

Metropolitan Transportation Commission
Policy Advisory Council Fare Coordination and Integration Subcommittee

July 30, 2020

Agenda Item 4

Update and Discussion on the Fare Coordination/Integration Study and Business Case

Subject: Overview of the Fare Coordination/Integration Study and Business Case, including work completed to date, as well as a discussion of a concept problem statement for the study and approach to user research.

Background: The Fare Coordination/Integration Study and Business Case was launched in late 2019 by the Bay Area's transit operators and MTC to propose changes to the Bay Area's transit fare policies as a way to improve the passenger experience and grow transit ridership.

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.

MTC released a Request for Proposals (RFP) for consultant support on the project on November 20, 2019. In March 2020 the MTC Commission awarded a contract for \$888,231, using funds from Regional Measure 2 bridge tolls, to a consultant team led by the firm Steer which brings together a team of local and international fare policy and user research experts to support transit operator and MTC staff on the project. The Fare Coordination/Integration Study and Business Case formally launched in May 2020 after a delay due to the COVID-19 pandemic. The project is jointly managed by staff from BART and MTC.

Attached are two documents containing background information which the project team believes are helpful for Subcommittee members to review to better understand the Fare Coordination/Integration Study and Business Case as well as the existing transit fares in the Bay Area. In addition, the project team has compiled several documents and reports from a range of sources about transit fare policy which may be useful background on this topic. These additional materials can be accessed here: <https://mtcdrive.box.com/v/7-2020-background-docs>.

During the presentation of this item the project team look forward to a discussion and feedback from the Subcommittee on how to articulate the problem statement for the project as well as how to approach user research during the COVID-19 pandemic. During the discussion staff are also seeking feedback on areas of interest for discussion at future Subcommittee meetings.

Attachments: **Attachment A:** Fare Coordination/Integration Study and Business Case Scope of Work
Attachment B: Comparison of Single Trip Fare and Discount Levels of Bay Area Transit Operators
Presentation

Fare Coordination and Integration Study and Business Case Scope of Work

Project Tasks

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; these goals are what the proposed changes developed through this planning process will aim to achieve.

Tasks:

- **1A: Project's Problem Statement:** Develop a clear problem statement that establishes the issues that this project is seeking to address. This problem statement could include elements such as: "The region's fare system may be creating impediments that do not lead to increases in transit ridership."

- **1B: Goal Setting:** Develop draft goals for the region's fare system that would lead to the desired outcome for the study – increasing transit ridership. These goals will guide the study and help determine which strategies are endorsed for implementation at its conclusion. The goals should be informed through feedback from operators, MTC, and the CEB.

Deliverables:

- Problem statement document
- Goals document

Process:

- Project team drafts problem statement, reviews it with the Staff Working Group, and then presents it for review and endorsement from the Task Force.
- Project team develops draft goals, which are then reviewed by Staff Working Group. Then, revised draft goals are presented to the Task Force for review and endorsement.

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, 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.

Tasks:

- **2A: Existing Conditions Report:**
 - o Develop an existing conditions report that includes passengers' travel patterns, transit fare systems, governance, operating budgets, etc., as described in more detail below.
 - Trends in passengers' use of public transportation and fare media in the Bay Area today, such as:
 - Travel patterns: total ridership by transit agency, volume of single-operator trips, volume of multi-operator trips, inter-agency transfers by agency and by trip type, average trip length, etc.

