draft Fare Policy Vision Statement (1 of 3)

Statement of Study Findings
Based on the draft findings of the Fare Coordination and Integration Study (FCIS), the Fare Integration Task Force (Task Force) recognizes that the implementation of more coordinated and integrated transit fare policies may offer cost-effective options for improving the transit customer experience, promoting transit ridership recovery from the COVID-19 pandemic, and reducing regional vehicle miles traveled, greenhouse gas emissions, and transit travel times for customers, in ways that are compatible with the equity goals of transit operators, local stakeholders, MTC, and the State of California.

Draft Fare Policy Vision Statement (2 of 3)

Prerequisites for Delivery of Transit Fare Policy Initiatives

The Task Force recommends that transit operator and MTC staff work to advance the below policies if the following prerequisites can be met:

- Implementation will not require the transfer of locally sourced funds between transit agencies.
- Prior to implementation of any of the Transit Fare Policy Initiatives, new funding sources will be sought to offset adverse transit agency revenue impacts resulting from implementation.
- Implementation of any of the Transit Fare Policy Initiatives will require approval by the appropriate transit agency governing body.
- Implementation of any of the Transit Fare Policy Initiatives shall not result in a reduction of transit agency operating service levels.

Draft Fare Policy Vision Statement (3 of 3)

Transit Fare Policy Initiatives for Further Development

The Task Force endorses continued work by transit operators and MTC staff to advance the following policy initiatives:

1. Deployment of an all-transit agency institutional/employer pass demonstration pilot in 2022, with a focus on educational institutions, affordable housing properties, and employers of various sizes, pending available resources/technical considerations.

2. Implement a no-cost and reduced cost transfers for transit users transferring between different transit agencies beginning in 2023, coinciding with the rollout of the Next Generation Clipper® system/Clipper® 2.

3. Continue to develop a proposal for implementing an all-transit agency pass product for the general public after the launch of the Next Generation Clipper® system/Clipper® 2 in 2023 or later (pending outcomes and data from the pilot noted in no. 1 above).

4. Continue to refine the vision of eventually creating a common fare structure (distance or zone-based) for regional rail, ferry, and express bus service after Next Generation Clipper® system/Clipper® 2 implementation. Direct transit operator staff and MTC staff to continue to evaluate the benefits and costs of a common fare structure for regional transit services in the context of a broader evaluation of post-COVID-19 pandemic ridership patterns, the role of regional transit service in the region, and the funding strategy for these regional transit services.

4 Next steps

Next Steps: Advance Regional Institutional/Employer Pass Pilot

Pilot Objectives

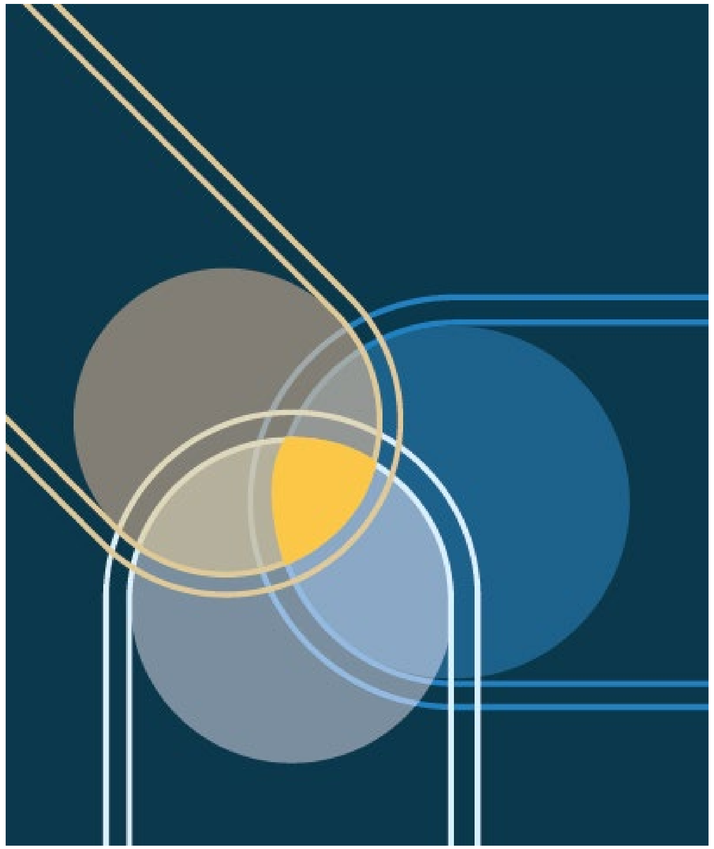
- Evaluate a barrier-free all agency transit pass to build toward broader fare integration in 2023
- Collect data that could be used as the basis for revenue model for permanent program

