

June 12, 2019

The Clipper Executive Board
c/o Martha Silver, Clerk of the Committee
375 Beale St, Suite 800
San Francisco, CA 94105

To the members of the Clipper Executive Board:

As MTC has identified in its Plan Bay Area 2040 goals, increasing the region's transit mode share will require multi-agency transit trips to play a more significant role in Bay Area travel than the current status quo. Creating a seamless transit experience that prioritizes consistency, predictability, and convenience for riders is critical in realizing the full potential of our transit network. Without a coordinated fare policy between our 27 regional transit operators, our current status quo, we will be hard-pressed to grow in the sustainable, equitable fashion that we have identified is necessary. As such, we are writing to ask the Clipper Executive Board to join us in pursuing the next steps in developing an informed regional fare policy.

MTC recently took the foundational step of convening an initial Fare Integration Seminar. What emerged from that session, which brought together a broad group of transit operator general managers, staff, and board members, was a shared enthusiasm to move forward this work by pursuing a business case and implementation study.

Based on SPUR's research identifying the current gaps and necessary next steps, there was significant enthusiasm for conducting a business case for regional fare integration, modeled after Toronto's successful fare integration process. This business case would allow our region to comprehensively analyze the economic, strategic, financial, and operational case for multiple new regional fare concepts. This approach should consider both revenue neutrality and revenue investment options. The only in-depth analysis conducted to date on this topic is the 2008 Fare Integration Study, which is now a decade outdated. Moreover, the 2008 study only considered a revenue-neutral scenario, which resulted in options that were too costly to riders and ultimately dismissed for their infeasibility.

We also discussed the need for a simultaneous implementation study to determine the right structures to implement, oversee and/or coordinate regional fare coordination. The business case and implementation study together will establish a shared, comprehensive understanding across transit agencies, riders, and regional bodies.

It is a particularly opportune moment to launch these simultaneous efforts as the implementation of Clipper 2.0 is just around the corner. While the proposed upgrades will upgrade the card's user-friendliness, they will not mask the underlying absence of a regional fare policy. As the *Future of Clipper 2017 Public Engagement Executive Summary* concludes,

“Transit riders would like a regional fare policy that provides discounts for use across multiple transit agencies. Many expressed a strong desire for a simplified regional fare system ... The next generation of the system will be versatile enough to accommodate any policies set by the region’s transit agencies.”

In addition, a more rational fare policy will simplify Clipper 2.0 implementation by creating a manageable number of fare rules. This would allow for a system that accommodates more nimble and responsive fare options.

While we recognize that the ultimate implementation of fare coordination would be a complex process that poses risks and uncertainty for transit operators, the recent momentum around the issue is a signal to us that all entities involved--riders, transit agencies, lawmakers--are ready to work together on a shared vision and goals based on strategic, informed decision-making. We urge you to harness this momentum. It is in our collective interest to evaluate fare integration by moving forward with the business case and implementation study.

We look forward to continuing to collaborate with you on this matter.

Sincerely,

Jeannie Bruins

Vice Chair of Administration Committee, MTC | Board Member, Caltrain | Ex-Officio Board Member, VTA | Councilmember, Los Altos City Council

Damon Connolly

Vice Chair of Operations Committee, MTC | Board President, Marin Transit | Board Member, Transportation Authority of Marin | Supervisor, Marin County Board of Supervisors

Nick Josefowitz

Chair of Programming and Allocations Committee, MTC | Board Member, Water Emergency Transportation Authority

Jake Mackenzie

Chair of Legislation Committee, MTC | Councilmember, City of Rohnert Park

Amy Worth

Commissioner, MTC | Chair of Oversight Committee, Bay Area Toll Authority | Board Member, County Connection | Ex-Officio Board Member, Contra Costa Transportation Authority | Councilmember, City of Orinda

cc: Therese McMillan, Executive Director, MTC

**SPUR**

San Francisco | San Jose | Oakland

June 14, 2019

Clipper Executive Board
c/o Martha Silver, Clerk of the Committee
375 Beale St, Suite 800
San Francisco, CA 94105

Re: Item 3b. Regional Fare Coordination and Integration

Dear Chair Mulligan and Executive Board members:

SPUR is a member-supported nonprofit organization that promotes good planning and good government in the San Francisco Bay Area through research, education and advocacy. Improving public transit and increasing transit use in cities are core priorities for our organization.

SPUR strongly encourages the Clipper Executive Board to approve the allocation of funding for the Business Case for Transit Fare Integration.

As detailed in our recently published report *Solving the Bay Area's Fare Policy Problem*, disparate and disjointed fares create customer confusion, inhibit people from using more than one transit service and undermine the benefits the region should derive from the significant investments it is making in new transit infrastructure and fare payment technology. The region's fragmented approach to fares pushes people to make inefficient and often costly transit decisions — or to get behind the wheel and drive themselves, adding to traffic congestion, pollution and carbon emissions.

A solution to the Bay Area's fare policy problem is long overdue. Other regions around the globe have streamlined fares across transit operators to improve user experience and grow transit use. The Clipper upgrade offers a rare window of opportunity to streamline and integrate fare policies. To grow transit ridership, optimize use of the regional transit network and offer an improved customer experience, Bay Area fare policies must look beyond transit operator boundaries.

