

Fare Integration Task Force

June 22, 2020

Agenda Item 4a

Fare Coordination/Integration Study and Business Case Project Update and Discussion of Concept Project Problem Statement

- Subject:** Update on the progress of Fare Coordination/Integration Study and Business Case as well as discussion by the Task Force of a concept draft problem statement.
- Background:** At its last meeting in February 2020 the Fare Integration Task Force recommended the award of a consultant contract to a team led by Steer to work with agency staff on the Fare Coordination/Integration Study and Business Case. The MTC Administration Committee voted to formally award the contract to Steer at its meeting on March 11, 2020.
- Due to the impacts of the COVID-19 pandemic the project team was not able to begin work on the Fare Coordination/Integration Study and Business Case until May. The Co-Project Managers have been working with the Steer consultant team, which is primarily based in Toronto, through virtual platforms. The project team and Steer hosted a virtual project kickoff workshop with the Staff Working Group on May 27, 2020 with the goal of developing a concept problem statement to guide the project over the coming months.
- Discussion:** Coming out of the kickoff workshop the project team developed a draft concept project problem statement which serves as a hypothesis to test through the review and analysis of key issues identified within it. As these issues are studied and feedback is provided, the statement will be refined and include key data points and a strengthened narrative.

The project team is seeking feedback from Task Force members on the below draft concept problem statement:

Problem Statement Context

The Bay Area Transportation System was developed over previous decades to address past challenges and to support a high quality of life in the region. In recent years, the Bay Area has grown into an integrated cultural and economic center that is home to nearly 8 million people who live, work, and pursue education and recreation across nine counties.

The region's transportation system, shaped by past needs, has not kept up with the needs of today's travelers. Transit ridership has stagnated, while highway congestion and greenhouse gas emissions have grown. If these trends continue, the region will not meet its stated policy goals for quality of life, prosperity, equity, and environmental sustainability.

Several factors influence whether a person chooses to use transit: of central importance are transit service reliability, frequency, coverage, and connectivity; land use and development patterns; as well as the price relative to other travel options. The legibility and convenience of the fare payment system may also be an important consideration for some travelers. Relative to regions where transit is used most frequently, Bay Area travelers face challenges in each of these areas.

In addition, the COVID-19 pandemic has had severe impacts on Bay Area transit. Since February 2020, ridership and operating revenues have dropped sharply, forcing deep service cuts. Bay Area transit operators and MTC are implementing a transit system recovery plan that will prioritize safety and restore service in response to growing demand as the regional recovery proceeds and as funding allows.

Problem Hypothesis (to be tested and revised)

Fare policy is one 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 and may not maximize ridership for the region as a whole. As a result, Fare Coordination and Integration may have a role to play both in restoring transit ridership and supporting recovery from the COVID-19 pandemic and delivering the transportation system the Bay Area needs for its coming decades of growth.

How does the current state of Fare Coordination and Integration impact travelers and limit ridership?


This project will evaluate how fares impact ridership and contribute to the key problems that detract from rider experience:

Issues	Challenges to Investigate
1. Customer Value Current fare policies can lead to a disconnect between the fare charged and the value a customer places on their trip	<ul style="list-style-type: none"> Trips pricing may be unfair and discourage use (two trips on similar modes or similar distances have difference prices) Trips may have arbitrary price increases (Example a double fare) Mismatch between the perceived quality of a trip and the price (trying to get at the quality of rolling stock for example)
2. Payment Experience Current fare products, passes, payment technologies, and payment experiences may not be legible	<ul style="list-style-type: none"> The existing product offer does not facilitate or encourage multi-agency trips or multi-agency trip making Trips using multiple agencies may require extra time to plan or understand
3. Equity Current fares may not consistently meet the needs of vulnerable populations	<ul style="list-style-type: none"> The varied approaches to fares provided to vulnerable populations may make some trips challenging or not possible on transit Current fares and fare products may require significant upfront expenditure that make frequent transit use difficult
4. Future Transit Current fares may not optimize the ridership and benefits of proposed transportation investments	<ul style="list-style-type: none"> Infrastructure and service enhancement investments may underperform if they cannot function as part of a cohesive integrated network

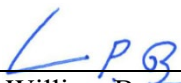
Issues: The impacts of COVID-19 affect how the project will approach the important user research components of the scope of work. The project team is working to reconsider that scope and revise the approach. User research is essential for assessing the relative importance of fare changes vs. other barriers to transit.

