Bay Area Fare Coordination and Integration Study

Study Progress & Options Preview

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Fare Integration Task Force
April 19, 2021

Agenda Item 5a

Sergio Ruiz/SPUR

Task Force Meeting Overview

Today’s discussion is focused on the short list of six options to be considered in the FCIS.

WHY WE ARE HERE TODAY

1. Update on Study Progress and Work Underway
2. Fare Integration & Coordination Options - Preview
3. User Research Update
4. Roadmap to Recommendations and Final Report

1. Study Progress and Work Underway

Overview of progress to date

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Option Development Process Overview

An option is defined as a potential ‘high-level’ fare structure for the region that uses a combination of single and multiple trip pricing tools to integrate fares. During Step 4 Options Development, variants are determined based on specific prices, passes, caps, or products.

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Variant Development Workshops

A variant is a detailed version of an option that specifies prices, passes, caps, or products.

- The Project Team has been working with the Fare Integration Staff Working Group to refine options and develop variants for the six fare policy options on the short-list presented at the February Fare Integration Task Force.

- This is accomplished through a series of workshops and small group conversations on topics related to each fare policy option:

- Which services should be characterized as regional versus local?
- How should zone concepts be applied to the region?
- What pass types and caps make most sense for the region?
- How should operators be grouped into neighboring and connecting agencies?
- To be presented to Staff Working Group week of April 26

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2. Fare Integration & Coordination Options - Preview

Key questions and issues for six shortlist fare policy options

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Short List of Fare Policy Options

- The shortlist includes two options per pathway that are relevant to the Bay Area regardless of future management models.
- Shortlist options have been renumbered to illustrate degree of change to fare rules and progression of options.

