

Clipper[®] Executive Board

September 16, 2019

Agenda Item 3a

Fare Coordination and Integration Work Program

Subject:

Request for Board approval of the following items related to regional fare coordination and integration efforts:

1. Establishment of a Fare Integration Task Force as a special committee of the Clipper Executive Board.
2. Designation of Chair and Vice Chair of a Fare Integration Task Force.
3. Confirmation of a project management structure for a Fare Integration Task Force.
4. Authorization of MTC staff to request Commission allocation of up to \$599,839 in residual funds available from Regional Measure 2 (RM 2) to fund a fare coordination and business case study scope of work.

Background:

At its August 19, 2019 meeting, the Clipper Executive Board received an update about work transit agency and MTC staff had undertaken in the previous two months to develop a scope of work for a Fare Coordination and Integration Study and Business Case. Since the August 19th meeting staff have developed a full scope of work proposal along with a proposed project oversight structure. Details on these proposals are set forth below.

Work on a fare coordination and integration study and business case is proposed to be funded with up to \$599,839 in residual funds available from the Integrated Fare Structure Program, capital project number 34, under RM 2. As the successor body to the TransLink Consortium – the project sponsor identified in RM 2 legislation – the Clipper Executive Board is being asked to authorize MTC staff to request that the MTC Commission allocate these funds for the business case study work.

Issues:

Project Scope

Since the August 19th meeting, staff from transit operators and MTC have met a number of times to finalize a proposed scope of work for the Fare Coordination and Integration Study and Business Case. The project seeks to improve the passenger experience and grow transit ridership across the Bay Area. A summary of the scope is included as Attachment A.

Key objectives of the project include:

- Developing goals for the regional fare system that will support an improved user experience, increased transit ridership and build on robust public outreach;
- Identifying barriers, especially barriers related to fares and the user experience, that are impeding increased ridership;
- Identifying opportunities to increase transit ridership by improving the regional fare system through regional fare coordination and integration strategies; and
- Developing a detailed implementation plan, including funding plan, for recommended improvements.

Because the project has access to a finite amount of resources, the proposed scope is narrowly focused on how the Bay Area's fare system can be improved from a customer experience standpoint with the goal of facilitating increased ridership. Staff understand that a broader range of issues impacts the user experience apart from fares, but the resources available at this time necessitate a focus on the fare system through this project.

MTC staff hope to present the RM 2 funds allocation request for approval to the MTC Commission at the MTC Commission's October 23, 2019 meeting. Assuming MTC Commission approval, a procurement process to launch the project could begin soon thereafter.

Project Oversight - Fare Integration Task Force

Staff recommend that the Chair of the Clipper Executive Board appoint and that the full Board vote to approve, a special committee of the Clipper Executive Board, as permitted by section H of Article IV of the Amended and Restated Clipper Memorandum of Understanding and detailed in Articles 4.04 and 4.05 of the Clipper Executive Board Procedures Manual, to serve as the project owner for the Fare Coordination and Integration Study and Business Case. The special committee, in the form of a Fare Integration Task Force, which would be a Brown Act entity, would not be limited to members of the Clipper Executive Board and would keep the Clipper Executive Board itself focused on core business matters directly related to the Clipper system.

The Fare Integration Task Force would consist of the members of the Clipper Executive Board as well as the Chair and Vice Chair of the Bay Area County Transportation Agencies (BACTA) group, currently Daryl Halls of the Solano Transportation Authority (STA) and Kate Miller of the Napa Valley Transportation Authority (NVTa). Both STA and NVTa also manage and/or operate bus services in their counties which utilize both the Express Lanes network and local streets. The Fare Integration Task Force would have project oversight responsibilities for all aspects of the project, and the Clipper Executive Board Chair would appoint the Chair and Vice Chair of the Fare Integration Task Force.

Project Management

Project Manager: The project management of the business case work and consultant team oversight is proposed to be co-led by BART and MTC. This combines transit technical expertise with a regional perspective.

Staff Support: Staff also propose that a temporary Staff Working Group composed of at least one staff member representative from each transit operator in the region (if they would like to participate) and at least one staff member representative from MTC would support the work of the Fare Integration Task Force through the duration of the fare coordination effort. Efforts should be made to include staff representing various areas of subject matter expertise in the working group, including but not limited to policy, planning, and revenue. The project manager or co-project managers would support the Staff Working Group by providing feedback on scope deliverables,

offering technical and policy input, and ensuring the project is on-track throughout the duration of this process.

