



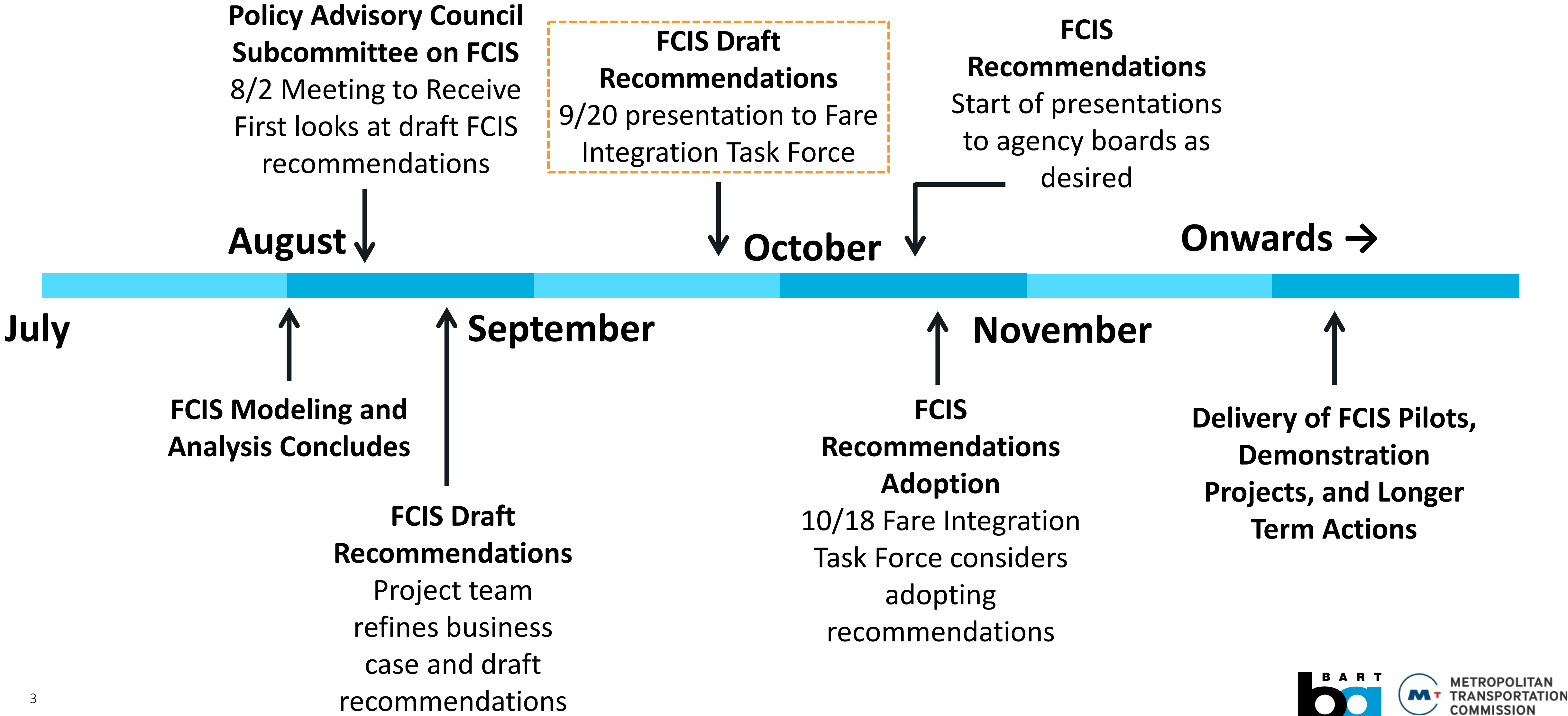
Task Force Meeting Overview

AGENDA

1. FCIS: Review of Work and Analysis
2. Integration Tiers
3. Business Case Framework
4. Next Steps



Schedule Update



Transit Fare Policy Should Encourage Transit Use for All Kinds of Users



Project Problem Statement

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** without providing a coherent set of policies to set fares that support ridership growth.

As a result, Fare Coordination and Integration has a role to play in restoring transit ridership, supporting recovery from the COVID-19 pandemic, and **delivering the transportation system the Bay Area needs** for its coming decades of growth.

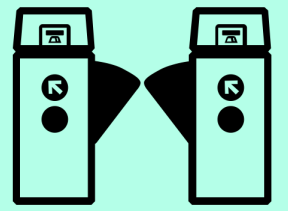
The following key issues define how fares impact ridership and contribute to the key challenges which detract from rider experience:



Customer Value

Current fare policies can lead to a disconnect between the fare charged and the value a customer places on their trip.