Phase 1 (Middle of Calendar Year 2022)

- Focus on educational institutions, affordable housing properties, and employers of various sizes.

Phase 2

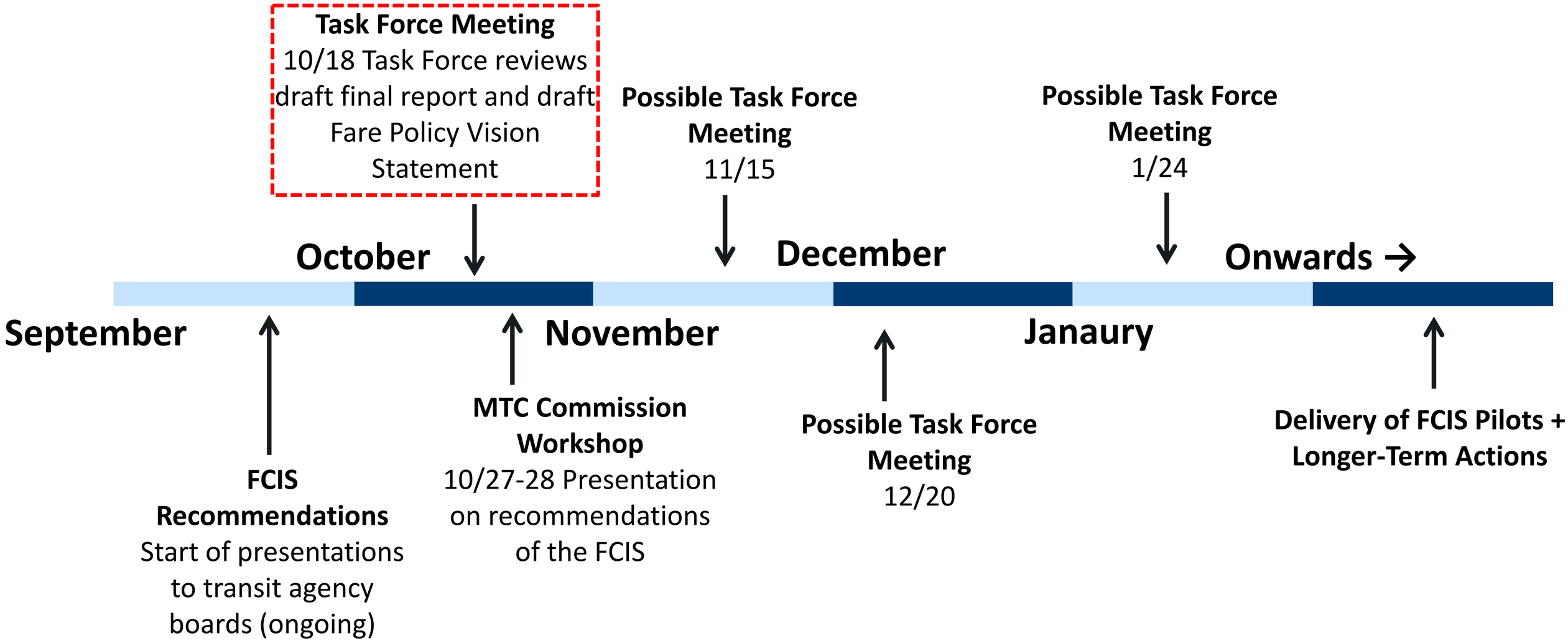
- To be designed and implemented based on learnings from Phase 1, and tentatively to include:
  - Expansion to a larger number of participant institutions/employers