- Fare media: trends in fare product usage across the region (especially Clipper), on multi-operator trips, etc.
 - Source: Clipper data, transit operators' rider survey data, cell phone data that may be available from operators or other sources, FTA Triennial/NTD, MTC O/D survey
 - Bay Area transit agencies' fare systems and policies, fare revenue, governance, and operating funding sources, such as:
 - Fare pricing structure (flat, zone, distance), fare media available, current prices, current discounts, current farebox recovery ratio, fare decision-making process, policy goals and requirements (including any mandated farebox recovery minimums), estimated price elasticity of demand, etc.;
 - Fare revenue by fare type and pass sales, revenue collection by method (pass, cash, discounts), etc.;
 - Operating budget funding sources; and
 - Governance structure.
 - Note: This task could involve developing a series of charts or tables that documents all the information above for each operator.
 - Source: transit operators, Clipper data
 - Current, successful fare coordination and integration strategies in the region today (Example, East Bay Day Pass, existing coordinated transfer discounts)
 - Source: transit operators, Clipper data
- **2B: Review of Previous Regional Studies:**
- Prepare a short report that reviews previous Bay Area studies that have examined regional issues of ridership decline, regional fare coordination and integration, etc. Summarize their findings and recommendations, and describe why/why not the findings are or are not relevant for the Bay Area today.
 - Suggested reports to be reviewed include the UCLA Study, the 2008 Regional Fare Study, etc.
 - Note that for cost-saving purposes, this task could be completed by staff, rather than the project's consultant team.
- **2C: Peer Review / Best Practices:**
- Prepare a short report that includes the following, with a focus on lessons learned and applicability for the Bay Area:
 - High level review of best practices in regional fare policy (focused on regions with multiple independent transit operators)
 - Brief case studies to identify regions that have successfully coordinated fares across multiple independent operators. Focus on fare structures and pricing as well as fare payment, pass sales and technology, funding sources, and revenue and cost redistribution.
 - Potential peers could include Los Angeles, Phoenix, Seattle, Boston, Portland, Charlotte, and Denver (select up to 6)
 - Note that for cost-saving purposes, this task could be completed by staff, rather than the project's consultant team.

Deliverables:

- Existing Conditions Report
- Memo on Previous Regional Studies
- Memo on Peer Review/Best Practices

Process:

- Project team requests information from operators and the Clipper program, analyzes data, and develops findings into a draft existing conditions report. Project team develops draft short reports on previous regional studies and peer review/best practices. Staff Working Group reviews draft reports and provides feedback to project team. Then, revised draft reports goes to the Task Force for reporting and review.

Task 3: Barriers to Transit Ridership

The purpose of this task is to identify barriers to transit ridership, drawing on findings from public outreach, 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.

Tasks:

- ***3A: Report on Top Barriers to Transit Ridership***
 - o The purpose of this report will be to identify the top barriers to transit ridership. The report should broadly report on the impediments to transit ridership, but should also include one section that provides additional detail and analysis on fare-related issues, which will be used and inform subsequent work for the project (Tasks 4-6). The report should draw its conclusions from the following sources:
 - Barriers to transit ridership that emerge from the analysis in Task 2's Reports.
 - Stakeholder and user research findings from applicable elements of Task 7.
 - Transit Operators' Rider Surveys: Existing results of surveys administered to riders by transit operators (such as operators' annual customer satisfaction surveys) should be analyzed to understand existing riders' top barriers or issues with transit.
 - The forthcoming UCLA Study.

Deliverables:

- Report on Top Barriers to Transit Ridership

Process:

- Report on Top Barriers to Transit Ridership is drafted, including results from public outreach process, analysis and findings in Task 2, relevant findings from user research in Task 7, and analysis of transit operators' rider survey results. Draft report is shared with Staff Working Group; then, revised report is presented to the Task Force for review and endorsement.

Task 4: Alternatives Development

Drawing on the results from Task 3, this task will focus on developing alternative options to the problem statement identified in Task 1 that are anticipated to lead to outcomes that support this study's goals. The development of alternative options 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.