Discounts Only

1. Passes and caps
2. Discount Double Fares

Subregional Standardization

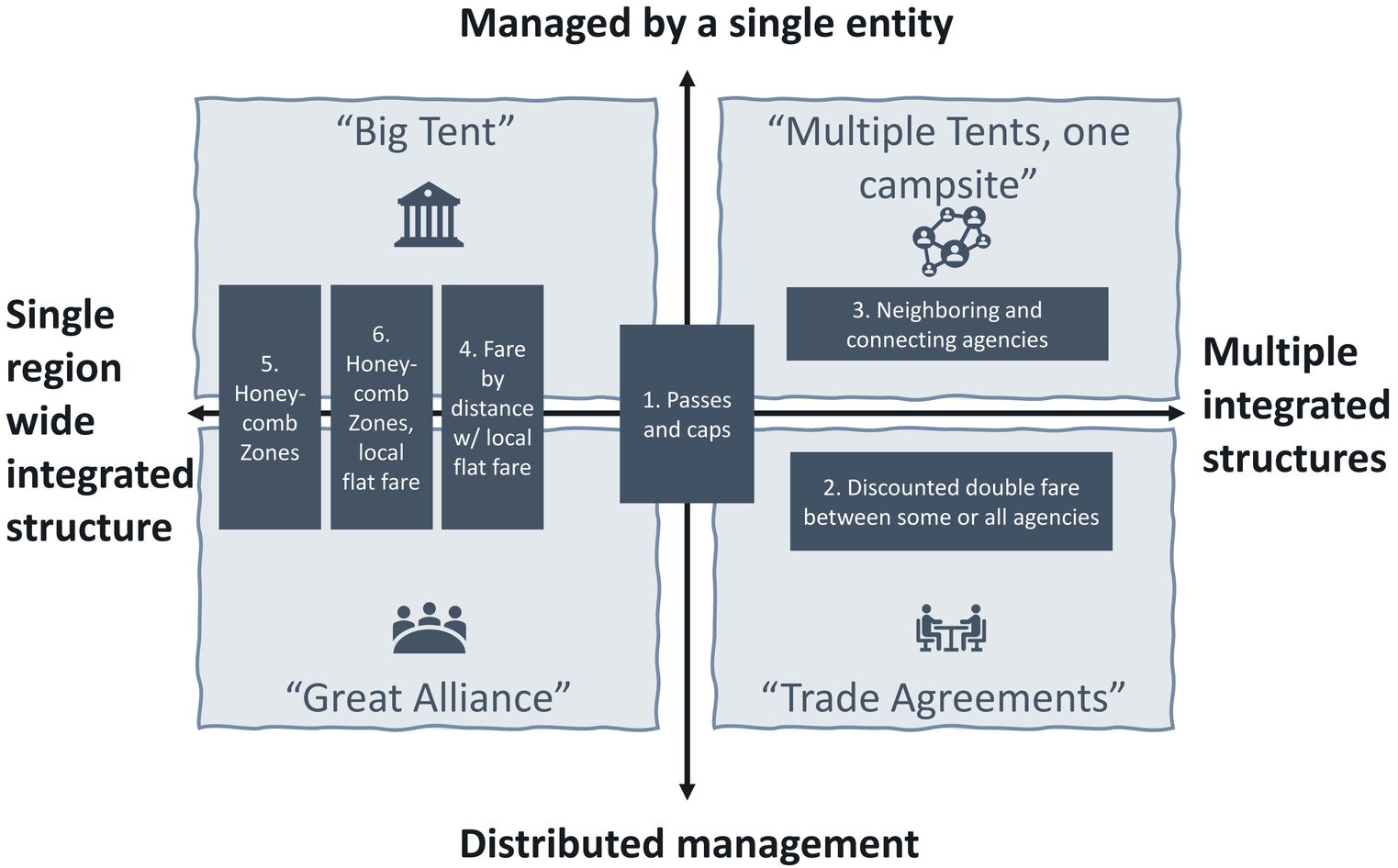
3. Neighboring and connecting agencies

Fare by Distance Option

4. Fare by distance with a local flat fare

Zonal Options

5. Honeycomb Zones
6. Honeycomb Zones with a local flat fare



Service Categories

Route Categories	Illustrative Examples (not comprehensive)	Fares Service Category
Intercity	Capitol Corridor, ACE, VTA Hwy 17 Express	Long-term integration opportunity
Regional	BART, WETA, Caltrain, GGT Basic (30, 70, 101), SamTrans 292, SolTransRed/Yellow Lines	**"Regional Fares"** in integrated fare structures
Commute/Express	CCCTA Express (90x series), GGT Commute, AC Transit Transbay, Dumbarton Express, WestCatLynx	
Rapid/Frequent	MUNI Metro, VTA Light Rail, AC Transit 1T, AC Transit 72R, MUNI 14/14R, SamTrans ECR, VTA Rapid lines (500s)	**"Local fares"** in integrated (example: these services would have a flat fare in local flat fare options)
Local	Most local services provided by small operators and community-focused service provided by larger operators	
Special	AC Transit 600 series, Marin Transit 100 series, Muir Wood Shuttle, MUNI 76x Headlands	
First/Last Mile	VTA ACE/Caltrain Shuttles, SamTrans Caltrain Shuttles, AC Transit 448	

Route Categories defined by "Planning and Operations Subcommittee" of Transit Operator Caucus of the Blue Ribbon Task Force

Option 1: Passes and Caps/Accumulators

Primary Concepts	Description	Implementation Tradeoffs
One-Price Pass	Pay up front for universal pass, can be priced to encourage return to transit.	How can simplicity and affordability be balanced with financial sustainability?
One-Price Cap/Accumulator	Fares are capped based on threshold (trip value, boardings).	How can caps be set up that cover multiple operators with multiple trip prices?

Variations

Tiered Passes and Caps	Multiple tiers covering scalable range of transit services. Pay difference in price for trips outside tier.	How can tiered passes or caps be delivered in an intuitive/customer friendly manner that is still flexible to different customer needs?
Employer/Institutional Pass	Institutional or government partners subsidize passes.	What other passes or products are required to meet the needs of those not served by employer/institutional passes?

Option 2: Discounted Double Fares

Option Definition

- Targeted discounts between agency pairs that meet **one or more** criteria
- Discounts can vary between agency pair

Assumptions to Test

- Reducing double fares will reduce barriers to transit travel without broader or more transformational changes

Variants

- A range of discounts for agency pairs to identify the optimal level of discount relative to the project evaluation criteria
- Examples:
  - 25% discount
  - 50% discount
  - 75% discount
  - 100% discount (free transfer)

Criteria for Selecting Agency Pairs:

- ❑ High levels of **joint agency ridership** pre-Covid
- ❑ Overlap of **high-quality transit service** (frequency, reliability, or speed)
- ❑ **Potential demand** defined by (auto mode share where high-quality service is present)
- ❑ Opportunity to **optimize trips** for customers currently using one operator

Option 3A: Neighboring and Connecting Agency Integration

Option Definition

- Targeted discounts between agencies within a defined ‘sub-region’
- All local agencies retain their existing fares, discounts are only applied when transferring
- Discounted or free transfers would be provided to all agencies within a sub-region
- There could be discounts for trips between sub-region

Assumptions to Test

1. Higher ridership can be realized by:
   - Providing targeted discounts between local agencies and regional agencies to allow transit to be used for ‘the whole trip’
   - Reducing double fares between neighbouring agencies
2. Fare integration will be more financially sustainable and more readily deliverable by retaining local agency fare setting authority
3. Varying transfer rules by agency pair will allow revenue and ridership to be co-optimized

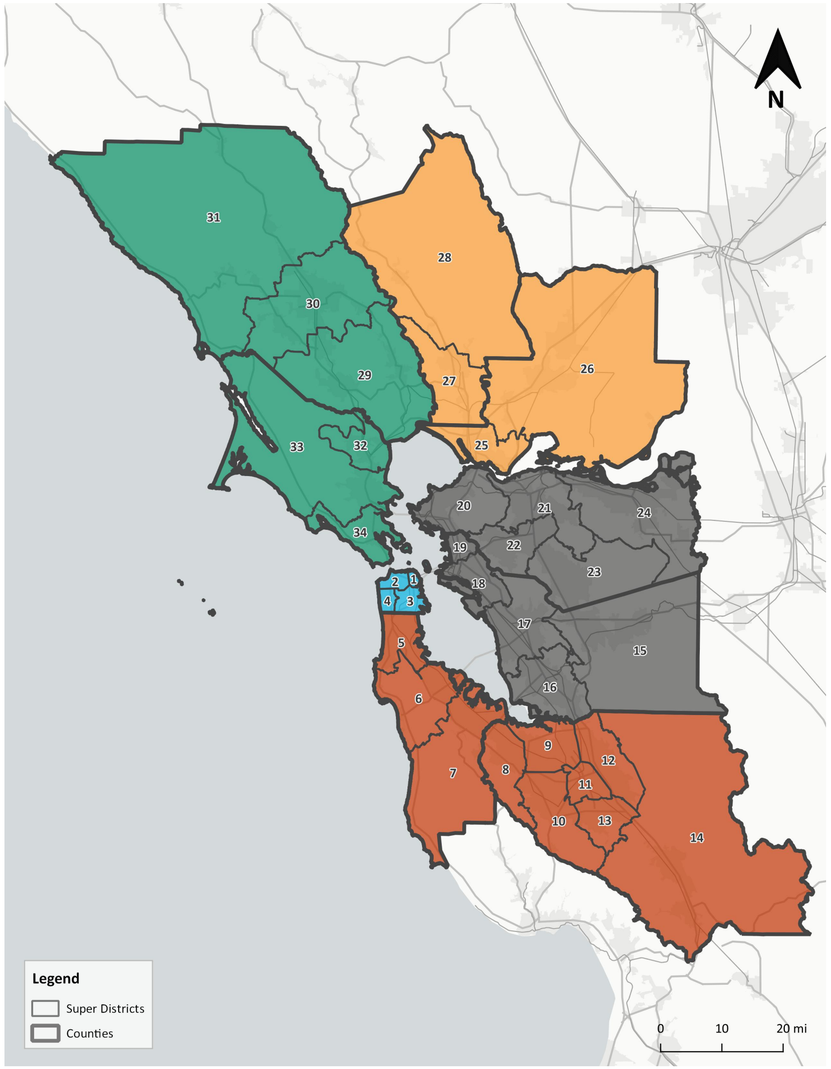
Variants

- A range of discounts for sub-regions to identify the optimal level of discount relative to the project evaluation criteria
- Examples:
- 25% discount
- 50% discount
- 75% discount
- 100% discount (free transfer)

How does this differ from Option 2?