Challenges

- Similar existing offerings tend to serve either students or white-collar workers – program will need a strong equity focus to achieve balance
- Significant administrative cost / staffing requirements for pilot, ideally structure could be used for a permanent program if pilot is successful
- Clipper 1 implementation requires 100% of agencies to sign-on
- Revenue risk – pilot will require funding to backstop agency revenue

Next Steps


Task Force Meeting
10/18 Task Force reviews draft final report and draft Fare Policy Vision Statement
Possible Task Force Meeting
11/15
Possible Task Force Meeting
1/24
October
December
Onwards →
September
November
Janaury
FCIS Recommendations
Start of presentations to transit agency boards (ongoing)
MTC Commission Workshop
10/27-28 Presentation on recommendations of the FCIS
Possible Task Force Meeting
12/20
Delivery of FCIS Pilots + Longer-Term Actions

From: Joe [redacted]
To: MTC-ABAG Info
Cc: Martha Silver
Subject: JAK Comments for the 2021-10-18 Fare Integration Task Force
Date: Sunday, October 17, 2021 4:11:16 PM

External Email

17 Oct. 2021

Dear Fare Integration Task Force;

Thank you for taking my comments, Joe A. Kunzler here. I sincerely appreciate that you are making time to integrate the fares of the Bay Area and my comments below will begin with my personal experience.

I also *strongly support* the Draft Bay Area Transit Fare Policy Vision Statement due to personal experience. First, I appreciate as a transit rider the principle that, "Implementation of any of the Transit Fare Policy Initiatives shall not result in a reduction of transit agency operating service levels." I know this is of grave concern to some as I watch your meetings, but especially MUNI Director Tumlin.

Second, I just spent 48 hours in your part of the world riding BART, AC Transit, San Francisco Bay Ferry - twice, a good slice of Muni buses + Metro + streetcars making a circumference tour of San Francisco, and both a Golden Gate Transit coach to the Golden Gate Bridge and after some Muni rides a round trip on Golden Gate Transit's fast ferry MV *Golden Gate* (formerly 'my' Washington State Ferries' MV *Chinook*). Before we get on to my experience with those systems, that experience emboldens me to support *more* the principles, "Implement a no-cost and reduced cost transfers for transit users transferring between different transit agencies beginning in 2023" and, "Continue to develop a proposal for implementing an all-transit agency pass product for the general public after the launch of the Next Generation Clipper".

What I experienced last week in those 48 hours was that each transit had its own fare policy with AC Transit the most fair, MUNI a close second, and Golden Gate Transit the least. Twice I had to top up my Clipper fare from what I loaded at home due to these differing fare policies, and I do appreciate Muni having a progressive $5 day pass being able to use my smartphone as proof of payment for that one special Friday to see the Golden Gate Bridge, shop at a Safeway, go to a date, ride historic streetcars, and ride + see a good slice of the MUNI Metro.

Transfers between transit agencies and eventually an all-transit agency pass product would provide simplicity and ease of mobility + financial planning. Again, twice I had to top up my Clipper fare - the first time with a friendly gentleman in the Bay Ferry terminal and the second at BART's Rockridge to ensure I wasn't trapped behind a faregate at SFO. I should have been able to project with confidence my transit fare from home...

Plus I did not go to an In-N-Out Burger franchise to eat specifically because I would have had to transfer to another transit agency beyond those already named. It was just too much to handle for a specific kind of cheeseburger.

I also as an environmentalist + someone who does not like waiting in traffic on a bus or MUNI Metro sincerely wish to see Vehicle Miles Traveled (VMT) reduced as per page 21 of the Fare Coordination and Integration Study. Especially someone who enjoyed the bus lane priority work MUNI's Exec Director Jeffrey Tumlin is doing in San Francisco. Hopefully obvious that reducing VMT via fare policy reform is important to reducing climate change

and congestion. Starting with over 200,000 VMT reduced by no-cost transfers would be a good start, with the promise of more with more fare integration.