Tasks:

- **4A: Alternatives Development:**
 - Develop a range of different fare coordination and integration strategies (“alternatives”) that could provide solutions to the problem statement identified in Task 1 and are anticipated to lead to outcomes that support this study's goals. Three general categories of alternatives should be developed, possibly in the categories of short-, medium-, or long-term strategies. The alternatives should be summarized in a short memo.
 - The alternatives must include (but not be limited to) strategies that would be able to be implemented within the existing structure of the public transportation system in the Bay Area and the existing fare system (e.g. must work in a system where each operator is governed by its own board and is responsible for its own service, performance, fares, etc.).
 - Example alternatives could include:
 - Standardize transfer discounts across all agencies (e.g. \$0.50/\$0.75/\$2.00 off Clipper Card fares for each rider who transfers to another operator)
 - Establish consistent discount levels for certain demographic groups across all operators (e.g. all operators have a 50% discount for youth aged 18 and under), so that passengers receive the same discount on each system.
 - Development of a regional fare product that would be accepted on all transit operators (i.e. the price and use of the fare product would cover multi-step transit trips as if they were a single trip).
 - A single fare structure for the region that would apply to all transit operator fare products and pricing.
- **4B: Selection of Alternatives for Analysis**
 - Select a few of the alternatives for analysis in Task 5 and document them in a short memo.

Deliverables:

- Memo on range of alternative options
- Memo on alternatives selected for analysis

Process:

- Project team develops draft range of alternatives in a memo. Staff Working Group reviews memo, and project team makes revisions as necessary. Revised memo is presented to the Task Force for review and endorsement.
- Memo with selected alternatives for analysis is drafted by project team and reviewed by Staff Working Group. Then, revised memo is presented to the Task Force for review and endorsement.

Task 5: Alternatives Analysis

The purpose of Task 5 is to analyze the alternatives selected in Task 4C and develop a business case for each. Each business case will be compared to the goals developed in Task 1 and then presented to the public.

Tasks:

- **5A: Business Case Methodology:**

- Determine the precise tools and methodology of analysis to develop the business cases, informed by the qualities of the alternatives, and document the proposed approach in a report. To allow for full development of the business case for each alternative, the methodology report should seek to provide analysis on the following topics and should seek to include the sub-bulleted analysis items, depending on budget and level of effort required:
 - Ridership impact analysis for region and for each transit operator.
 - It is anticipated that this could involve generation of ridership estimates by weekday (peak and off-peak) and weekend for each operator, depending on the level of effort required and amount of budget available.
 - This could involve the use of MTC's regional ridership model.
 - Financial impact analysis for region and for each transit operator.
 - For each alternative, it is anticipated that this would involve generation of revenue estimates, including identification of any potential reduction in fare revenue from existing levels.
 - It is also anticipated to include development of cost estimates for operations and capital expenses, including both initial start-up and ongoing operations.
 - This task may also include identification of any revenue- and cost-sharing opportunities across the region and between operators.
 - Operations impact analysis for region and for each transit operator.
 - This is anticipated to include identifying any effects that the ridership or financial impacts could have on transit service, such as inducing a substantial increase in peak service ridership, etc. Also included in this, the analysis should identify any potential adverse impacts to transit service (such as a reduction in fare revenue that would spur a reduction in transit service), and identify remedies to address and prevent the potential adverse impacts, such as required operating subsidies.
 - Governance and organizational assessment.
 - This is anticipated to document how the alternative would be implemented from a governance perspective and documenting any potential changes that may be needed from the status quo – for example, if it could be implemented within transit operators' existing governance structure today, or if it would require a change from the decision-making procedures and process in place today (such as requiring more centralized decision-making at a regional level).
 - This is also anticipated to include documenting any potential organizational changes that may be necessary to implement the alternative, such as requiring additional staff to support the implementation and operation of the strategy.

- Implementation feasibility.
 - This is anticipated to include assess the overall feasibility of implementing the option, including financial feasibility and whether or not the option would require an operating subsidy for operators.
- **5B: Business Case Development:**
 - Drawing on the methodology report from Task 5A, complete analysis and develop a business case for each alternative. Prepare a report that presents each business case and the analysis results.
- **5C: Business Case Performance Comparison:**
 - Prepare a summary report that compare the business case performance for each alternative relative to the goals established at the beginning of the study.