Payment Experience



Current fare products, passes, payment technologies, and payment experiences may not be legible.

Key Issues



Equity

Current fares may not consistently meet the needs of Equity Priority Communities.

Future Transit



Current fares may not optimize the ridership and benefits of proposed transportation investments.

What can we directly influence through Fare Integration?

FCIS Developing Areas of Focus

Price Barriers

At any given level of cost recovery, does the region's fare structure:

- Offer competitive prices for all types of trips?
- Offer competitive prices for trips that involve more than one agency?

Learnability & Legibility

- Is the fare structure easy to learn and understand?
- Does the learnability and legibility of the fare system encourage people to adopt transit and use it frequently?

Equity

- Do different agency approaches to equity initiatives limit or optimize overall impact?
- How do other FCIS focus areas affect Equity Priority Populations in particular?

Important & Related Fare Policy Issue

Affordability

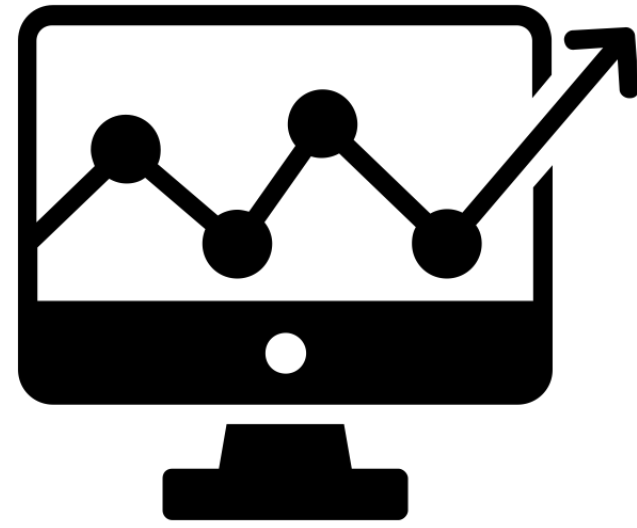
- Is the Bay Area's transit system affordable to people at all income levels?
- What role do programs like Clipper START serve in making transit affordable (e.g., what is the income eligibility threshold?)

Refresh on the FCIS Process

The FCIS team is applying a **business case approach** to evaluate six fare integration options. Originally the project team had hoped to share draft recommendations and results of the business case evaluation today, however unexpected delays in several areas has caused the team to postpone discussing recommendation until the September Task Force meeting.