I also think just as Covid19 vaccine mandates are key to restoring ridership, so too is fare integration. Even getting 20,000 ridership gain and not the 30,000 promised in page 20 of the Fare Coordination and Integration Study is good for revenue, the environment and fiscal + political stability for public transit.

Finally, the Fare Coordination and Integration Study makes clear there are bigger options that need to be considered with bigger gains for transit ridership and revenue. I really hope these options are further explored, explained and expedited alongside efforts at better wayfinding and coordinated service. Although I was able to find my way easily, the fact I used TransitApp.com was key to navigating connections to all these systems means wayfinding should also be a concurrent priority.

In conclusion I do appreciate very much a more fair policy of no-cost transfers between agencies. Transit riders need transit passes and fare capping also as much as possible. Transit riders also need revenue offsets for any loss of revenue from fair fare reform please.

Very thoughtfully;

Joe [redacted]

From: MTC-ABAG Info
To: Martha Silver; William Bacon
Subject: Fwd: Oct. 18 Fare Integration Task Force Meeting
Date: Sunday, October 17, 2021 6:06:23 PM

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From: Simon [redacted]
Sent: Sunday, October 17, 2021 4:59:17 PM
To: MTC-ABAG Info <info@bayareametro.gov>
Subject: Oct. 18 Fare Integration Task Force Meeting

External Email

To Whom It May Concern:

I'd like to express my support for at least the first couple phases recommended by the Fare Integration Task Force (slide 12 of the deck here): the **all-agency pass pilot** in 2022 and **free region-wide transfers** in 2023.

I've been a resident of San Francisco all my life and I'm currently a graduate student at [redacted] As you might imagine, it's quite challenging for me to get from San Francisco all the way to campus on time for classes.

[redacted] actually offers a transit pass for students, but it's only for VTA right now which isn't that useful for me as someone who would need at least SFMTA and BART/Caltrain added to make it usable. So as it is currently, I always end up driving a car to campus instead and the experience is always stressful/unpredictable.

An institutional all-agency pass would be a game changer for me and many of my classmates, some of whom live all the way out in Vallejo and San Rafael.

I understand funding is a major concern right now, and I wouldn't want to compromise basic service either, but I strongly believe better regional integration is a worthwhile investment for long-term transit ridership growth.

The academic research on transit ridership also strongly suggests that institutional passes are an effective way to boost ridership, especially for students like me who have a relatively high price elasticity of demand.

So please consider supporting at least the first two pilot steps from the study: the **all-agency pass pilot** in 2022 and the **free region-wide transfers** in 2023. Of course I'd also love to see support for the full **Transit Fare Policy Vision Statement** and more collaboration towards transit system integration in the future, but please consider supporting at least these first few steps.

Thank you.

Sincerely,

Simon [redacted]

From: MTC-ABAG Info
To: Martha Silver; William Bacon
Subject: Fwd: Monday, October 18th Fare Integration Task Force: Agenda Item #5a Public Comment
Date: Sunday, October 17, 2021 6:06:43 PM

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From: Raayan [redacted]
Sent: Sunday, October 17, 2021 4:46:40 PM
To: MTC-ABAG Info <info@bayareametro.gov>
Subject: Monday, October 18th Fare Integration Task Force: Agenda Item #5a Public Comment

External Email

Hello,

My name is Raayan [redacted] I live in [redacted] and I regularly use Caltrain, BART, SamTrans, and Muni. Every day, for work, play, and family commitments, I use these agencies to get around [redacted] counties. Every day, I pay extra to transfer between Caltrain and BART at Millbrae, not to mention paying separately to park my bike in a bike locker. As someone fortunately with the means to pay $14.50 for to get to and from my job in [redacted] I pay it willingly, but this framework is clearly cost-prohibitive or discouraging for many others, given how much more expensive inter-agency trips are compared to seamlessly connecting to a regional highway network that gets you quickly and cheaply (with subsidy) directly to your destination. If transit was more convenient, with easy and free transfers, and the ability to pay once to transport yourself with a common fare structure amongst all bay area systems, then everyone, including lower income people who tend to live further away from job centers and are therefore likely to require inter-agency trips to get where they need to go, would be more likely to ride transit, and would have a better experience.

