



Agenda Item 3a
Bay Area Metro Center
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TO: Clipper® Executive Board

DATE: September 19, 2016

FR: Carol Kuester

RE: Regional Fare Coordination

Background

Today's Clipper system currently supports nearly 30,000 basic business rules and transfers, seen in Attachment A. In the Amended and Restated Clipper® Memorandum of Understanding (MOU) adopted by all Clipper agencies in February 2016, regional program goals included:

- Implementation of consistent discount and transfer rules to improve customer experience; and
- Simplification of fare table/rules to reduce complexity in C2 development.

Specifically, the MOU called for the standardization of youth and senior discount categories as well as the adoption of a \$0.50 inter-agency transfer discount for adult single ride fares between bus operators. Attachment B summarizes the region's efforts towards fare coordination, detailed below.

Fare Coordination

Youth and Senior Discount: The table on page four of Attachment B details youth and senior discounts offered. Effective January 1, 2017, all operators offering youth discounts will be standardized with discounts for youth through age 18 with the exception of BART, which currently has a discount through age 12. The East Bay operator group (County Connection, Tri-Delta Transit, WestCAT, Wheels) does not offer a discounted youth fare. Currently, all Clipper agencies offer discounts to seniors at age 65 and above.

Bus-to-Bus Transfers: Through Clipper, most connecting agencies offer bus-to-bus transfer discounts, but discounts levels are inconsistent. Depending on the operators involved, the transfer fare for the transit rider ranges from free to \$2.10 in fare credit.

In 2014, MTC and partner transit agencies commissioned an analysis of the financial and service impacts that might be expected with the implementation of a common regional inter-operator transfer discount between existing Clipper bus and light rail operators. The analysis found that a \$0.50 common inter-operator discount applied to Adult customers would result in a revenue gain of approximately \$500 per month for the existing Clipper operators and would have very little anticipated impact on average monthly Clipper fare revenue.

Previous Fare Coordination Efforts

In 2008, the TransLink® Management Group, the predecessor to the Clipper® Executive Board, commissioned an Integrated Fare Study which found minor increases in ridership and revenue loss with the adoption of a multi-agency regional fare product or Universal Pass.


In 2012, under the region's Transit Sustainability Project (TSP), MTC adopted Resolution 4060, which directed staff to consider customer-focused fare policies that improve connections and to implement two pilot fare product programs to provide incentives for customers to use AC Transit and BART interchangeably. Under TSP, MTC also conducted a Pricing Analysis of Fare Structure Barriers to Transit Ridership. The analysis found that eliminating transfer charges would increase ridership overall but also result in fare revenue loss across the region, with a loss for BART of \$3.5 million. The analysis also found that an East Bay pass could boost ridership, but would also result in revenue loss.

Universal Pass

A universal pass – a pass on Clipper allowing unlimited rides during a defined duration – was implemented on Clipper® in 2015. This pass provided free regional travel to attendees of the 2015 American Public Transportation Association annual meeting. The pass has also been approved for distribution at the 2016 Rail-Volution and California Transit Association conferences this Fall. Some Executive Board members have asked about the possibility of providing a similar unlimited, time-based pass for tourists. The challenge with this type of product is setting a price that would make it sufficiently attractive to tourists but would not undercut existing monthly passes. For example, the cost of a monthly pass on Caltrain is as much as \$350, therefore a weekly universal pass would need to be priced at \$90 or higher. Furthermore, operators would need to agree on a revenue distribution formula, since the pass would not be priced based on actual rides taken. We could experiment with a pilot universal pass program for conventions as detailed in slide 8 of Attachment B.

Means-Based Fare Study

MTC is currently conducting a Regional Means-Based Transit Fare Pricing Study to develop and analyze scenarios for funding and implementing a regional means-based transit fare program or programs and to determine the feasibility of implementing the scenarios. Attachment C is an update on the study, including fare and revenue alternatives being considered. MTC staff anticipates having recommendations to share with the Board regarding this study before the end of the year.