Recommendation: Staff recommends that the Clipper Executive Board take the following actions:

1. Approve the establishment of a Fare Integration Task Force as a special committee of the Clipper Executive Board to have project oversight responsibilities for all aspects of the project, the members of which shall be appointed by the Chair as described above.
2. Approve the Chair and Vice Chair of the Fare Integration Task Force as designated by the Board Chair.
3. Confirm the project management structure for the Fare Coordination and Integration Study and Business Case and designate BART and MTC to co-manage the Fare Coordination and Integration Study and Business Case.
4. Authorize staff to request that the Commission allocate \$599,839 in RM 2 funds (Project #34 Integrated Fare Structure Program) for the Fare Coordination and Integration Study and Business Case scope of work to BART or MTC to procure consultant assistance.

Attachments: **Attachment A:** Increasing Transit Ridership by Developing a Customer-Centered Fare System: A Bay Area Regional Fare Coordination and Integration Study
Attachment B: Correspondence received as of September 6, 2019



Carol Kuester

Increasing Transit Ridership by Developing a Customer-Centered Fare System: A Bay Area Regional Fare Coordination and Integration Study

Draft Scope of Work – Summary – September 2019

Background and Introduction

Similar to many other metropolitan areas in the United States, the Bay Area is currently experiencing a trend of transit ridership flattening or decreasing across many of the region's transit operators. As independent agencies, each of the Bay Area's 27 transit operators is governed by its own board and is responsible for its business model, service, and performance. While each operates independently, however, the Bay Area's transit agencies share a concern about this recent ridership trend. Together with many other stakeholders in the region, including the Metropolitan Transportation Commission (MTC), the transit operators have a strong interest in addressing this concerning trend by better understanding the challenges and opportunities associated with increasing transit ridership in the region.

To better understand this ridership trend, MTC is currently working with transit operators and UCLA to examine recent ridership data and generate possible explanations through the Bay Area Transit Use Study Project. The results of this study will illuminate how and where transit use and service are changing in the Bay Area. To complement this effort, however, this new project aims to begin developing potential measures that could be implemented to increase transit ridership. In particular, this study aims to focus on the region's current disparate fare system and the roles it could be playing in transit ridership trends. The study will identify potential barriers to increased transit ridership, including but not limited to possible impediments in the current disparate fare system, and it will also investigate potential changes to the fare system that would help achieve the goal of increased transit ridership.

To ensure that this study can be efficiently conducted and produce meaningful results for implementation, the types of fare system changes that should be developed should range from regional fare coordination opportunities to strategies that move towards regional fare integration. It will be important to have a full understanding of each strategy's range of potential impacts on operators and on the region, including impacts to ridership, finances, operations, governance, and economics. In particular, the analysis of the alternative strategies should demonstrate that existing operating revenue and transit service levels would be not adversely impacted. If a new operating subsidy would be required to prevent adverse impacts, it should be enumerated and a funding source(s) should be identified. Ultimately, this study should result in a set of recommendations to improve the region's fare system to increase ridership, as well as a detailed implementation plan that includes a funding plan.

Scope Overview

Task 1: Project's Problem Statement and Regional Fare System Goals

The project team will develop and document a brief statement of the problem that this study is addressing. The project team will develop goals for the regional fare system towards the desired outcome of increased transit ridership; the proposed changes that are developed through this planning process will aim to achieve these goals.

Task 2: Existing Conditions and Background Research

The purpose of this task is to document the existing conditions on key topics for transit agencies in the Bay Area today (including passenger travel patterns, transit fare systems, etc.), summarize any findings from previous regional fare-related studies and efforts (focused on integration and coordination), and provide information on best practices for regional fare policy and successful examples of regional coordination and integration from a peer review.

Task 3: Barriers to Transit Ridership

The purpose of this task is to identify barriers to transit ridership, drawing on findings from existing transit operator surveys of riders and the reports from Task 2. This is expected to result in identification of broad barriers to transit ridership and not be limited to fares alone (for example, it could identify other impediments to transit ridership, such as service and scheduling issues). It is anticipated that this task will result in identification of top barriers to transit ridership, with a focus on fare system-related issues.

Task 4: Alternatives Development

Drawing on the results from Task 3, this task will focus on developing alternative strategies that provide solutions to the problem statement identified in Task 1 and are anticipated to lead to outcomes that support this study's goals. The development of alternative solutions should be informed by Task 3's top barriers to transit ridership and should focus on improvements to the regional fare system that could enhance regional fare coordination and/or move the region towards regional fare integration. After public outreach to solicit input and feedback on the alternative solutions, a selection of the strategies will be selected for analysis in Task 5.