I urge the task force to support the transit fare policy vision statement, including a commitment to an all-agency transit pass, free transfers, and a common fare structure for regional transit services. We should not spike any of the recommendations, especially given that these recommendations can lead to significant ridership growth on the same scale as major capital projects our agencies are engaging in such as the Downtown Extension, Geary BRT, and Caltrain electrification. While I understand wariness regarding unfunded mandates, I also support the pursuit of funding to implement the more involved recommendations. I urge the task force to support working with the other transit agencies and MTC toward a fully integrated fare structure that can support unified wayfinding signage (like our road system), branding, and coordinated service, including identifying the new funding and additional governance changes needed to deliver a convenient, affordable fare system.

From: MTC-ABAG Info
To: Martha Silver; William Bacon
Subject: Fwd: October 18 Fare Integration Task Force Meeting
Date: Sunday, October 17, 2021 6:06:56 PM

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From: Sprague [redacted]
Sent: Sunday, October 17, 2021 4:43:34 PM
To: MTC-ABAG Info <info@bayareametro.gov>
Subject: October 18 Fare Integration Task Force Meeting

External Email

To whom it may concern at the task force,

I strongly support the greatest possible level of fare integration among all of the Bay Area's transit agencies. I hope your organization will help move forward efforts to integrate fares between the different agencies, to allow for free transfers between agencies - regardless of whether one is traveling by bus, train, or ferry. Furthermore, it would be worthwhile to have regional passes - so that passengers can travel within the region for unlimited trips within a specific time period (ie. day, week, month, year).

As a longtime Bay Area resident and transit rider, I know that much more can be done to bring our region closer to international standards and, in so doing, improve transit for existing riders while growing public transit ridership throughout our region.

Thank you very much for your efforts to modernize and improve Bay Area transit.

Sprague [redacted] and family
[redacted]

From: MTC-ABAG Info
To: Martha Silver; William Bacon
Subject: Fwd: Oct. 18 Fare Integration Task Force Meeting
Date: Sunday, October 17, 2021 6:07:08 PM

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From: Rob [redacted]
Sent: Sunday, October 17, 2021 4:11:09 PM
To: MTC-ABAG Info <info@bayareametro.gov>
Subject: Oct. 18 Fare Integration Task Force Meeting

External Email

My name is Rob [redacted] and am writing you today in support of Agenda Items #4a and 5a concerning fare integration and coordination. I live in [redacted] and my major transit agencies are VTA, SamTrans, and Caltrain. I would also like to use A/C Transit and BART more if they were more convenient.

I formerly commuted by Caltrain for many years to jobs in [redacted] Francisco, and sometimes to ones in other [redacted] cities. Since becoming self-employed, and now semi-tired, I use a greater variety of transit providers and exclusively for purposes other than commuting, such as access to entertainment, recreation, and inter-city travel (airports). It is my plan to use transit more as I get older.

I see a better integrated Bay Area transit system as an urgent priority that would benefit me in several ways. First, it would make my travel, particularly route selection and trip planning, much easier. Second, it would bring into the system more riders, which would make finances more robust so that I can be better assured of having good transit available into the future. Thirdly, like most people I am greatly concerned about controlling climate change.

As you proceed through these changes, I urge you to keep an eye on competent governance that has the region's interests in mind while addressing what happens on the ground locally. Without this, we have no guarantee that whatever changes you make will stay in effect over the long term.

Thank you for your time and attention.

Rob [redacted]

From: MTC-ABAG Info
To: Martha Silver; William Bacon
Subject: Fwd: Oct. 18 Fare Integration Task Force Meeting
Date: Sunday, October 17, 2021 6:07:44 PM

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From: Remi [redacted]
Sent: Sunday, October 17, 2021 2:40:18 PM
To: MTC-ABAG Info <info@bayareametro.gov>
Subject: Oct. 18 Fare Integration Task Force Meeting

External Email

Dear General Managers:

We live in [redacted] and use SamTrans to ride to BART and Caltrain stations primarily and my [redacted] at [redacted] uses AC/Transit in [redacted] and to and from BART there.