Recommendation: Information item for Task Force discussion and feedback.

Attachment: Presentation slides.



Michael Eiseman, Director of Financial Planning, BART



William Bacon, Policy and Financial Analyst, MTC

Fare Coordination/Integration Study and Business Case

Project Update

Problem Statement and Project Timeline

June 22, 2020

Fare Integration Task Force



Project Status Update Summary

In February 2020, the Fare Integration Task force (FITF) and MTC approved contract award for the Fare Coordination/Integration Study and Business Case (FCIS) project to Steer.

Since February, the COVID-19 pandemic halted social and economic activity and Bay Area transit operators now face an unprecedented ridership and revenue crisis.

In response, MTC created the Blue Ribbon Transit Recovery Task Force (BTRTF) to guide the future of the Bay Area's public transportation network, on which several FITF members and project stakeholders serve.

The impacts of COVID-19 affect how we can approach user research. The project team is working to reconsider that scope and revise the approach. User research is essential for assessing the relative importance of fare changes vs other barriers to transit.

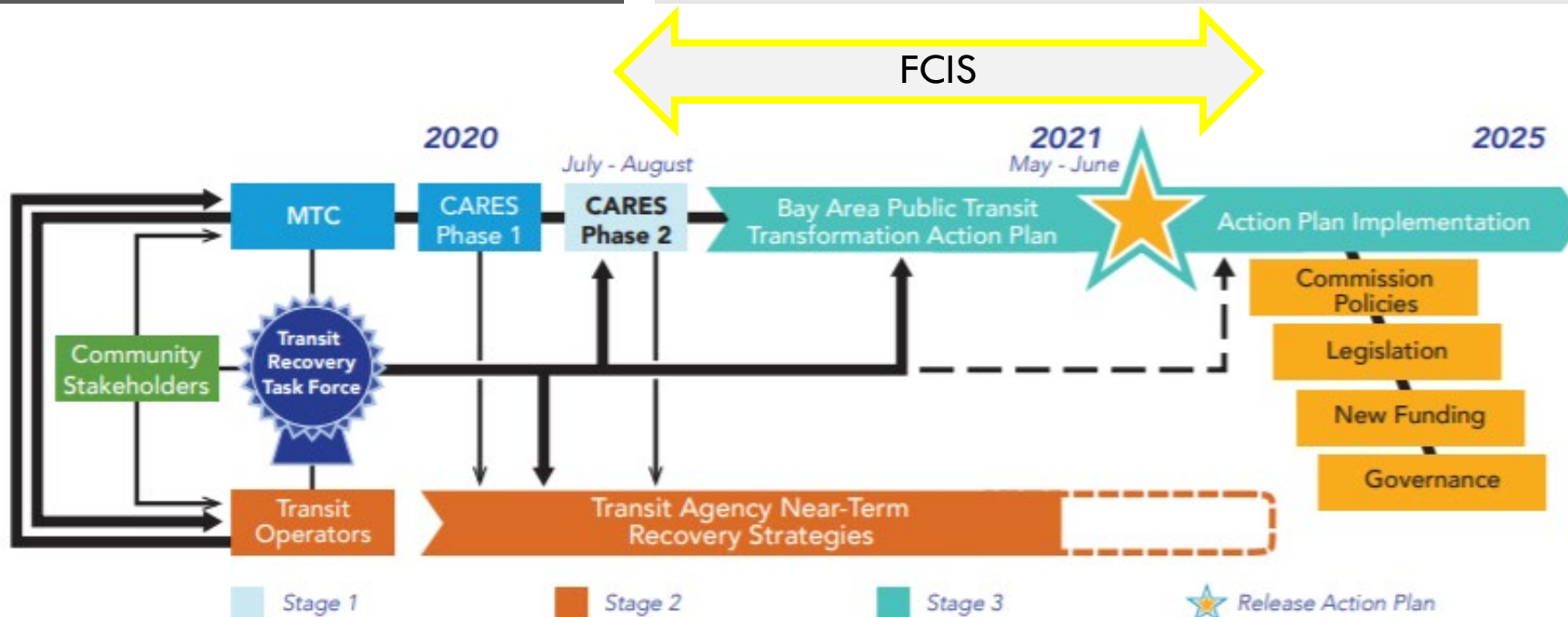
Working with Steer, the Staff Working Group co-led by BART and MTC charted a path forward for the project in light of new circumstances, bringing two items today for discussion and endorsement:

4a. Project Problem Statement

4b. Project Timeline

FCIS Role in Regional Recovery

- The FCIS is well-positioned to effectively lead discussion of fare coordination and integration strategies in the context of regional recovery.
- The FCIS serves to inform the third stage of the BRTTF's work, advancing long-term improvements to regional connectivity, which aligns with the project timeline.
- Our selected consulting team brings outstanding expertise in this policy area and in the region to achieve optimal outcomes.
- The project structure, shown in the appendix, is designed to incorporate extensive input from transit riders, non-riders, and key stakeholders.



steer



ARUP



Framing the FCIS Problem Statement

The problem statement shown in this presentation is a draft subject to input and iteration from the Fare Integration Task Force and other stakeholders.

It synthesizes key ideas in order to present a clear, concise, and compelling platform for studying fares in greater detail.

It can be considered as a hypothesis to test through the review and analysis of the key issues identified within it.

As these issues are studied and feedback is provided, the statement will be refined and include key data points and a strengthened narrative.

Problem Statement (Pt. 1)

The Bay Area Transportation System* was developed over previous decades to address past challenges and to support a high quality of life in the region. In recent years, the Bay Area has grown into an integrated cultural and economic center that is home to nearly 8 million people who live, work, and pursue education and recreation across nine counties.

The region's transportation system, shaped by past needs, has not kept up with the needs of today's travellers. Transit ridership has stagnated, while highway congestion and greenhouse gas emissions have grown. If these trends continue, the region will not meet its stated policy goals for quality of life, prosperity, equity, and environmental sustainability.

Several factors influence whether a person chooses to use transit: of central importance are transit service reliability, frequency, coverage, and connectivity; land use and development patterns; as well as the price relative to other travel options. The legibility and convenience of the fare payment system may also be an important consideration for some travellers. Relative to regions where transit is used most frequently, Bay Area travelers face challenges in each of these areas.

In addition, the COVID-19 pandemic has had severe impacts on Bay Area transit. Since February 2020, ridership and operating revenues have dropped sharply, forcing deep service cuts. Bay Area transit operators and MTC are implementing a transit system recovery plan that will prioritize safety and restore service in response to growing demand as the regional recovery proceeds and as funding allows.

**The Bay Area Transportation system includes infrastructure, service, policies/regulations, and decision making processes for all modes.*

Problem Statement (Pt. 2)

Project Hypothesis: Fare policy is one 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 and may not maximize ridership for the region as a whole. As a result, Fare Coordination and Integration may have a role to play both in restoring transit ridership and supporting recovery from the COVID-19 pandemic and delivering the transportation system the Bay Area needs for its coming decades of growth.

How does the current state of Fare Coordination and Integration impact travelers and limit ridership?

This project will evaluate how fares impact ridership and contribute to the key problems that detract from rider experience:

- 1. Customer Value** – Current fare policies can lead to a disconnect between the fare charged and the value a customer places on their trip.
- 2. Payment Experience** – Current fare products, passes, payment technologies, and payment experiences may not be legible.
- 3. Equity** – Current fares may not consistently meet the needs of vulnerable populations.
- 4. Future Transit** – Current fares may not optimize the ridership and benefits of proposed transportation investments.