- ❑ Allows flexibility for operators within subregions to agree on pricing arrangements more tailored to their localities
- ❑ Focuses on distinct areas of high-volume travel

Illustrative Sub-Regions



How could sub-regions be defined?

Example:

- ❑ Based on travel demand between communities in the Bay Area
- ❑ Communities are bundled into sub-regions where 75-80% of all trips originating in a community have a destination in the sub-region

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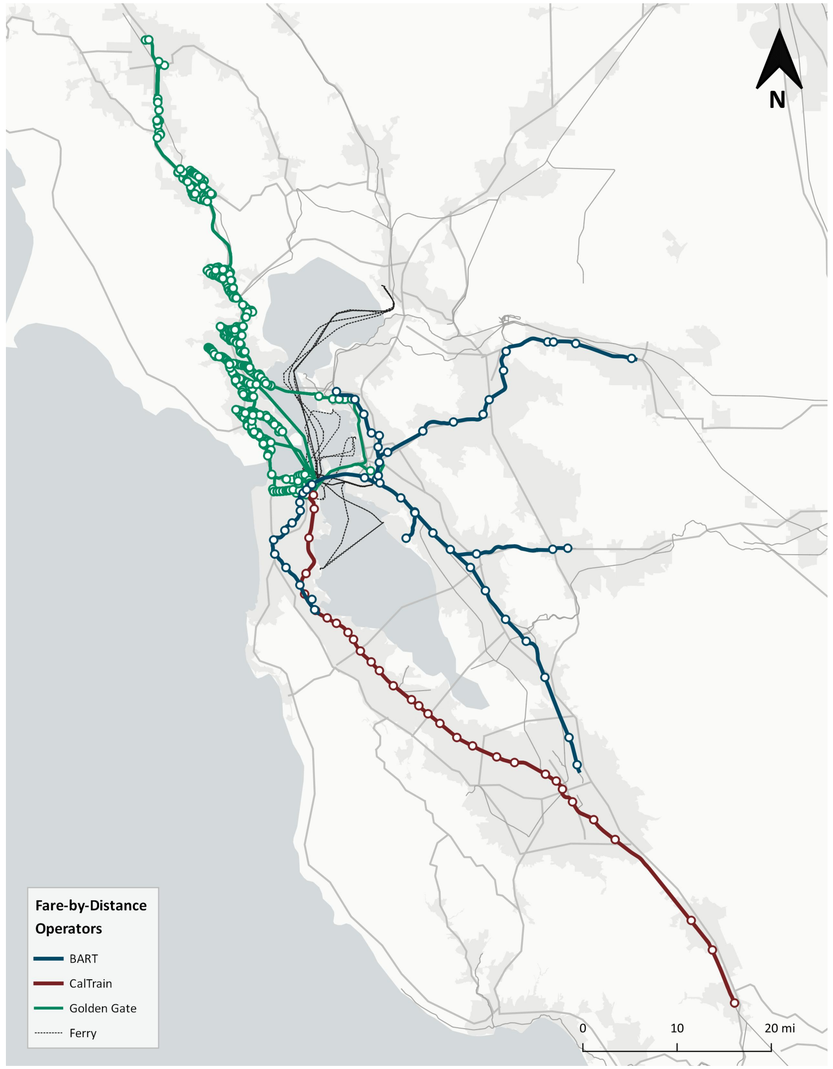
Fare by Distance Principles

Options 3B-4 both use Fare by Distance.

Principles were developed in consultation with the Staff Working Group will inform pricing during the next stage of work:

- ❑ Tactical/limited use of surcharges (for example Transbay, Airport)
- ❑ Can generate similar revenue to today's structures
- ❑ Base fare will be aligned with local bus fares where possible
- ❑ Avoid disproportionate impact to low-income riders
- ❑ Remain flexible to future fare changes
- ❑ Use pricing to encourage efficient use of overall Bay Area transit system
- ❑ Make system more attractive to customers by applying one structure to all regional operators



Option 3B: Neighboring and Connecting Agency Integration with FBD

Option Definition

- Same sub-regions as option 3A
- All local agencies retain their existing fares, discounts are only applied when transferring
- Integrating all regional agencies into a single fare by distance fare curve; trips using multiple regional services will have a continuous fare based on total distance travelled on regional services without any transfer penalties

Assumptions to Test

1. Higher ridership can be realized by:
   - Integrating all regional services into a single fare structure
   - Providing targeted discounts between local agencies and regional agencies to allow transit to be used for 'the whole trip'
   - Reducing double fares between neighboring agencies
2. Fare integration will be more financially sustainable and more readily deliverable by retaining local agency fare setting authority
3. Varying transfer rules by agency pair will allow revenue and ridership to be co-optimized

Variants

- A range of fare by distance price curves for region, including:
  - A range of different base fare prices and distances (example: $3.00 for first 5 miles, $3.50 for first 10 miles)
  - A range of slopes (example: $0.30/mile) or step sizes (example: 5-10 miles costs $4.50, 10- 15 miles costs $5.50)
- A range of discounts for agency pairs to identify the optimal level of discount relative to the project evaluation criteria
- Examples:
  - 25% discount
  - 50% discount
  - 75% discount
  - 100% discount (free transfer)