Carol Kuester

Attachment:

- Attachment A: Clipper Transit Operator Business Rules Overview – July 2016
- Attachment B: Regional Fare Coordination Update
- Attachment C: MTC Means Based Fare Study Update

Attachment A
Clipper Transit Operator Business Rules Overview – July 2016

Clipper Transit Operator with Transit Operator Group		EU Products	EU Institutional	EU Day Pass Accumulator	LU Product	Pre-Encoded LU	Youth Age	Fare Categories	Fare Payment Type	Number of Basic Business Rules including Transfers
AC Transit		M 2, Rol 3	I 4	DPA 1			18	A, Y, S, D	Single tag, Flat Fare	250
BART		HVD 2	I 1				12	A, Y, S, D	Dual tag, Distance based	10,100
Caltrain		M 12,Ri 12	I 1	DPA 1			18	A, Y, S, D	Dual tag, Zone based	530
Golden Gate Bus			I 1				18	A, Y, S, D	Dual tag, Zone based	13,150
Golden Gate Ferry			I 1		Ri 16	P 1	18	A, Y, S, D	Single tag, Flat Fare	540
Marin Transit (included with GGTBus)										
SF Muni		M 5, Rol 3	I 5		Ri 8	P 3	17	A, Y, S, D	Single tag, Flat Fare	320
SamTrans		M 4	I 1				18	A, Y, S, D	Single tag, Flat Fare	75
VT A		M 3	I 5	DPA 2			18	A, Y, S, D	Single tag, Flat Fare	220
WETA			I 2				18	A, Y, S, D	Dual tag, Distance based	790
Napa Solano	City Coach Vacaville	Rol 4	I 1				18	A, Y, S, D	Single tag, Flat Fare	1,100
	FAST	Rol 20								
	Napa VINE	Rol 8								
	SolTrans	Rol 5								
East Bay	County Connection	Rol 8	I 1	DPA 1			19	A, Y, S, D	Single tag, Flat Fare	460
	Wheels	Rol 12								
	WestCAT	Rol 12								
	Tri Delta Transit	Rol 10								
101 Sonoma	Petaluma	Rol 3	I 1				18	A, Y, S, D	Single tag, Flat Fare	140
	Santa Rosa CityBus	Rol 3								
Sonoma	Sonoma Transit	Rol 3	I 1				18	A, Y, S, D	Dual tag, Zone based	1,320
TOTAL		134	25	5	24	4		All four	Various	28,995

Extended Use (EU) cards: M – Monthly Pass, Rol – Rolling Pass, Ri – Ridebook, HVD – High Volume Discount, I – Institutional, DPA – Day Pass Accumulator
Limited Use (LU) cards: Ri – Ridebook
Pre-Encoded LU cards: P - products



Regional Fare Coordination Update

September 26, 2016

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Fare Coordination Goals

- 1) Implement consistent discount and transfer rules to improve customer experience
- 2) Simply fare table/rules to reduce complexity in C2 development



Consistent Discount and Transfer Policies

- Youth discount ages 5 through 18
- \$0.50 inter-agency transfer discount for adult single ride fares between bus operators.



Youth and Senior Discount

OPERATOR	Youth Age (inclusive)	Senior Age
AC Transit	18	65
BART	12	65
Caltrain	18	65
Golden Gate Transit and Ferry	18	65
SamTrans	18*	65
SFMTA	17**	65
VTA	18	65
WETA (San Francisco Bay Ferry)	18	65
101 Corridor / Sonoma County (Sonoma, Santa Rosa, Petaluma)	18	65
Napa / Solano (Napa VINE, SolTrans, FAST, Vacaville City Coach)	18	65

*SamTrans raised its youth age from 17-inclusive to 18-inclusive effective January 10, 2016