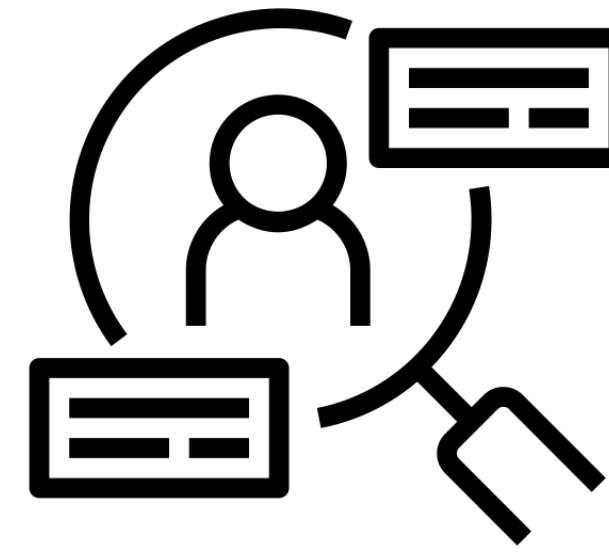


Ongoing Analysis is Crucial to Eventual Recommendations



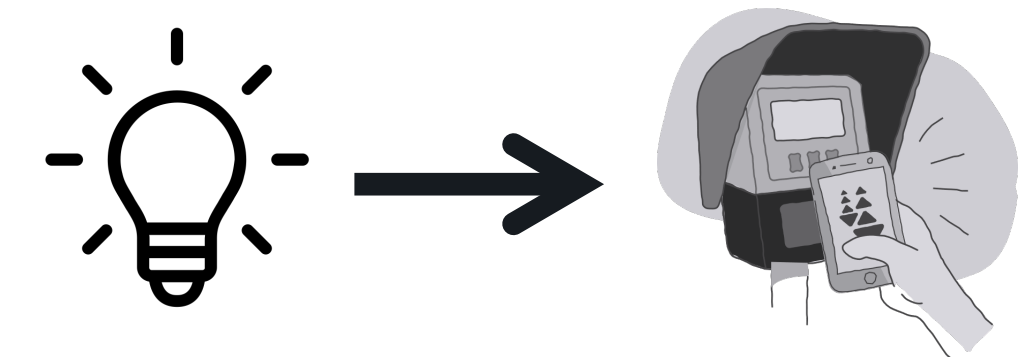
Travel Demand Model

The project team is currently utilizing MTC's *Travel Model 1.5* (same model used in Plan Bay Area 2050) to analyze possible ridership impacts of potential fare policy changes as well as the performance of fare policy change relative to other service and capital investments.



User Research: Prototype Testing

User research continues, focusing on testing how different types of transit users and non-users might experience possible fare policy changes.



Business Case & Implementation Recommendations

Developing FCIS recommendations involves turning ideas and into practicable actions.

The project team is working with agency staff and other stakeholders to socialize concepts and fine tune implementation considerations.

Decisions to Advance Fare Coordination/Integration – Where are we?

Decisions that have been made

- Launch the Fare Coordination and Integration Study
- Define the problem statement
- Define the evaluation framework
- Define the long-list
- Filter the longlist to a shortlist of options

Future decisions informed by FCIS recommendations

- Specific pricing points for the resulting structure
- Timelines to deliver the structure
- Resources and level of subsidy to allocate to the structure
- Revenue allocation model

Decisions we seek to make before end of FCIS

- What fare integration tier should inform the long-term fare policy and immediate delivery plan?
- What demonstrations should be implemented in the short term to prepare for the long-term structure?

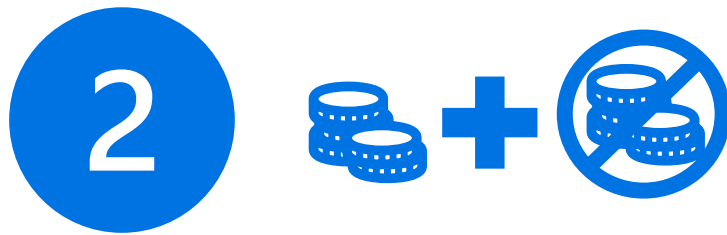
Focus Area of Today's Meeting

Four Tiers of Integration



Overlays

- No change to existing structures
- Agreements on revenue allocation and pricing
- Potential subsidy



Transfer Discounts

- No change to existing individual fare structures
- Customers receive credit that makes all their transfers discounted or free
- Agreements on revenue allocation and pricing
- Ridership increases, subsidy, and/or fare increases to cover lost revenue



Regional Change

- Regional operators share common fare structure
- Agreements on revenue allocation, regional pricing model, and level of discounts to types of users
- New level of inter-agency cooperation and integration in fare policy management needed
- Ridership increases, subsidy, and/or fare increases to cover lost revenue



Regional + Local Change

- Changes to local and regional fares structures
- Fare policy management changes or comprehensive agreements between all 27 operators
- Advanced revenue allocation, grants, and potential rework of cost/funding models
- Greatest level of change does not automatically = greatest level of benefit to users