Problem Statement (Pt. 3)

Issues	Challenges to Investigate
1. Customer Value Current fare policies can lead to a disconnect between the fare charged and the value a customer places on their trip	<ul style="list-style-type: none">• Trips pricing may be unfair and discourage use (two trips on similar modes or similar distances have difference prices)• Inter-agency trips may have arbitrary price premiums• There may be a mismatch between the perceived quality of a trip and the price (trying to get at the quality of rolling stock for example)
2. Payment Experience Current fare products, passes, payment technologies, and payment experiences may not be legible	<ul style="list-style-type: none">• The existing product offer does not facilitate or encourage multi-agency trips or multi-agency trip making• Trips using multiple agencies may require extra time to plan or understand
3. Equity Current fares may not consistently meet the needs of vulnerable populations	<ul style="list-style-type: none">• The varied approaches to fares provided to vulnerable populations may make some trips challenging or not possible on transit• Current fares and fare products may require significant upfront expenditure that make frequent transit use difficult
4. Future Transit Current fares may not optimize the ridership and benefits of proposed transportation investments	<ul style="list-style-type: none">• Infrastructure and service enhancement investments may underperform if they cannot function as part of a cohesive integrated network

Draft Research Plan (Pt. 1)

Issue	Research Topics	Key Questions	Data Sources
1. Customer Value: Current fare policies can lead to a disconnect between the fare charged and the value a customer places on their trip.	Fare policy audit - collect information on all fare policies in the region, including prices and rules by traveler type	<ul style="list-style-type: none"> • What are the range of fares used by agencies in the region? • What are the operating costs and revenues for each agency? 	Agency websites and policy documents
	Inter-agency transfer availability and prices for multiagency trips	<ul style="list-style-type: none"> • What types of transfers have transfer discounts and which ones have double fares? 	Agency websites and policy documents
	Market segmentation to identify fares paid, distance travelled, and volume of trips taken in key geographic markets by service type used	<ul style="list-style-type: none"> • What are the key travel markets and modes in the region in the region? • Based on mode and market: <ul style="list-style-type: none"> ○ How much revenue and ridership is generated? ○ What distances do customers travel? ○ What are typical travel times? ○ How much do customers pay per mile travelled? ○ What are average fares? 	Regional travel surveys, clipper data, regional transit model
	Ridership trends over time with respect to fares and service changes	<ul style="list-style-type: none"> • How has ridership by market and agency changed over time? • How does this align with changes in fares, service, and expansion of the network? 	Historic ridership and clipper data
	Agency fare strategy discussions	<ul style="list-style-type: none"> • What are the key goals, factors, and considerations agencies take into account when setting fares? 	Interviews
	User research to understand how customers perceive the price of their trips	<ul style="list-style-type: none"> • How do customers perceive the current fare structure and its prices? • Where and when are fares a barrier to further transit use? 	User research

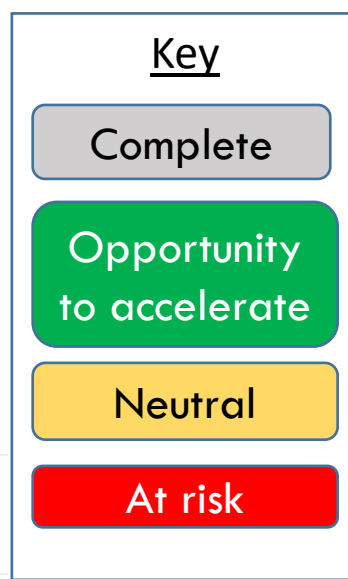
Draft Research Plan (Pt. 2)