Deliverables:

- Business Case Methodology Report
- Business Case Results Report
- Business Case Performance Comparison Report

Process:

- Project team develops draft report on business case methodology, then reviews them with the Staff Working Group and makes changes as needed.
- Then, project team completes analysis to develop business case for each alternative, and findings are compiled into a draft report, which is then reviewed with the Staff Working Group and revised as needed. The project then compares the performance of each alternative's business case relative to the study's goals, which is reviewed with the Staff Working Group. The project team incorporates changes to create revised draft report, which is then shared with the Task Force for reporting and review.
- Project team solicits Task Force's initial thoughts on potential recommendations for next task – developing recommendations and implementation plan.

Task 6: Develop Recommendations and Implementation Plan

The purpose of Task 6 is to develop recommendations and a detailed implementation plan.

Tasks:

- **6A: Recommendations:**
 - Drawing on outcomes and discussions from Task 5, develop a report with a set of recommendations for a preferred alternative for fare coordination and integration improvements in the region.
 - It is important to note that the recommended strategies not adversely impact existing fare revenue and transit service levels. If a new operating subsidy would be required to prevent adverse impacts, it should be enumerated and a funding source(s) should be identified in both Tasks 6A and 6B.
 - It should include the business case for the preferred alternative (drawing from Task 5's findings).

- **6B: Implementation Plan:**

- Develop implementation plan for recommended improvements, including a detailed list of next steps to achieve implementation, including transit operator board approval; defined actors, roles, and responsibilities; timeline; and a detailed funding plan (including requirements and processes related to revenue and cost sharing and subsidies).

Deliverable:

- Final report with recommendations and implementation plan

Process:

- Project team develops draft report with recommendations and implementation plan and reviews it with the Staff Working Group. Revised draft report incorporates changes from Working Group and is then shared with the Task Force, which reviews and approves final report with recommendations and implementation plan.

Task 7: Stakeholder Engagement and User Research

The project will include both stakeholder engagement and user research activities.

Tasks:

- **7A: Stakeholder Engagement**

Agency staff will lead stakeholder engagement activities for the project. Consultant staff will provide support. These activities will support the completion of Tasks 2-4 and Task 6.

- The project will seek input from the following at key points in the study: transit agency board members/MTC Commissioners, advocacy organizations, transit user organizations, employer organizations, transportation management associations, members of the general public, etc.
- Transit agency and MTC staff will take the lead in organizing and facilitating large-format meetings with stakeholders.
- Consultants will be tasked with documenting meetings and providing limited strategic and logistical support. Proposers are asked to budget for such participation in up to 8 events.

- **7B: Required User Research:**

In this task, the study will perform research with a sample of Bay Area transit users and non-users to provide insight into how transit riders experience the current fare system and how it might be improved to meet the Project Objectives outlined on Page 3 of this RFP. User research will inform study conclusions by providing insight about:

- User understanding of the alternatives proposed in Task 4A
- Priorities for transit and how fares and fare system issues compare to other priorities
- Customers' decision-making process leading to and during the trip
- Legibility of the current fare system and what information matters to customers for the purposes of trip planning and mode choice

- The extent to which and specific ways in which the existing fare system presents barriers to transit ridership

Potential research strategies may include surveys, focus groups, customer narrative workshops, one-on-one interviews and observation, or other strategies as recommended by the consultant team.

The study will seek out participants representing different geographies in the region (for example, people from urban and suburban areas should be included); people with disabilities, and people protected by Title VI.

Proposers are encouraged to suggest creative strategies for deploying the most inclusive and informative user research program feasible within the budget for the study as outlined in RFP Section III, Preliminary Scope of Work, Period of Performance and Budget (while reserving sufficient consultant team time and effort for Tasks 1-6).

Strong proposals will be clear on the consultant team's proposed approach and priorities for conducting this research, as well as recommended junctures in the study when the research will be conducted. The Proposer is encouraged to specify the number and scale of each engagement/research event proposed and budgeted.