Could be partially delivered under C1

Requires C2 for complete delivery

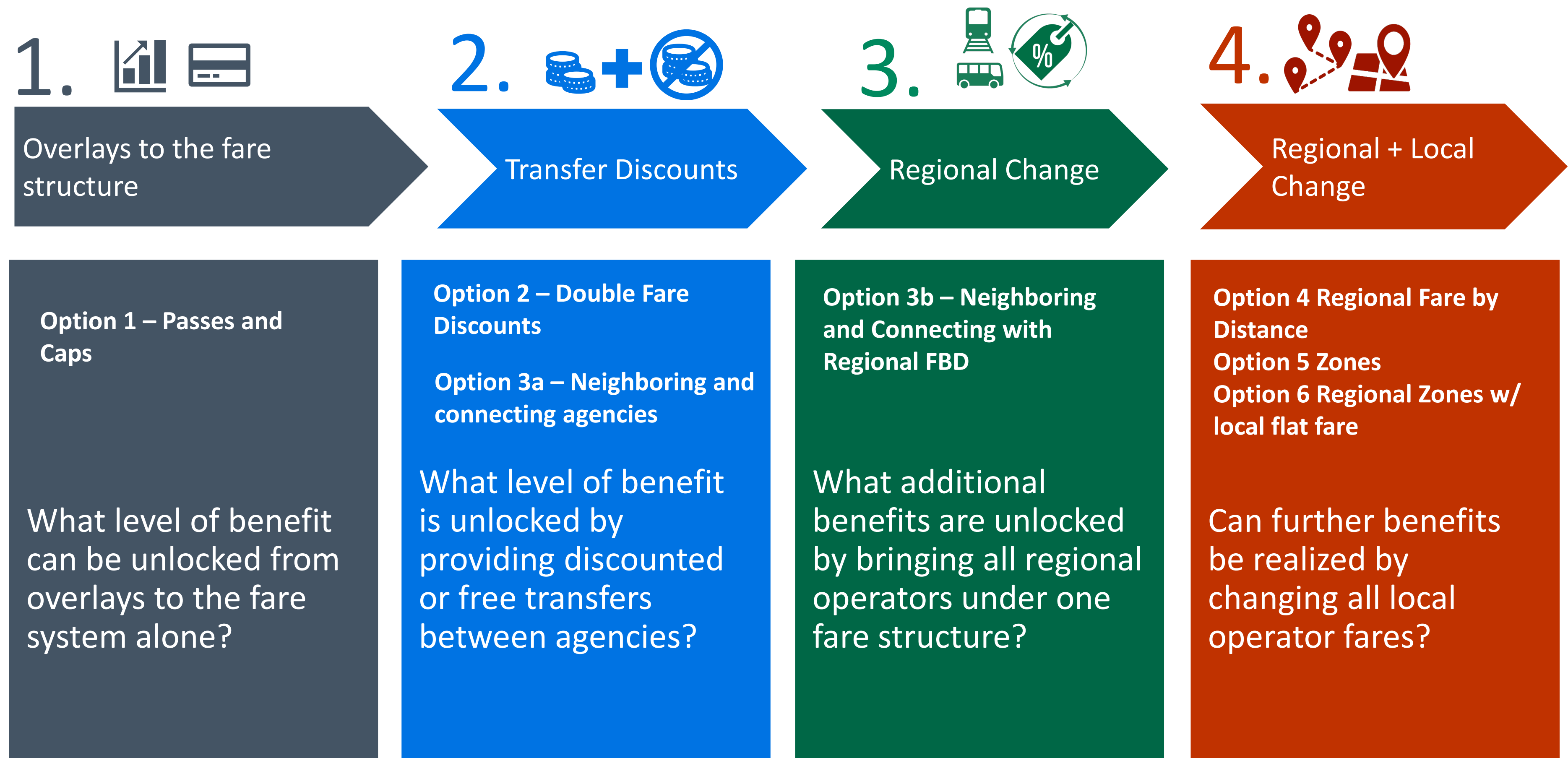


Could be delivered through agreements without institutional change

Requires institutional change

Business Case Methods – Investigating Extent of Integration

The fare integration business case assesses the benefits, costs, and requirements associated with increasing tiers of fare policy integration in the Bay Area.



The Devil is in the Details

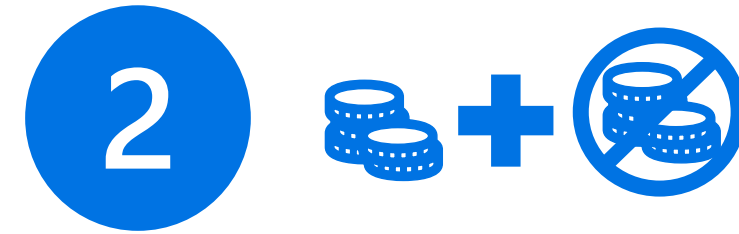
Snapshot of Some of the Considerations the FCIS is Examining



Overlays

- No change to existing structures

- Should the Bay Area have a pass model or a cap/accumulator model or both?
- How would revenue sharing work between agencies for a pass/cap?



Transfer Discounts

- No change to existing individual fare structures or prices

- How do you communicate to users a “free” transfer between local and regional transit?
- What’s the revenue impact likely to be, considering there are already lots of inter-agency transfer agreements?



Regional Change

- Regional operators share common fare structure

- What management approaches would allow an effective common zone or distance-based fare structure work for regional rail, ferry, and express bus?
- Could fares differ between agencies but use the same structure?