Task 5: Alternatives Analysis

The purpose of Task 5 is to analyze the alternatives selected in Task 4 and develop a business case for each. A methodology for completing the business cases will first be developed, focused on the categories of ridership, finances, operations, governance, economics, and implementation feasibility. Then, the methodology will be implemented to develop a business case for each of the selected alternatives. The results of each business case will be compared to the goals developed in Task 1.

Task 6: Develop Recommendations and Implementation Plan

Drawing on outcomes and discussions from Task 5, the purpose of Task 6 is to develop recommendations that achieve the study's goals, as well as a detailed plan for implementation. It is important to note that the recommended strategies should not adversely impact existing operating revenue and transit service levels. If a new operating subsidy would be required to prevent adverse impacts, it should be enumerated and one or more funding sources should be identified. The implementation plan should include a detailed list of next steps to achieve implementation, including defined actors, roles, responsibilities, and a funding plan.



August 29, 2019

Clipper Executive Board
Copy to: Metropolitan Transportation Commission

Re: Business Case Study for Regional Fare Integration

Dear Chair Mulligan and Executive Board members,

Seamless Bay Area is a nonprofit organization focused on achieving a regionally integrated public transportation system to better achieve the region's goals for mobility, equity, and environmental sustainability.

We are pleased to see the business case study for integrating transit fares moving forward. As the scope of work is developed, we would like to emphasize the following points:

- 1) We think regional fare integration is necessary to substantially increase transit ridership in order to deal with the region's transportation, equity and sustainability challenges. As a region, we should be doing everything we can to make it easy to use transit.
- 2) There are a variety of areas in which the transit system can be improved around the region: speed, frequency, capacity on busy lines, schedule integration. Among the issues, fare integration is one of the significant barriers to ease of use and is critical to address. Customer research is likely to surface issues in addition to fares, which should be captured for use in other improvement initiatives.
- 3) It is essential to consider options for fare integration, not just coordination. While we think coordination is beneficial -- riders should be able to learn something once in the region and use that information anywhere -- this may not go far enough to encourage transit ridership. The study should evaluate the potential effectiveness of strategies based on the ability to grow ridership, encourage mode shift and and promote social equity.
- 4) The staff report for the August CEB meeting said that public engagement is "possible." We believe it is imperative for the effort to include a robust public engagement and outreach process, including research assessing the needs of different demographics and

geographies of people who use transit or might use transit with improvements. Transit agencies should hear directly from riders and potential riders how fares impact people's lives and behavior in order to develop a system that is equitable, convenient, and competitive with the choices that customers have.

- 5) We believe it is valuable for the study to have guidance from diverse stakeholders, representing riders, major customers/potential customers such as major employers, transportation management associations, and housing developments, cities crafting transportation policies; equity and transit advocates, and from policymakers on MTC and Transit Agency boards.
- 6) Given the importance of customer ease of use and opportunities for ridership growth, the professionals who work on this project on behalf of transit agencies should include people whose backgrounds and roles include customer experience and planning, in addition to finance.
- 7) Seek funding to deliver a meaningful scope of work. Approximately \$600,000 is available from Regional Measure 2 funds to study fare integration. If this is determined to be an insufficient amount based on staff based on staff assessment of the work required for a solid study covering the costs and benefits of logical options, including robust customer and stakeholder engagement, we would recommend that additional funding be sought and made available for a robust study that would deliver credible results to support decisions.

Fare integration has the potential to address a significant barriers to transit use, and case studies around the world show that fare integration has strong potential to increase ridership. We are excited for the prospect of a strong study to move forward.

Thank you very much for your consideration,



Adina Levin and Ian Griffiths,
Seamless Bay Area
<https://seamlessbayarea.org>

From: [Nishant Kheterpal](#)
To: [Martha Silver](#)
Subject: Business Case Study for Regional Fare Integration
Date: Tuesday, September 3, 2019 3:43:33 PM

External Email

Dear Clipper Executive Board Members and MTC Commissioners,

Thank you for proceeding with a study of fare integration. As a frequent Muni, BART, and AC Transit rider, integrated fares directly affect me on a nearly daily basis. Lowering total costs to account for mixed-agency trips and streamlining service goes a long way towards improving access and service quality. It would improve ridership and experience, reduce emissions, and reduce traffic.

At least once a week, I commute from Berkeley to San Francisco, which involves an AC Transit 51B ride, a trip on BART to either Embarcadero or 24th Mission stations, and a Muni ride on the K/T or 48 lines in the morning and the reverse trip in evenings. The total cost of that trip is nearly \$10 each way, which is far more than the toll required to cross the Bay Bridge driving. Integrated fares would recognize my mixed-mode travel and reduce costs. Service improvements, such as holding buses for BART arrivals for both AC Transit and Muni would improve the ridership experience and travel time predictability.