- ***7C:Additional User Research (Optional Task):***

Task 7B above and the initial budget for this project must include some level of effort for user research. However, the limited budget outlined in RFP Section III, Preliminary Scope of Work, Period of Performance and Budget may constrain the proposed level of effort for user research.

Additional funding may become available in the future. As task 7C, which may or may not be implemented at MTC's sole option, Proposers should describe any additional user research activities they would recommend to meet the Project Objectives outlined on Page 3 of this RFP should additional funding become available.

Both Tasks 7B and 7C will be evaluated per Section VIII, Proposal Evaluation. However, those activities described in Task 7C will only be implemented if additional funding becomes available.

Comparison of Single Trip Fare and Discount Levels of Bay Area Transit Operators

Transit Operators	Fare Type	Single Trip Fares and Discount Levels													Means-Based Discount (Spring 2020 launch)		
		Adult	Child			Youth			Senior			RTC			Transit Operator Fare	Discount Level	Eligibility
		Clipper Fare	Child Fare	Discount from Adult Clipper Fare	Eligibility	Youth Clipper Fare	Discount from Adult Clipper Fare	Eligibility	Senior Clipper Fare	Discount from Adult Clipper Fare	Eligibility	RTC Clipper Fare	Discount from Adult Clipper Fare	Eligibility			
	Local	\$2.25	\$0.00	100%	0-4 years	\$1.12	50%	5-18 years	\$1.12	50%	65 years+	\$1.12	50%	Medical Verification			
	Transbay	\$6.00	\$0.00	100%	0-4 years	\$3.00	50%	5-18 years	\$3.00	50%	65 years+	\$3.00	50%	Medical Verification			
	Min Trip	\$2.10	\$0.00	100%	0-4 years	\$1.05	50%	5-18 years	\$0.75	64%	65 years+	\$0.75	64%	Medical Verification	\$1.68	20%	Income Verification
	Max Trip	\$17.00	\$0.00	100%	0-4 years	\$8.50	50%	5-18 years	\$6.35	63%	65 years+	\$6.35	63%	Medical Verification	\$13.60	20%	Income Verification
	Min Zone	\$3.20	\$0.00	100%	0-4 years	\$1.60	50%	5-18 years	\$1.60	50%	65 years+	\$1.60	50%	Medical Verification	\$2.55	20%	Income Verification
	Max Zone	\$14.45	\$0.00	100%	0-4 years	\$6.60	54%	5-18 years	\$6.60	54%	65 years+	\$6.60	54%	Medical Verification	\$11.55	20%	Income Verification
	Local	\$2.05	\$0.00	100%	0-4 years	\$1.00	51%	5-18 years	\$1.00	51%	65 years+	\$1.00	51%	Medical Verification			
	Local/SF	\$4.00	\$0.00	100%	0-4 years	\$2.00	50%	5-18 years	\$2.00	50%	65 years+	\$2.00	50%	Medical Verification			
	GGT Min Zone	\$1.80	\$0.00	100%	0-4 years	\$1.00	44%	5-18 years	\$1.00	44%	65 years+	\$1.00	44%	Medical Verification	\$1.00	50% (from cash fare)	Income Verification
	GGT Max Zone	\$10.40	\$0.00	100%	0-4 years	\$6.50	38%	5-18 years	\$6.50	38%	65 years+	\$6.50	38%	Medical Verification	\$6.50	50% (from cash fare)	Income Verification
	GGF Sausalito	\$7.00	\$0.00	100%	0-4 years	\$6.50	7%	5-18 years	\$6.50	7%	65 years+	\$6.50	7%	Medical Verification	\$6.50	50% (from cash fare)	Income Verification