Option 4: Fare by Distance with Local Flat Fare

Option Definition

- All local agencies have the same flat fare
- Transfers between local agencies are free
- Transfers between local and regional services are free
- All regional agencies use a single fare by distance structure
- Trips using multiple regional services will have a continuous fare based on total distance travelled on regional services without any transfer penalties

Assumptions to Test

1. Higher ridership can be realized by:
   - Integrating all regional services into a single fare structure
   - Removing all transfer penalties across the region
2. A single flat fare for local operators will make the system simpler and more equitable without additional financial or delivery impacts

Variants

- A range of fare by distance price curves for region, including:
  - A range of different base fare prices and distances (example: $3.00 for first 5 miles, $3.50 for first 10 miles)
  - A range of slopes (example: $0.30/mile) or step sizes (example: 5-10 miles costs $4.50, 10- 15 miles costs $5.50)
  - A range of local flat fares (example: $2.00, $3.00, etc)

Zone Principles

Zonal Options

5 Honeycomb Zones

6 Honeycomb Zones with a local flat fare

- Both zonal options correspond to the “Big Tent” or “Great Alliance” delivery scenarios, as part of a broader transformation.
- While option 5 applies the same fare structure to all services, option 6 allows for fare delineation between local and regional services.

Options 5-6 use Zones.

Principles were developed in consultation with staff working group and subgroups. These principles will inform pricing during the next stage of work:

- ❑ Include option that raises similar amount of **revenue** to existing system/ addresses pricing steps for FBD operators
- ❑ Avoid **arbitrary boundaries** (price changes)
- ❑ Include some virtual zones for **surcharges** (Transbay, Airport)
- ❑ Avoid penalties to **low-income communities**
- ❑ **Balance** between zone size and price

Option 5: Honeycomb Zones for all services

Option Definition

•Integrating all agencies into a single zonal structure – all trips using the regional network are priced based on number of zones travelled

Assumptions to Test

1. Higher ridership can be realized by integrating all services into a single fare structure
2. A single fare structure will make the system simpler and more equitable
3. A zonal structure will be simpler and more intuitive to understand for most trips than the existing structure

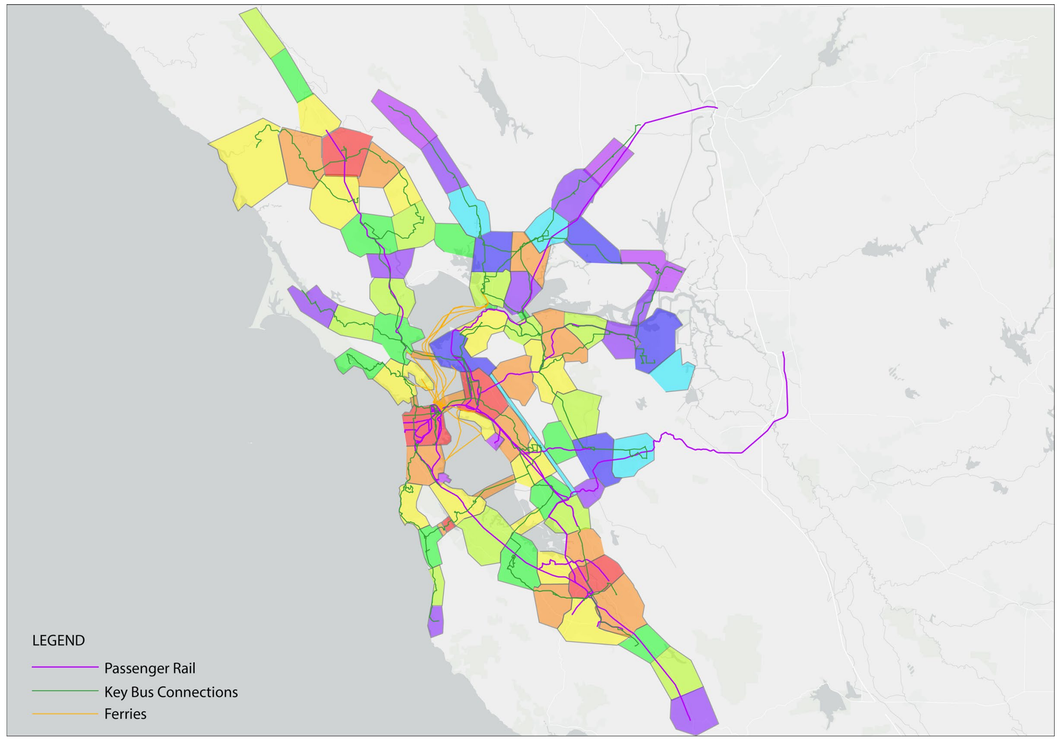
Variants

- A range of prices per zone, including:
  - Uniform zone pricing (each zone costs the same)
  - Variable zone pricing (example: zone 1 costs $3.00, zone 2 adds $1.50, zone 3 adds $1.50, zone 4 adds $1.00, etc)
  - Free second zone (to minimize impact on short trips that cross a zone boundary)