I encourage the study to include integrated fares, not just coordinated fares. Integrated fares would be the most user-friendly and have the greatest potential to increase ridership. Additionally, user research should be a large component of the study in order to deliver the best solution for real users, many of whom may not have the means or access to come to public meetings due to work hours or travel difficulties.

Thank you again for listening to transit riders,
Nishant Kheterpal

From: [Derek Pell](#)
To: [Martha Silver](#)
Subject: Business Case Study for Regional Fare Integration
Date: Tuesday, September 3, 2019 4:42:12 PM

External Email

Dear Clipper Executive Board Members and MTC Commissioners,

Thank you very much for moving ahead with the Business Case Study for Regional Fare Integration. I am passionate about this subject and believe it should be of the highest priority for transportation policy makers in the greater Bay Area.

I think that regionally integrated fares will be a great benefit for the entire Bay Area. I know from first-hand experience that integrated fares make for a much more customer-friendly and customer-focused transit system. Having lived in Switzerland for 8 months, I saw how having a single fare for an entire journey made traveling solely by public transport much easier and more appealing.

For instance, my wife and I took my parents across the country to a remote village. To complete this trip, we took a bus from our apartment to a nearby tram stop. We then took the tram to the city train station. Then we rode two different trains to a small town and got on a bus. This bus took us to a gondola and then we rode the gondola up to the village. All of this was booked on a single ticket! There was no worrying about what agency needed to be paid (I believe we used 5 different agencies, but I don't really know) or how much; it was simple, streamlined, and efficient (exactly what public transportation systems should strive to achieve). I think one can hear this anecdote and try and write it off as it's an entirely different country; however, the distance covered here was probably no more than San Jose to Santa Rosa yet to navigate that trip by public transport the entire way is complicated and likely unmanageable for all but the most diehard transit rider.

In contrast to my past experience with an integrated fare network, my coworkers who live in San Francisco and commute to Alameda have a much different experience. They either take Muni or BART (or both) down to the Embarcadero and then take the ferry across the bay. These disparate networks, while all using the Clipper card (thankfully), create a complicated system of monthly passes and pre-loaded money on the card that can be very hard to manage.

I believe the simplicity of an integrated fare system will drive more transit ridership and riders realize that there is no more stress about multiple tickets or fare structures. A single customer-facing ticketing organization reduces the inertia required to get on public transportation (forgive me, I'm an engineer). I strongly believe that distribution of ticket fares between organizations is a task that does not need to be necessarily customer facing, as the customer had no real stake in the transaction. Transit riders want to get from A to B and pay a fair rate, no matter what agencies are required for them to make the journey. Burdening riders with determining exactly what agency needs what fare for a single leg of their total journey is needlessly complex and only seeks to drive down ridership.

It is becoming starkly clear that average vehicle miles traveled per person needs to decrease in order to have a chance of fighting the unfolding global climate catastrophe. As detailed above, I think that integrated fares will improve ridership, thus resulting in less car-driving, pollution,

and greenhouse gas emissions. Furthermore, integrated fares will improve affordability and equity in our transportation system. Under-served and less-affluent communities often bear the brunt of our disjointed transit fare system. Multiple bus transfers and modes of travel drive higher prices for those who are most likely to rely on the services. A more streamlined and unified fare system for the entire Bay Area will continue our society's drive towards equality.

I strongly encourage the board and commission to include fully integrated fares in the Business Case Study. Integrated fares, in contrast to simple coordinated fares, will be the most user-friendly and have the greatest potential to increase ridership. I think having coordinated fares between agencies, while an improvement from the current piecemeal system, would be a disappointing half-measure that does not boldly address flaws inherent in our current system. I truly believe that the Bay Area can continue to lead the nation and develop our current system into a more customer-focused world-class transportation network. Please include rich and diverse customer research in the Business Case Study. This will help you craft options that will encourage more transit ridership and best serve our community.

Thank you all for listening to transit riders. I believe this is a fantastic step forward for transit in the Bay Area and an incredible opportunity to be nationwide leaders for fare and network integration. I wish you all the best of luck in your path forward.

Regards,

Derek Pell



From: [Alex Li](#)
To: [Martha Silver](#)
Subject: Business Case Study for Regional Fare Integration
Date: Tuesday, September 3, 2019 6:49:17 PM

External Email

Dear Clipper Executive Board Members and MTC Commissioners,

Thank you for moving ahead with a study of fare integration in the Bay Area. Fares in the Bay Area are extremely confusing, as I'm sure you know, and this is an important step to ensure high-quality transportation options for the region.