Regional + Local Change


- Changes to local and regional fares structures


- Is there an equitable way for users and for agencies to combine eight different local transit fares (from \$1.50 to \$2.50) into one?
- How would local discount programs function?
- Can we reconcile local funding levels with different fare revenue needs?

Business Case Framework

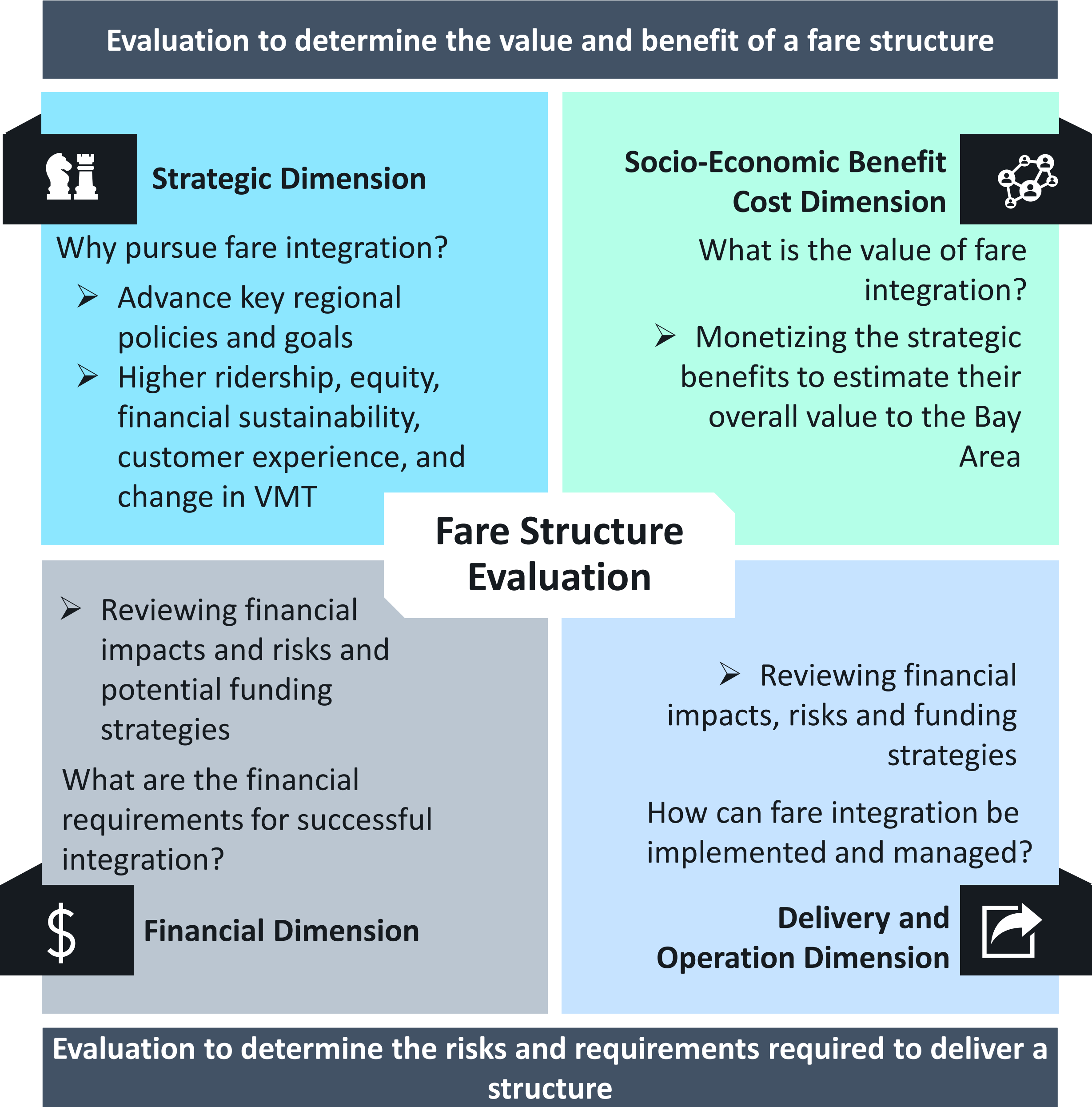
The business case framework reviews option performance holistically to explore:

 The overall benefits of integration

 The comparative benefits of each tier

 For tiers with multiple options, the specific benefits of each option and best option within a tier

Each option’s performance is presented as incremental to the status quo.



Next Steps