Illustrative Zone Approaches for Option 5 – Honeycomb Zones

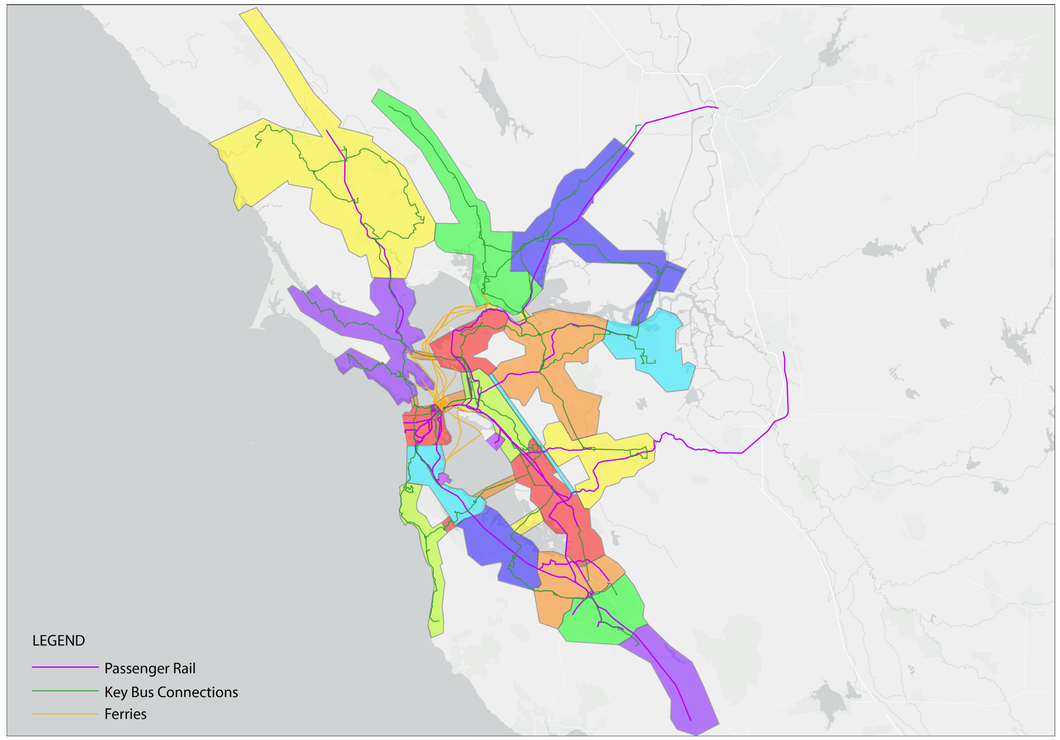
The project team will test at least one small zone and one large zone variant for Option 5

Approach A – Small Zones



Small zones support pricing closely tied to trip length

Approach B – Larger Zones



Larger zones offer simplicity and opportunity to design zones around travel patterns

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Option 6: Honeycomb Zones with Local Flat Fare

Option Definition

- All local agencies have the same flat fare
- Transfers between local agencies are free
- Transfers between local and regional services are free
- Integrating all regional agencies into a single zonal structure – all trips using the regional network are priced based on number of zones travelled

Assumptions to Test

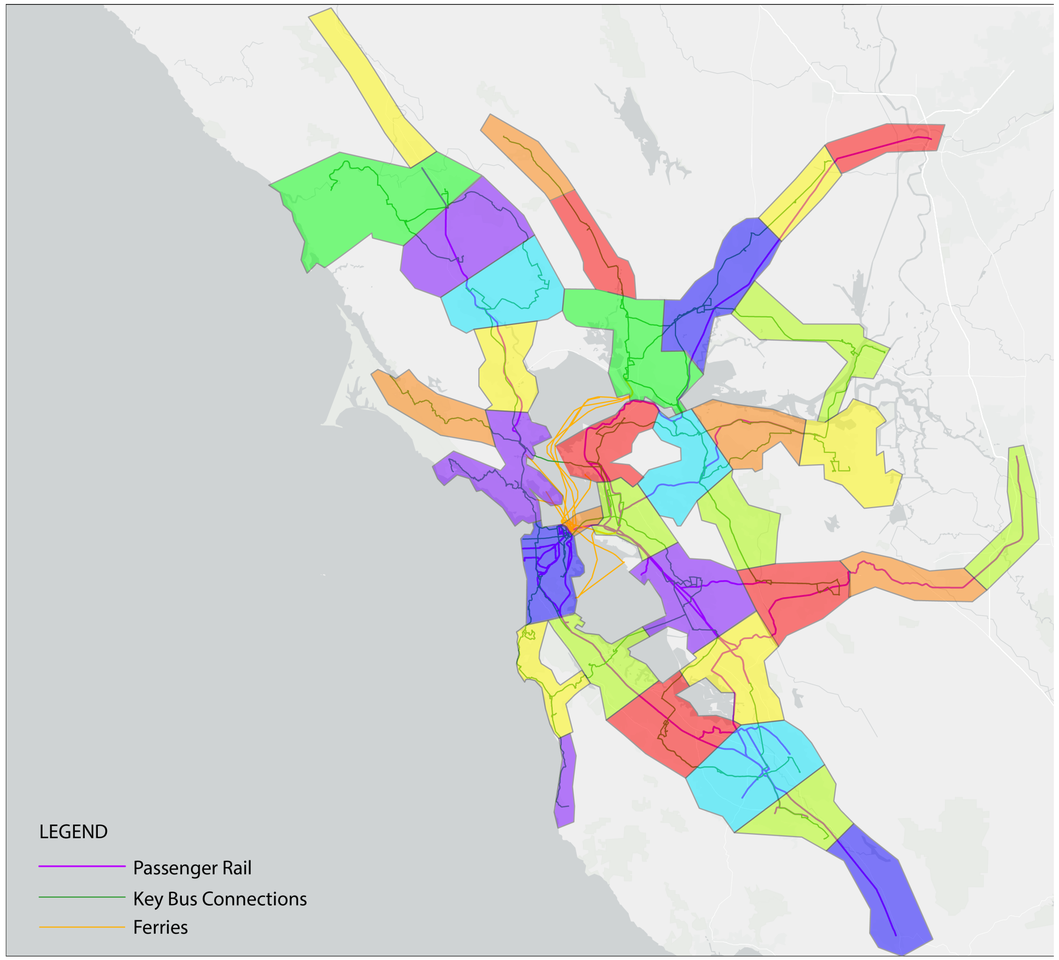
1. Higher ridership can be realized by:
    - Integrating all regional services into a single fare structure
    - Removing all transfer penalties across the region
2. A single flat fare for local operators will make the system simpler and more equitable
3. A zonal structure will be simpler and more intuitive to understand than fare by distance

Variants

- A range of prices per zone, including:
    - Uniform zone pricing (each zone costs the same)
    - Variable zone pricing (example: zone 1 costs $3.00, zone 2 adds $1.50, zone 3 adds $1.50, zone 4 adds $1.00, etc)
    - Free second zone (to minimize impact on short trips that cross a zone boundary)
- A range of local flat fares (example: $2.00, $3.00, etc)

Illustrative Zone Approach Option 6 - Honeycomb Zones with Local Flat Fare

For Option 6 the project team will test an additional zone map attempts to mirror the existing zone or distance based structures of the Bay Area's regional transit operators and express/commute bus services.