The current fare scheme encourages loyalty to specific agencies. While this may be a good way to allocate funding, it's inconvenient to riders, expensive to those dependent on transit, and limiting to everyone who lives in the Bay Area. A study on fare integration, and not just coordination, will help limit and possibly eliminate the issues caused by the current fare schedule. I urge you to consider integration, because this is just a study, and studying all possibilities gives future decision makers the flexibility to do what is right for the region and its future.

I am personally abhorred by the Bay Area's lack of fare coordination. As a student who travels throughout the region to meet friends, go shopping, and get home, it's incredibly expensive to move around. It cost me more to take a round-trip from Stanford to Berkeley than it does for me to take a bus home to Los Angeles. Considering that my college hopping should be a 1.5 hour round trip in a car, and that a bus ride home is about 6 hours, it's pretty hard to say I derive a lot of value from taking transit in the Bay Area. Make transit attractive--ingrate the fares.

Thank you for your time.

Sincerely,

Alexander Li

From: [Devan Paul](#)
To: [Martha Silver](#)
Subject: Business Case Study for Regional Fare Integration
Date: Wednesday, September 4, 2019 9:49:28 PM

External Email

Dear Clipper Executive Board Members and MTC Commissioners,

Thank you for allowing this crucial study to clear another hurdle. Integrated fares are key to a robust transportation system and can boost ridership. Disjointed fares dissuade those transit can help the most: low-income riders. Plus, a simpler fare schedule across agencies would encourage modeshift and thus lower carbon emissions. Personally, I keep careful track of my budget and find it confusing to calculate vastly different fares for the different agencies I travel with.

I'd like to stress the importance of recommending *integrated* fares rather than just coordinated ones, as a simpler system has the greatest opportunity to increase ridership. I'd also like to ensure that the study conducts extensive outreach with stakeholders.

Thank you again for listening to the voices of transit riders,
Devan Paul

From: [Steven Green](#)
To: [Martha Silver](#)
Subject: Business Case Study for Regional Fare Integration
Date: Friday, September 6, 2019 4:38:21 PM

External Email

Dear Clipper Executive Board Members and MTC Commissioners,

I read recently that you have decided to continue the business case study for fare integration. Thank you so much. As someone who loves the Bay Area and is deeply concerned for its future, we need to be doing everything we can to grow and encourage transit ridership, and a modern and integrated fare system is an incredible way to do that.

As an example, my wife and I moved to Millbrae for its great transit access to both ends of the Peninsula, but her job moved from near 16th Street Bart to the Inner Sunset. As a result, her daily transit costs rose from \$4.75 each way to \$7 each way. That's an extra \$90/month simply because she now has to transfer between agencies. If CalTrain has a significant delay, I have to pay to switch to a SamTrans bus to get home. It costs us \$2.50 less to take the bus to SFO than to take Bart, despite the routes being identical.

I hope your study takes into account customers like me who face baffling difficulties due to our fragmented fare and agency structure. The goal should be about getting people out of cars, regardless of the agency, and at a cost that is reasonable and understandable.

Thanks for your time,
Steven Green - Millbrae resident and Caltrain commuter

From: [Sara Greenwald](#)
To: [Martha Silver](#)
Subject: Business Case Study for Regional Fare Integration
Date: Monday, September 9, 2019 1:23:08 PM

External Email

Dear Clipper Executive Board Members and MTC Commissioners,

The 350 Bay Area Transportation Campaign is a 350 Bay Area program working in alliance with other Bay Area groups to achieve transportation that is clean-powered, convenient, safe, affordable and available for all. We represent thousands of commuters who use transit, or could use transit given improved ease of use.

We are pleased to see the business case study for regional integrated fares moving forward. We believe that regional fare integration is essential to meeting the region's mobility, equity and sustainability needs. Bay Area transit agencies and MTC should be doing everything possible to make it easy to use transit, for our members and for the many commuters and residents who travel without cars.

In considering the scope of a study, we believe it is essential to consider options for fare integration, not just coordination. This substantially improves our ability to motivate many more people to use public transportation.

The study must include a robust public engagement and outreach process, with research assessing the needs of different demographics and geographies of people who use transit, and the barriers and solutions for those who might use transit with improvements. The study should have guidance from diverse stakeholders, representing riders, major customers/potential customers such as major employers, transportation management associations, and housing developments, and cities crafting transportation policies; and from policymakers on MTC and Transit Agency boards.

Fare integration has the potential to address significant barriers to transit use, and case studies around the world show that fare integration has strong potential to increase ridership. So we are delighted by the prospect of a strong study to move forward.

Thank you very much for your consideration,

Sara Greenwald
Co-Chair
350 Bay Area Transportation Campaign