**SFMTA is raising its youth age from 17-inclusive to 18-inclusive effective January 1, 2017

Bus to Bus Transfers

Transfer Discount Type	# of Agencies	Discount Level	Participating Agencies
Free	15	Free Fare	AC Transit, County Connection, FAST Golden Gate Transit, Marin Transit, Napa VINE, Petaluma Transit, SamTrans, Santa Rosa CityBus, SFMTA, SolTrans, Tri-Delta Transit, VTA, WestCAT, Wheels
Discount Fare	6	\$0.15-1.25	County Connection, FAST, Tri-Delta Transit, WestCAT, Wheels
Fare Credit	6	\$0.50-2.10	AC Transit, Golden Gate Transit, SFMTA, Sonoma County Transit, VTA, WETA
No Discount	2	-	BART and Caltrain

Business Rule Simplification

- Accumulator pass evaluation – replace monthly/30 day passes
- Initial findings:
 - Challenges with customer education
 - Revenue loss
- Possible next steps – evaluate revenue impact (SFMTA & AC Transit)

Multi-Agency Regional Fare Product

- Easily accommodated (technically) in C1 or C2 (“Universal Pass”)
- Product pricing/revenue allocation challenge
- 2008 Integrated Fare Study
 - Commissioned by TransLink TMG - \$425,000

Universal Pass Pilot – Conventions & Events

- Offer Universal Pass for special events
 - Region must agree on pricing and revenue sharing
- Create and price a standard offering
 - Price will vary based on duration of pass/length of event
- Divide revenue amongst operators
 - Revenue share can be decided prior, or be based on actual usage
- Collect and distribute funds
 - Region must agree on fund collection and distribution to operators

Universal Pass Pilot – Conventions & Events

3 day pass	\$20
5 day pass	\$25
7 day pass	\$30

Assumptions:

- Includes \$3 card fee in price
 - Does not include any custom printing on cards
- Assumes one ride to airport on BART
 - (Cable cars are not included in Universal Pass)

Per APTA Universal Pass usage reporting, just over 50% of cards handed out were used. 1,150 unique cards were used for 3,663 transactions over 6 days. Approximate value of trips made during APTA using these cards was \$22,000.