Larger zones inspired by existing zones or distance bands for regional service

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3. User Research

Findings on Barriers to Transit

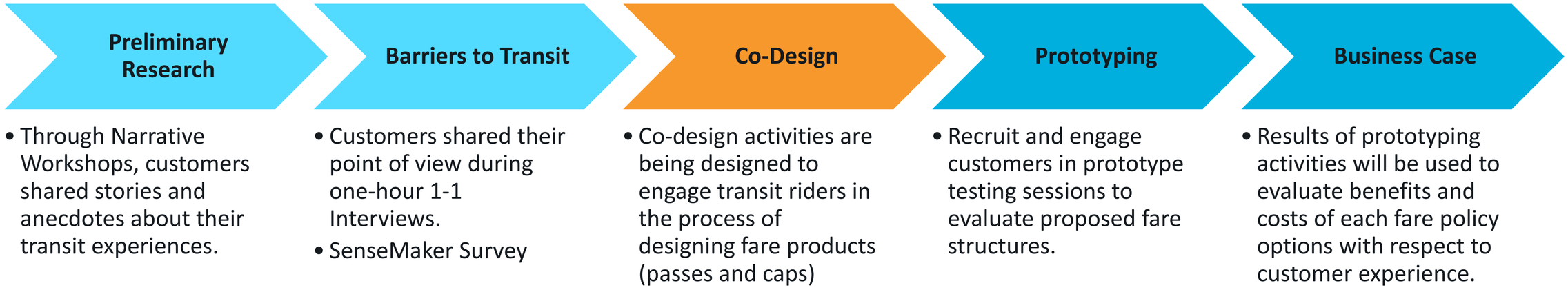
Sergio Ruiz/SPUR

Update on User Research

- The purpose of **qualitative** user research is to identify the **motivations**, **goals and needs** of transit customers navigating the complex urban transit and mobility landscape of the Bay Area.

- The Project Team has completed preliminary research and an exploration of barriers to transit using several qualitative research methods. The research focussed on three key issues: **customer value**, **payment experience, equity** and **systems**.

- The next phase of user research will engage transit riders to co-design fare products (passes and caps) and explore the shortlist fare policy options through prototyping.



User Research Key Findings Summary

Customer Value

- When customers determine the value of transit, the price of the transit trip is not the only measure of cost.
- When price is evaluated by the customer, it is almost always compared against something else.
  - Perceived value and utility of the transit service
  - Cost of living in the Bay Area
  - Cost of transit alternatives in the Bay Area
  - Cost and experience of other transit systems

Payment Experience

- The payment experience extends beyond the farebox.
- Customers experience fares in two parts of their transit journey: when planning and trip and when paying for a trip.
- Customers mentioned a mix of fare products:
  - Loaded cash value
  - Passes
  - Discounts
  - Employee passes

Equity

- Customers have a different view of “fair” fares than the FCIS Staff Working Group.
- There was a strong preference for the equality approach – that fares should be the same for everyone.
- Upfront costs can be a significant barrier for low-income riders.

Systems

- The Bay area is a highly complex system of operator systems with varying degrees of integration.
- Customers do not hold full knowledge of the entire transit system at the macro- or operator-level. They only know information pertinent to their travels.

Customer Value Findings from User Research on Barriers to Transit

For some, transit provides **a sense of autonomy, belonging,** and is a means to **be a part of a bigger cause.**

The value of transit, especially passes, **can be favorable compared to cost and stress of driving and parking**; however, **driving can be more cost-effective for groups and families.**

Infrequent and unreliable service is a strong factor in mode choice. Inability to meet expectations can cause riders to **miss or be late to significant life events like interviews** and/or **question their use of transit altogether.**

Observed behaviors on transit can **bring riders joy and a sense of humanity** or can **cause fear and discomfort.**

Before taking transit, customers weigh **risks to their comfort, health, safety, and wellbeing.** Common perceived risks include dangerous people, potential exposure to germs (especially post-COVID), being stressed and hurrying, schlepping, and physical issues (e.g., standing for a long time, having to pack into a transit vehicle).

Customers find value in **the repurposed "lost" commute time** that they cannot use while driving. Conversely, **having to wait unexpectedly can cause significant distress**, especially if the reason is unknown and out of their control.

Customers **experience transit travel compared to** other regions and modes and **in the context of local cost of living.**

Payment Experience Findings from User Research on Barriers to Transit

Planning

- **Riders use many different information sources** like NextBus, 511, signs, Google Maps and agency websites to budget for their trip
- **The experience can be confusing and unpleasant**, especially when staff are perceived as unhelpful
- Remembering or understanding a trip fare is often **more difficult on multi-agency trips and when using Clipper**

Paying

- When deciding between cash value or passes, customers **do rough break-even math** and guess if they will take unusual or multi-agency trips
- **Managing stored value can be a challenge.** While many customers like Clipper, they often don't know how much they have paid. The delay when loading value online is a source of anxiety for some customers
- **Some riders still prefer to use only tangible cash**