When I use transit exclusively, it is combination of bus and rail, so fare integration would greatly increase convenience and reduce costs

We urge you to support the near term recommendations of the Fare Integration study:

The key pillars of fare integration should be:

- Deployment of an all-transit agency pass - A pilot “go-anywhere” transit pass for organizations that lets people go anywhere they can get to on a bus, train or ferry (available initially to institutions such as colleges and affordable housing as a pilot, then made available to the general public)
- Free transfers between transit agencies
- A common fare structure for regional rail, bus, and ferry services

Now is the time to take steps to make transit more convenient to bring riders back to transit to help recover from the impacts of Covid-19

Recent SamTrans data shows that riders seek better coordination between local and regional transit; and Caltrain's equity studies show that better connections to local transit can help Caltrain attract more low-income riders.

We urge the agencies to support working with the other transit agencies and MTC toward an even more integrated fare structure, including identifying the additional funding needed to support additional integration that can bring many more riders to transit.

Other things all of the agencies can do to win back riders post pandemic:

- speed and convenience:
    - exclusive bus lanes
    - 15 mins or less headways
    - more limited stop trains and express buses

- so riders feel safe from Covid-19 on transit:
    - Clean transit vehicles so commuters feel safe from Covid-19 - BART is still pretty filthy
    - Continued Mask mandates on transit vehicles and stations
    - Hepa filters on transit vehicle and station HVAC
    - Keeping windows open on buses when AC/heat not in use
    - Proof of vaccination or recent negative Covid-19 test for operators and riders

Work with all agencies and organizations:

- for financial incentives to use transit
    - monthly, weekly, multiple ride commuter pass discount options
    - college, K-12 student discounts
    - senior discounts
    - low income discounts
    - Putting a Central Business District car toll fees in SF and other downtown areas with high density of offices and near BART and high quality bus transit
    - Increase workday parking fees in downtown areas near BART and high quality bus transit
    - Increased gas tax
    - integration should include last mile options like bike and scooter shares and short uber/lyft/taxi trips to and from transit stations.

From: MTC-ABAG Info
To: Martha Silver; William Bacon
Subject: Fwd: Oct. 18 Fare Integration Task Force Meeting
Date: Sunday, October 17, 2021 6:08:07 PM

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From: Andrea Horbinski [redacted]
Sent: Sunday, October 17, 2021 2:12:07 PM
To: MTC-ABAG Info <info@bayareametro.gov>
Subject: Oct. 18 Fare Integration Task Force Meeting

External Email

Dear Task Force members,

As a transit rider who lives in [redacted] I regularly use BART, AC Transit, and SFMTA, and I am strongly in favor of fare integration. I lived in Japan for several years, and I saw there how much benefit a fully integrated fare system can bring to public transit and transit riders. I'm convinced that fare integration in the Bay Area would bring multiple benefits to me and other riders, including increasing ridership and making it easier to travel to different parts of the Bay Area--both of which would help cut greenhouse gas emissions and mitigate climate change.

I urge the Task Force in the strongest possible terms to support the Transit Fare Policy Vision Statement, including commitment to an all-agency transit pass, free transfers, and a common fare structure for regional transit services. These are basic steps for a regionally integrated transit system and they will benefit the entire Bay Area and all transit agencies and riders in it. I also urge the Task Force to to support working with the other transit agencies and MTC toward a fully integrated fare structure that can support unified wayfinding signage, branding, and coordinated service. This includes identifying the new funding and additional governance changes needed to deliver a convenient, affordable fare system for everyone in the region.

The Task Force and the region have a priceless opportunity to take bold action to improve transit for the entire Bay Area, and I urge you again in the strongest possible terms to take it by working towards regional fare integration across the board. Thank you.

sincerely,

Dr. Andrea Horbinski, PhD
https://ahorbinski.com/
@horbinski

From: MTC-ABAG Info
To: William Bacon; Martha Silver
Subject: Fwd: Oct. 18 Fare Integration Task Force Meeting
Date: Sunday, October 17, 2021 6:08:08 PM

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From: Rachel [redacted]
Sent: Sunday, October 17, 2021 1:51:11 PM
To: MTC-ABAG Info <info@bayareametro.gov>
Subject: Oct. 18 Fare Integration Task Force Meeting