	GGF Larkspur	\$8.00	\$0.00	100%	0-4 years	\$6.25	22%	5-18 years	\$6.25	22%	65 years+	\$6.25	22%	Medical Verification	\$6.25	50% (from cash fare)	Income Verification
	Local	\$2.50	\$0.00	100%	0-4 years	\$1.25	50%	5-18 years	\$1.25	50%	65 years+	\$1.25	50%	Medical Verification	\$1.25	50%	Income Verification
	Cable Car	\$8.00	\$0.00	0%	--	\$8.00	0%	--	\$8.00	0%	--	\$8.00	0%	--	\$8.00	0%	
	Local	\$2.50	\$0.00	100%	0-4 years	\$1.25	50%	5-18 years	\$1.00	60%	65 years+	\$1.00	60%	Medical Verification			
	Express	\$5.00	\$0.00	100%	0-4 years	\$1.25	75%	5-18 years	\$1.00	80%	65 years+	\$1.00	80%	Medical Verification			
County Connection	Local	\$2.00	\$0.00	100%	0-5 years	\$2.00	0%	6-18 years	\$1.00	50%	65 years+	\$1.00	50%	Medical Verification			
	Express	\$2.25	\$0.00	100%	0-5 years	\$2.25	0%	6-18 years	\$1.00	56%	65 years+	\$1.00	56%	Medical Verification			
Dumbarton Express	Local	\$2.25	\$0.00	100%	0-4 years	\$1.12	50%	5-18 years	\$1.12	50%	65 years+	\$1.12	50%	Medical Verification			
	Transbay	\$6.00	\$0.00	100%	0-4 years	\$3.00	50%	5-18 years	\$3.00	50%	65 years+	\$3.00	50%	Medical Verification			
Fairfield and Suisun Transit (FAST)	Local	\$1.75	\$0.00	100%	0-5 years	\$1.50	14%	6-18 years	\$0.85	51%	65 years+	\$0.85	51%	Medical Verification			
	Blue, 85	\$2.75	\$0.00	100%	0-5 years	\$2.00	27%	6-18 years	\$1.35	51%	65 years+	\$1.35	51%	Medical Verification			
	Blue, Yellow, 80	\$5.00	\$0.00	100%	0-5 years	\$4.00	20%	6-18 years	\$2.50	50%	65 years+	\$2.50	50%	Medical Verification			
	Green Express	\$5.75	\$0.00	100%	0-5 years	\$4.75	17%	6-18 years	\$2.85	50%	65 years+	\$2.85	50%	Medical Verification			
Marin Transit	Local	\$1.80	\$0.00	100%	0-4 years	\$1.00	44%	5-18 years	\$1.00	44%	65 years+	\$1.00	44%	Medical Verification			
Petaluma Transit	Local	\$1.50	\$0.00	100%	0-5 years	\$1.00	33%	6-18 years	\$0.75	50%	65 years+	\$0.75	50%	Medical Verification			
Santa Rosa CityBus	Local	\$1.50	\$0.00	100%	0-4 years	\$1.25	17%	5-18 years	\$0.75	50%	65 years+	\$0.75	50%	Medical Verification			
SolTrans (Benicia & Vallejo)	Local	\$2.00	\$0.00	100%	0-5 years	\$1.75	13%	6-18 years	\$1.00	50%	65 years+	\$1.00	50%	Medical Verification			
	Solano County Express	\$2.75	\$0.00	100%	0-5 years	\$2.00	27%	6-18 years	\$1.35	51%	65 years+	\$1.35	51%	Medical Verification			
	Outside County Express	\$5.00	\$0.00	100%	0-5 years	\$4.00	20%	6-18 years	\$2.50	50%	65 years+	\$2.50	50%	Medical Verification			
	Route 82	\$10.00	\$0.00	100%	0-5 years	\$8.00	20%	6-18 years	\$5.00	50%	65 years+	\$5.00	50%	Medical Verification			
Sonoma County Transit	Bus	\$1.50				\$1.25	17%	0-18 years	\$0.75	50%	65 years+	\$0.75	50%	Medical Verification			
		\$4.80				\$4.55	5%	0-18 years	\$2.40	50%	65 years+	\$2.40	50%	Medical Verification			
SMART (Sonoma Marin Rail)	Rail	\$3.50	\$0.00	100%	0-4 years	\$1.75	50%	5-18 years	\$1.75	50%	65 years+	\$1.75	50%	Medical Verification			