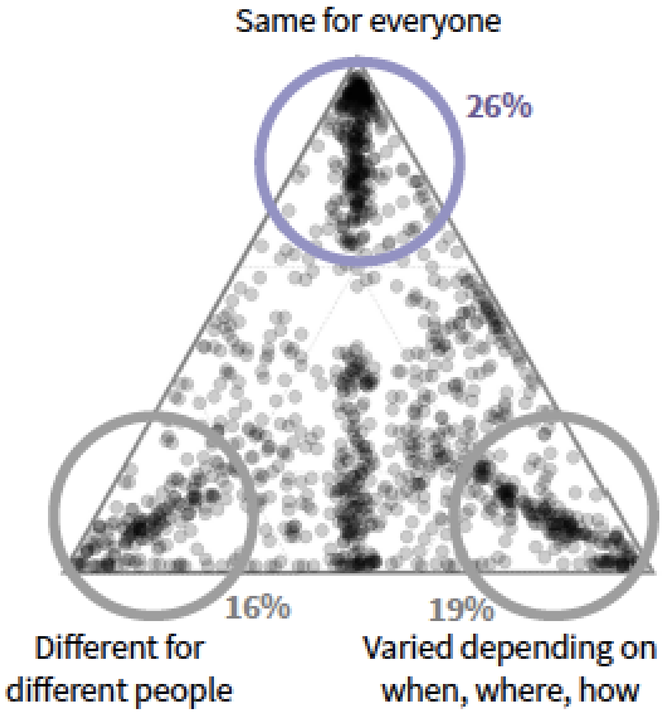
Fare media

- Riders spoke favorably about **not having to manage multiple tickets**
- **Not everyone can easily afford the upfront cost** of the Clipper card, which is especially frustrating if card was misplaced or forgotten
- **In some cases, Clipper does not offer a customer's preferred product**

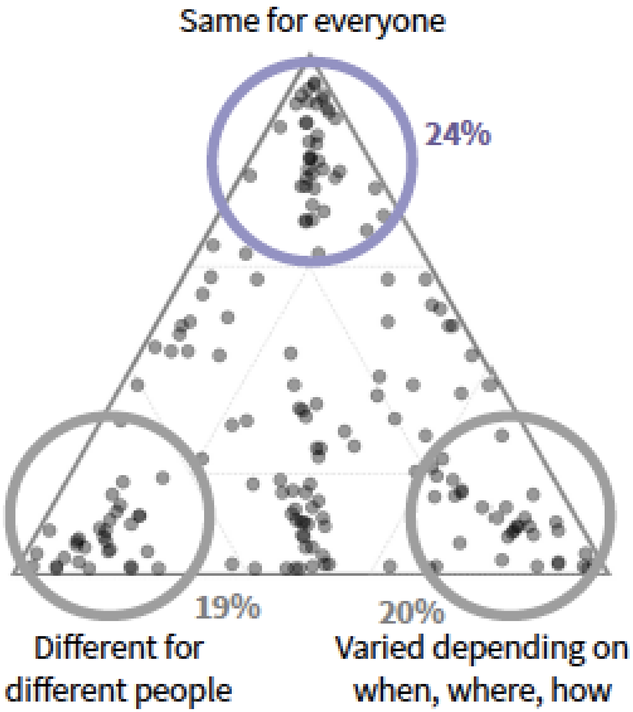
Equity Findings from User Research on Barriers to Transit

In SenseMaker Survey Survey, we asked transit customers to indicate what the fare for their trip should be. **Customers favor an <u>equality</u> approach to pricing transit**, while the FCIS Staff Working Group responses favor equity. Responses from low-income riders were consistent with responses from riders of all income levels.

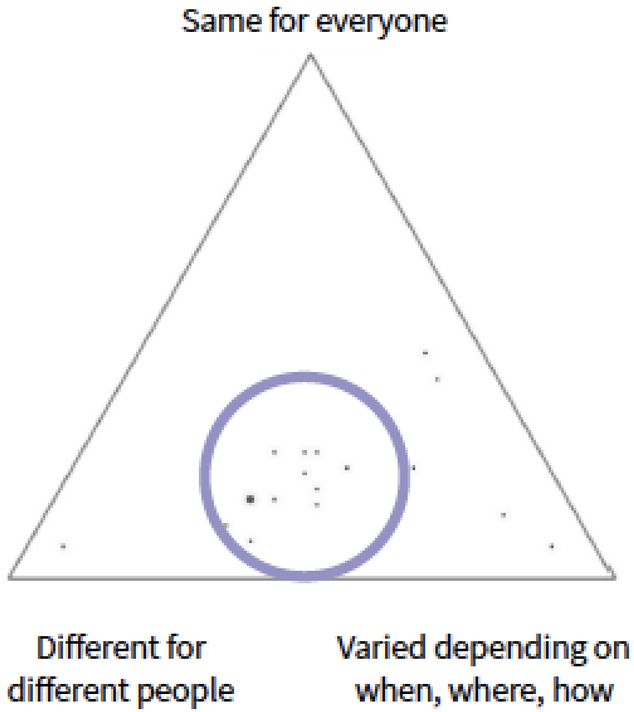
All transit customers (n=1,291)



Low-income customers (n=181)



FCIS Staff Working Group (n=18)



Equity Findings from User Research of Barriers to Transit (Cont.)

Upfront costs can be a significant barrier for low-income riders.

"When I first started my job, I wasn't always assured of my income. I don't want 50 bucks on there every time. I need that for food."

- *transit customer from San Francisco*

Different bus prices seem fine to most riders.

"If you're getting at should [buses] all cost the same… I think I just take it for granted that anything in San Francisco is going to be more expensive."

- *transit customer from Marin County*

Customers have made significant tradeoffs to afford transit.

There were a few times where I might have popped the gate because I needed to get somewhere, and I didn't have the money to do it. That's something I wouldn't do now but then my circumstances have changed. There have been many days where I needed to be in class. I didn't [have] any money for lunch, I didn't have any money for transportation. But I still needed to be present for class."