External Email

To whom it may concern at the Metropolitan Transportation Commission,

I fully support the recommendations from the Fare Coordination and Integration Study. I urge you to implement transit fare integration across the bay area and our many transit agencies. In particular, please implement:

- All-agency transit passes
- Free transfers between agencies
- A common fare structure for train, bus, and ferry

In the past, I commuted from [redacted] to [redacted] for work. My employer was able to provide a CalTrain pass, which covered about half of my daily journey. However there were no comprehensive pass options for my employer to offer, meaning that I still had to pay significant amounts each month for the segments other than CalTrain. This reduced the money I was able to provide for my family. A comprehensive pass for the Bay Area would have been most welcome.

While the pandemic has had many effects on local businesses, when I see shops with reduced hours due to worker shortage, I can't help but think that increasing access via fare integration for lower-income workers would be a big help. Commuting by car is a terrible, costly option. Fare integration would enable people to afford a longer commute, thereby widening the "commute shed" for both workers and employers.

At SFO I have met visting families from elsewhere in the world who were perplexed by our lack of transit integration, reflected in the lack of an all-agency transit pass. This is common in so many other parts of the world. The lack was perceived as a barrier at a moment when we could have been warm and welcoming.

This is all the more astounding because of our global leadership in technology and innovation. If we can combine a camera, calendar, maps, voice and so many other functions into a single device, why can't we connect trains, busses, and ferries?

Thank you for your consideration,
Rachel [redacted]

From: MTC-ABAG Info
To: Martha Silver; William Bacon
Subject: Fwd: Oct. 18 Fare Integration Task Force Meeting
Date: Sunday, October 17, 2021 6:08:31 PM

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From: Devan [redacted]
Sent: Sunday, October 17, 2021 11:38:35 AM
To: MTC-ABAG Info <info@bayareametro.gov>
Subject: Oct. 18 Fare Integration Task Force Meeting

External Email

Hi,

I'm writing to express my strong support for regional fare integration and the Transit Fare Policy Vision Statement. I often use Muni, Golden Gate Transit, and BART, and am frustrated by the lack of coordination between agencies. Recommendations like an all-agency pass, free transfers, and a common fare structure are fantastic improvements on the current systems. To attract more ridership, we should go even deeper: the Task Force should work with other agencies and MTC towards standardizing fares across agencies, which lays the groundwork for unified wayfinding/signage/branding/service, and find the funding to get there. Thanks.

Devan

Additional co-signing organization logos continue on page 2

October 15, 2021

Re: Oct. 18 Fare Integration Task Force Meeting

Dear Fare Integration Task Force Members,

Thank you very much for advancing the Regional Fare Coordination and Integration study.

We strongly support the initial recommendations of the study, including:

- Piloting multi-agency transit passes that can be distributed to riders by employers, transportation management associations, colleges/universities, and housing developments. ("Tier 1")
- Free transfers across the region ("Tier 2"), which is estimated to bring at least 25,000 new daily riders to transit - as much as some of our region's flagship bus lines

Additional co-signing organization logos continued from page 1

Within Tier 1, we encourage moving up affordable housing developments in priority for the pilot, since this has the potential for substantial equity benefits, and will provide valuable pilot feedback from a diverse set of low-income transit riders.

In addition, given the tremendous benefits of standardizing fare structures for regional services ("Tier 3") - which, based on the study, could bring 68,000 new daily transit riders and reduce over 800,000 daily vehicle miles traveled (VMT) from our roads - **we strongly support progress toward Tier 3, including setting up the appropriate decision-making structures and identifying the new funding sources that can support that level of integration.**

For comparison, the ridership increase associated with Tier 3 is similar to Caltrain's ridership before Covid, and the reduction in driving miles and pollution is four times that projected of Caltrain electrification, one of our region's flagship capital projects.

As the region works together to bring riders back to transit following the impacts of Covid, the study indicates that providing integrated fares is among the most cost-effective strategies available to increase transit ridership.