Issue	Research Topics	Key Questions	Data Sources
2. Payment Experience: Current fare products, passes, payment technologies, and payment experiences may not be legible	Pass and product audit	<ul style="list-style-type: none"> • What passes are offered? • How much revenue is generated by them? • How many trips are generated? • How have passes evolved over the past decade? 	Agency websites and policy documents
	Fare technology audit	<ul style="list-style-type: none"> • How is the existing technology being used? • What are its limitations and strengths? • What are future directions? 	Agency websites and policy documents, interviews
	User research on satisfaction with current product offer	<ul style="list-style-type: none"> • How do customers perceive the existing product offer? 	User research
	User experience mapping	<ul style="list-style-type: none"> • How do customers perceive the existing payment experience by product type, agency, and trip? 	User research
	Agency product and user experience strategies	<ul style="list-style-type: none"> • How does the payment experience connect to the broader transit experience? • What works well, what are the pain points, and what could be improved? 	User research

Draft Research Plan (Pt. 3)

Issue	Research Topics	Key Questions	Data Sources
3. Equity: Current fares may not consistently meet the needs of vulnerable populations	Equity assessment	<ul style="list-style-type: none"> • How do the challenges from issues 1 and 2 impact vulnerable populations? • What are unique challenges that these populations face? 	Agency website and policy review, user research
	Equity fares and products	<ul style="list-style-type: none"> • What approaches are taken by each agency for equity fares? • What products are available? 	Agency website and policy review, interviews
	Agency equity strategies	<ul style="list-style-type: none"> • Is equity considered as part of the fare strategy or part of another strategy? • What are the priorities for equity for the agency? 	Interviews
4. Future Transit: Current fares may not optimize the ridership and benefits of proposed transportation investments	Planned and in-delivery transit service and infrastructure expansion	<ul style="list-style-type: none"> • What are the key projects under consideration and are there potential fare barriers? What impact will these barriers have on the success of the project? 	Policy review and interviews

Tentative Project Timeline



Spring/Summer
2020

Summer/Fall
2020

Winter/Spring
2020-2021

Summer 2021

Project kick off

Develop problem statement and goals

Existing conditions and background research

Barriers to transit ridership

User research

Stakeholder engagement

Develop coordination and integration alternative strategies

Analyze and test coordination integration alternative strategies

Implementation strategies and final report with recommendations

Need to adapt user research approach plan to current conditions; impacts key project sections

Next Steps

The Co-Project Managers will convene the Policymaker Forum and the Policy Advisory Council on Fare Coordination/Integration for further input in August.

Consultants will conduct existing conditions and background research while reviewing and revising their user research approach to adapt to post-pandemic circumstances.

The next meeting of the Fare Integration Task Force will be Monday, August 17, 2020.

Co-PMs will update the FITF on the project status and highlight key findings and recommendations from problem statement research and stakeholder engagement conducted.

Discussion Questions

- How should the project interact with the BRT/RTF?
- Does the problem statement effectively capture the myriad decision factors for riding transit?
- Does this problem statement incorporate the impacts of COVID-19?
- What other feedback would you like to provide?

Appendix: Project Summary

Fare Coordination/Integration Study

Objectives

Develop goals for the regional fare system that will support an improved user experience, increased transit ridership and build on robust public outreach;

Identify barriers, especially barriers related to fares and the user experience, that are impeding increased ridership;

Identify opportunities to increase transit ridership by improving the regional fare system through regional fare coordination and integration strategies; and

Develop a detailed implementation plan, including funding plan, for recommended improvements.

Commission approved use of up to \$888,231 in RM 2 funds to support the study



Transit Operators and MTC Working Together

Fare Integration Task Force – Project Ownership

Co-Project Managers – BART & MTC staff

Transit Operator Staff Working Group

Consultant Team

Policymaker and Stakeholder Engagement

Policymaker Forum on Fare Coordination/Integration

MTC Policy Advisory Council Subcommittee on Fare Coordination/Integration

Fare Integration Task Force



Project Scope

Transit operators and MTC staff jointly developed the project scope, comprised of seven (7) key tasks



Task 1: Problem Statement and Goals



Task 2: Existing Conditions and Background Research



Task 3: Barriers to Transit Ridership



Task 4: Alternative Solutions



Task 5: Alternatives Analysis



Task 6: Recommendations and Implementation Plan



Task 7: Stakeholder Engagement and User Research