- *transit customer from San Francisco*

User Research – Some Questions for Consideration

The User Research activities generated several questions and issues to be considered as the Bay Area explores fare integration and coordination. Some of these questions will be considered within the scope of the study, while others will extend beyond it.

Some considerations *within* the scope of this study

- How might we improve communicating the outcomes of the policy in a way that is accessible to customers and future customers who are planning their trips?
- How might we help improve the payment experience for lower income customers who cannot take advantage of the conveniences?
- How might we design fares and fare products to enable the most vulnerable customers to access transit with dignity?

Next step: Co-design and prototype fare structures, products, and tools with users

Some considerations *beyond* scope of this study

- How might we leverage the positive transit experiences to help further grow ridership?
- How might we improve the experience of transferring and waiting with the goal of improving customer's perception of transit's value?
- How might we enable customers to help each other with accessing/understanding transit?

Next step: Refer to other regional planning efforts

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Demographic Challenges and Actions Taken

Challenges:

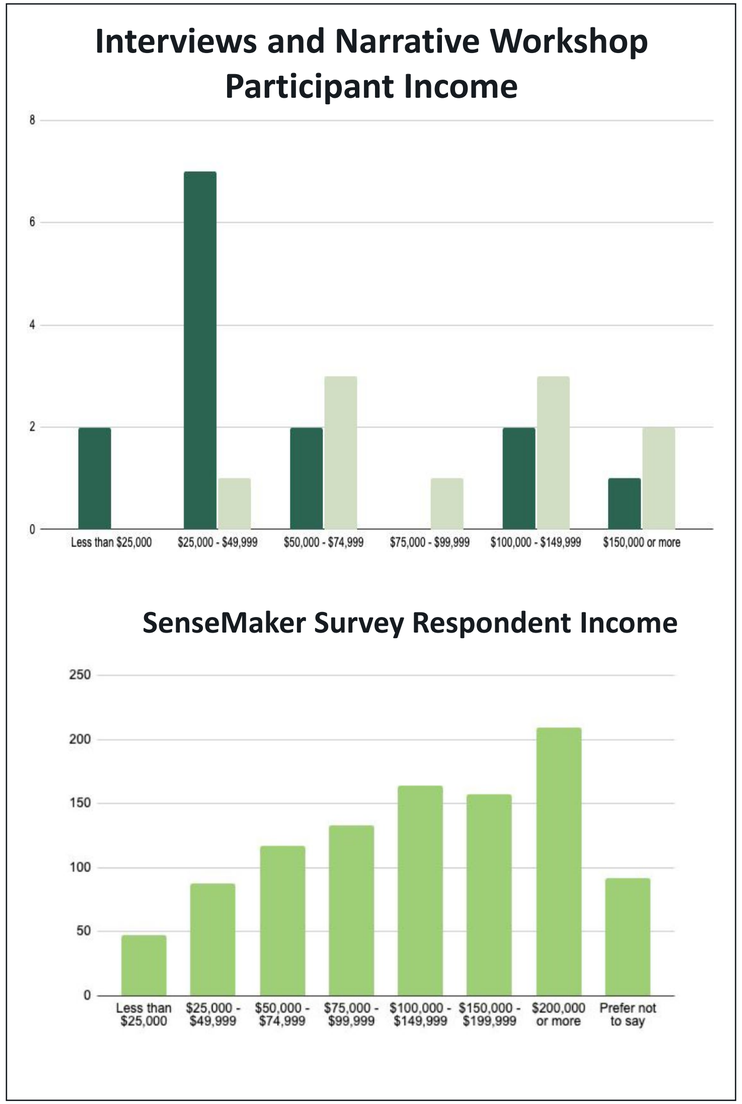
- Due to COVID-19, the project team shifted from its original user research plan to a digital strategy. This created recruitment challenges, and SenseMaker Survey responses skewed higher-income, white, male, and younger.
- While the qualitative approach to user research does not require samples to be statistically representative, the project team still endeavored towards capturing broad demographic representation of the Bay Area.

Actions Taken:

- Among SenseMaker Survey responses, staff are still exploring results for notable differences among underrepresented groups, especially among low-income and minority respondents.
- Additionally, one-on-one and small group discussion participants were selected to be somewhat representative of Bay Area population characteristics.

Actions to be Taken:

- A market research firm will seek to increase participation from underrepresented groups in the next stages of user research



4. Roadmap to Recommendations & Final Report

Confirming Direction for the FCIS Detailed Analysis

Sergio Ruiz/SPUR

Proposed Approach to Engage Policymakers

Policymaker Webinar – Late May/Early June 2021

- Host a webinar providing an overview of the FCIS project geared towards transit operator governing board members.
- **All** Bay Area transit agency board members would receive an invitation to attend.
- Brown Act meeting open to the general public.

Individual Board Presentations – July 2021

- Co-Project Managers would attend the regular board meetings of the "Big 7" transit operators to present the project draft report and recommendations.
- FCIS team would organize two special convenings of transit agency board members from small/medium sized operators one for the North Bay and one for the East Bay.
- Opportunity for governing board members to review and comment on draft report.

Core Part of Project Scope

- ❑ A "Policymaker Forum" is included as a part of the project scope of work for the FCIS
- ❑ Pre-pandemic, the idea was to host 2-3 in-person events with two governing board members of each agency on the Fare Integration Task Force

Upcoming Project Milestones

- **May 17, 2021** – Proposed meeting to present final variants to Task Force
- **May 24, 2021** – Project team presents to Blue Ribbon Task Force
- **May/June 2021** – Project team conducts detailed analysis of financial, ridership, and user impacts and develops implementation strategies
- **Late May/Early June** Policymaker Webinar
- **July 2021** – Project team presents draft report and recommendations to the Fare Integration Task Force
- **July 2021** – Project team presents draft report and recommendations at transit agency governing board meetings
- **September 2021** – Fare Integration Task Force adopts final report

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