The study shows that the outcomes would be valuable to provide mobility for low-income residents; to support our economy as the region recovers from Covid; to support needed housing; and to reduce the region's largest source of greenhouse gas emissions.

Lastly, we would like to encourage the Task Force and MTC to continue to keep open the possibility for eventual movement to "Tier 4" integration, a fully integrated fare system as is currently in place across many high-ridership regions. The business case indicates that some versions of Tier 4 may have the potential to offer even greater ridership and VMT benefits than Tier 3.

In addition, MTC's current wayfinding business case study shows an additional $150-$300 million in economic and environmental benefits delivered by the deepest level of wayfinding and branding

integration, but which is dependent upon fully integrated fares consistent with “Tier 4” of the fare integration study. And MTC’s polling shows about a 90% approval rating for wayfinding and fare integration improvements.

The deeper levels of fare integration will require additional funding to achieve the substantial benefits. And it will be essential for these strategies to be implemented in a manner that supports equity for vulnerable residents and the financial viability of transit agencies. These decisions should be brought into the region’s consideration of a potential regional transportation funding measure, as part of a broad conversation about the goals and values for transit funding.

Thank you for your consideration,

Adina Levin
Friends of Caltrain

Ian Griffiths, Policy Director
Seamless Bay Area

John Ristow
Director of Transportation, City of San Jose

Riya Master
External Affairs Vice President, Associated Students of the University of California

Jack Kurzweil
Wellstone Democratic Renewal Club

Jeffrey Levin, Policy Director
East Bay Housing Organizations

Kelsey Banes
Peninsula for Everyone

Evelyn Stivers
Housing Leadership Council of San Mateo County

Sheri Bruns
Executive Director, Silicon Valley Independent Living Center

Vanessa Bohm
Urban Environmentalists

Debbie Toth, President & CEO
Choice in Aging

Jonathon Kass, Transportation Policy Manager
SPUR

John Minot
East Bay Transit Riders

Hans Larsen, Public Works Director
City of Fremont

Justine Marcus
Enterprise Community Partners

Adam Thongsavat, Public Policy
Airbnb

Michael Gliksohn, Treasurer
Richmond Progressive Alliance

Jordon Wing
Streets for People Bay Area

Diane Bailey, Executive Director
Menlo Spark

Kristina Pappas, President
San Francisco League of Conservation Voters

Michael Abramson
Mountain View YIMBY

Helena Chang, Advocacy Program Manager
The Center for Independent Living (TheCIL)

Greg Magofña, Co-Executive
East Bay for Everyone

Gwen Litvak
Bay Area Council

Lauren Weston, Executive Director
Acterra: Action for a Healthy Planet

Jason Baker
Silicon Valley Leadership Group

Kathryn Hagerman Medina, Director, Customer Success, **RideAmigos**

Debra Ballinger, Executive Director
Monument Impact

Rorbert Feinbaum
SaveMUNI

Tina Martin
Mothers Out Front San Francisco

David Sorrell, TDM-CP
Northern California Chapter, Association for Commuter Transportation

Russ Hancock, President & CEO
Joint Venture Silicon Valley

Ahleli Cuenca
Youth Leadership Institute

Nicole Kemeny, President
350 Silicon Valley

Carol Cross, Co-Convenor
Fossil Free Mid-Peninsula

Bijan Mehryar
Salesforce

Bruce England
Mountain View Coalition for Sustainable Planning

Jim Baker, CEO & Founder
Xentrans

Marco Echeandia, Director of Sustainability
Associated Students of San Jose State University

Antonio Maldonado, Director of Business Affairs
Associated Students of San Jose State University

Zach Drucker
sf.citi

Jack Sweringen
Friends of SMART

Marlene Santoyo
Menlo Together

Erin Chazer
Peninsula Young Democrats

Tiffany Rodriguez,
Manager, Transportation Solutions, Associated Students, San Jose State University

Angie Evans
Palo Alto Forward

Roseanne Foust, President & CEO
San Mateo County Economic Development Association (SAMCEDA)

Petra Silton
Thrive Alliance: The Alliance of Non-profits for San Mateo County

Paul Fadelli, Mayor
City of El Cerrito