MTC Means Based Fare Study Update

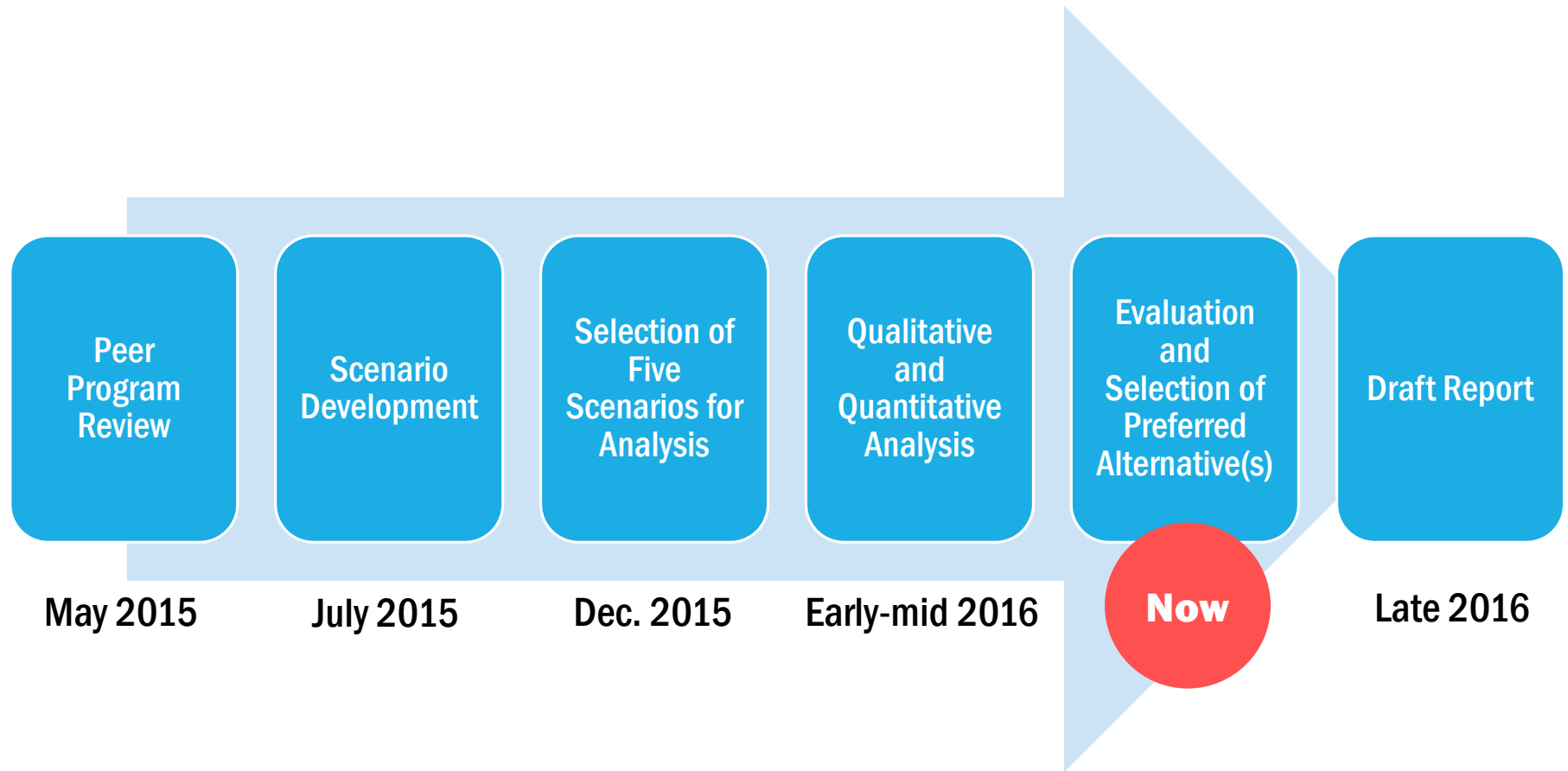
SEPTEMBER 26, 2016

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Study Goals

1. Make transit more **affordable** for the Bay Area's low-income residents
2. Move toward a more **consistent regional standard** for fare discount policies
3. Define a transit affordability solution that is **financially viable and administratively feasible**, and does not adversely affect the transit system's service levels and performance

Study Progress to Date



Scenarios

Affordability Scenarios	A1. Discounted fare media	<ul style="list-style-type: none"> • New discount category for low-income riders paying cash fares or purchasing passes
	A2. Fare Capping/ Accumulator Pass	<ul style="list-style-type: none"> • Fares are capped at a specific threshold within a given time period • Additional rides within the period are free once the cap is reached
	A3. Subsidized Clipper cards	<ul style="list-style-type: none"> • No change to operators' fare policies • Fare stipends delivered on pre-loaded Clipper cards
Revenue-Generating Scenarios	R1. Eliminate non-mandated discounts	<ul style="list-style-type: none"> • Eliminate current discounts provided to seniors, disabled, and youth in excess of federal requirements
	R2. 10% fare increase for non-low-income riders	<ul style="list-style-type: none"> • Raise all fares for all non-low-income riders 10% across the board

Draft Quantitative Analysis

Results: Key Findings

- Average fare paid out-of-pocket by low-income riders was reduced by 30-36%
- A low-income fare program targeting riders <200% of federal poverty level (household income <~\$35,000/yr) could potentially reduce regional fare revenues by \$80-\$100 million per year
 - Assumes maximum possible program participation by eligible riders; peer programs have far lower actual participation rates
- Ridership increases of 25-29 million boardings per year may require additional resources to serve, depending on operator
- The revenue-generating scenarios analyzed could recoup up to 1/2 to 3/4 of revenue losses, and would be challenging to implement

Questions for Discussion

- What considerations should inform the formal alternatives analysis in addition to the three study goals?
- If all scenarios require means-testing for riders to participate, which agencies or organizations are best positioned to fill this role?
- What are the challenges and opportunities afforded by the Clipper program to implement a program?
- Should a pilot program be considered, e.g. targeting a specific geographic area or operator(s)?