The potential impacts of regional fare integration are not well understood. The issue has not been studied for more than 10 years. In the absence of real information, fear and assumptions are driving the decision to maintain the status quo approach to fare policy.

A business case to assess options, costs and benefits for regional fare integration would provide much needed information to move this issue forward. The 2008 Fare Integration Study evaluated various regional fare products for their impact on revenues and ridership. This is a limited understanding of what transit fares when employed strategically can achieve, such as improved system efficiency, reduced greenhouse gas emissions and a better customer experience. We

strongly encourage using Metrolinx's four-part business case structure as a template for the business case as it considered the economic, strategic, financial and operations case for each fare concept it evaluated. The business case should also consider revenue investment and revenue neutrality options.

To ensure the business case is successful and prioritizes the customer experience, appropriate project management structures must be put in place. We support the project structure proposal and appreciate that the Policy Advisory Committee includes transit agency board members, MTC Commissioners and representatives from advocacy organizations. Transit agency board members understand the operating needs of transit agencies as well as the broader role public transit serves in the community by providing access to opportunity; furthermore, they set fare policy. As such, we believe it is important they be part of the advisory committee. Cities are also important stakeholders. Many people live and work in places with multiple operators, including the region's growing job centers. The seamless use of multiple operators supports the ways that Bay Area cities plan to grow.

Finally, we strongly support the principles proposed in the staff report (copied below), and encourage them to be embraced by the board.

- Treat the Bay Area transit network as one system;
- Fares should be predictable to users;
- There should be no penalty for transferring;
- Discounts based on age or status should apply uniformly;
- Trips of a similar distance should cost similar amounts
- Transit should be affordable for all
- Passes, if offered, should encourage transit use, not operator loyalty

Integrating transit fares will not be easy, but it is our responsibility as leaders to delve into that complexity so that we can create simplicity for riders. You took the big step with the Clipper card. We now ask that you pursue regional fare integration and move forward with the business case, with the involvement of Bay Area cities, transit riders and others who care.

Thank you for your leadership on this crucial issue for the Bay Area. We look forward to working with you.

Sincerely,



Arielle Fleisher
Transportation Policy Director



**FRIENDS
OF
CALTRAIN**



**Seamless
Bay Area**

Attention: Clipper Executive Board
Re: 3B. Clipper Executive Board Integrated Fare Structure Program Business Case
Date: June 14, 2019

Honorable Board members,

Thank you very much for considering the proposed fare integration business case study. Our coalition of groups strongly supports this project as a next step toward implementing a fairer, more seamless system of pricing public transit that encourages transit use, improves mobility, and aligns with our regional priorities.

According to earlier MTC analysis, 40% of transit riders with active Clipper Cards, or approximately 500,000 people, ride more than one Bay Area transit operator in any given month. This reflects the reality that getting around the Bay Area on public transit often requires using more than one type of service; also that a large number of transit users are already using multiple systems, despite barriers posed by a system that is not well coordinated.

This is a substantial ridership growth opportunity for transit. An integrated fare system has the potential to reward transfers and ensure transit is always a cost effective choice to get around. It has the potential to encourage riders already using multiple systems to do so more often, and it will particularly benefit low-income riders, who make up a larger share of transit riders using multiple operators than of transit riders only using one system.

Perhaps most importantly, integrating fares potentially changes the economics of using transit for an entirely new segment of customers currently not using transit at all. Currently, having to transfer and pay 2-3 fares can be more expensive than driving.

In sum, integrating fares has the potential to significantly increase transit ridership and reduce driving trips, helping reduce our region's greenhouse gas emissions and congestion.

The public transit system is facing competition by private sector options that focus on ease of use for customers, while imposing social costs of higher congestion and less equitable access. The public needs an easy to use, competitive public transit system in order to meet our goals for mobility, environmental sustainability, and social equity.

Therefore, in the business case study, we encourage you to look at a spectrum of benefits including affordability to households with a range of incomes; ease of use; impact on transit ridership; and impact on greenhouse gas emissions.

We are glad to see in the letter of support that the study will not be restricted by a limitation that outcomes be revenue neutral, as was an earlier 2008 study. Fare integration is likely to provide broader value to the public, and there are likely to be transition costs, so it will be helpful for a study to assess the various costs as well as potential savings, and ways to pay for costs so as not to impose a burden on transit agencies.

Last but not least, we strongly support the principles proposed in the staff report (copied below), and encourage them to be embraced by the board.

- Treat the Bay Area transit network as one system;
- Fares should be predictable to users;
- There should be no penalty for transferring;
- Discounts based on age or status should apply uniformly;
- Trips of a similar distance should cost similar amounts;
- Transit should be affordable for all; and
- Passes, if offered, should encourage transit use, not operator loyalty

Thank you for your consideration,

Signed

Adina Levin



Executive Director
Friends of Caltrain
<http://greencaltrain.com>

Rachel Hyden



Executive Director
San Francisco Transit Riders
www.sftransitriders.org

Chris Lepe



Regional Policy Director
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