		\$11.50	\$0.00	100%	0-4 years	\$5.75	50%	5-18 years	\$5.75	50%	65 years+	\$5.75	50%	Medical Verification			
Tri Delta Transit	Local	\$2.00	\$0.00	100%	0-5 years	\$2.00	0%	6-18 years	\$0.85	58%	65 years+	\$0.85	58%	Medical Verification			
	Express	\$2.50	\$0.00	100%	0-5 years	\$2.50	0%	6-18 years	\$1.25	50%	65 years+	\$1.25	50%	Medical Verification			
Union City Transit	Local	\$2.00	\$0.00	100%	0-5 years	\$1.25	38%	6-18 years	\$1.00	50%	65 years+	\$1.00	50%	Medical Verification			
VINE (Napa County)	Local	\$1.60	\$0.00	100%	0-5 years	\$1.10	31%	6-18 years	\$0.80	50%	65 years+	\$0.80	50%	Medical Verification			
	Route 29 Express	\$5.50	\$0.00	100%	0-5 years	\$5.50	0%	6-18 years	\$5.50	0%	65 years+	\$5.50	0%	Medical Verification			
	Napa-Solano Express	\$3.00	\$0.00	100%	0-5 years	\$3.00	0%	6-18 years	\$3.00	0%	65 years+	\$3.00	0%	Medical Verification			
Vacaville City Coach	Local	\$1.50	\$0.00	100%	0-5 years	\$1.25	17%	6-18 years	\$0.75	50%	65 years+	\$0.75	50%	Medical Verification			
WETA (San Francisco Bay Ferry)	Ferry	\$1.70	\$0.00	100%	0-4 years	\$0.80	53%	5-18 years	\$0.80	53%	65 years+	\$0.80	53%	Medical Verification			
		\$11.30	\$0.00	100%	0-4 years	\$7.50	34%	5-18 years	\$7.50	34%	65 years+	\$7.50	34%	Medical Verification			
WHEELS	Local	\$2.00	\$0.00	100%	0-5 years	\$1.60	20%	6-18 years	\$1.00	50%	65 years+	\$1.00	50%	Medical Verification			
WestCAT	Local	\$1.75	\$0.00	100%	0-5 years	\$1.75	0%	6-18 years	\$0.75	57%	65 years+	\$0.75	57%	Medical Verification			
	Express	\$5.00	\$0.00	100%	0-5 years	\$5.00	0%	6-18 years	\$2.00	60%	65 years+	\$2.00	60%	Medical Verification			

Transit Fare Coordination and Integration Study and Business Case

Agenda Item 4

Project Update and Discussion

MTC Policy Advisory Council Subcommittee on Fare Coordination and Integration

July 30, 2020



What is Fare Policy?

The rules defining how much people pay to use public transit.

Fare structure – How will the price of a ride be set?

Price – What will a full-fare single ride cost?

Payment options – How will riders pay: single-ride tickets or passes or daily, weekly or monthly capping?

**Discount categories – Which riders will qualify for a discounted fare?
How much will those discounts be?**

Components of Fare Policy

Local Transit Fare	Regional Transit Fare
Discounted Fares	
Temporal Pricing	
Transfers (time windows, fare credits)	
Loyalty Incentives	

Fare Policy Affects all Aspects of the Transit System

Ridership

User Experience

Marketing

Equity

Operator Revenue

Planning

Service Reliability

Fares Today in the Bay Area

9 different local bus fares on Clipper® from \$1.50 to \$2.50

Trips of the same distance and mode can vary dramatically in price

16 different discount rates for youth, 14 different rates for seniors

19,463 fare policy business rules are needed in Clipper® to implement our current system

Fare Systems in the Bay Area

Flat fare = 7 operators

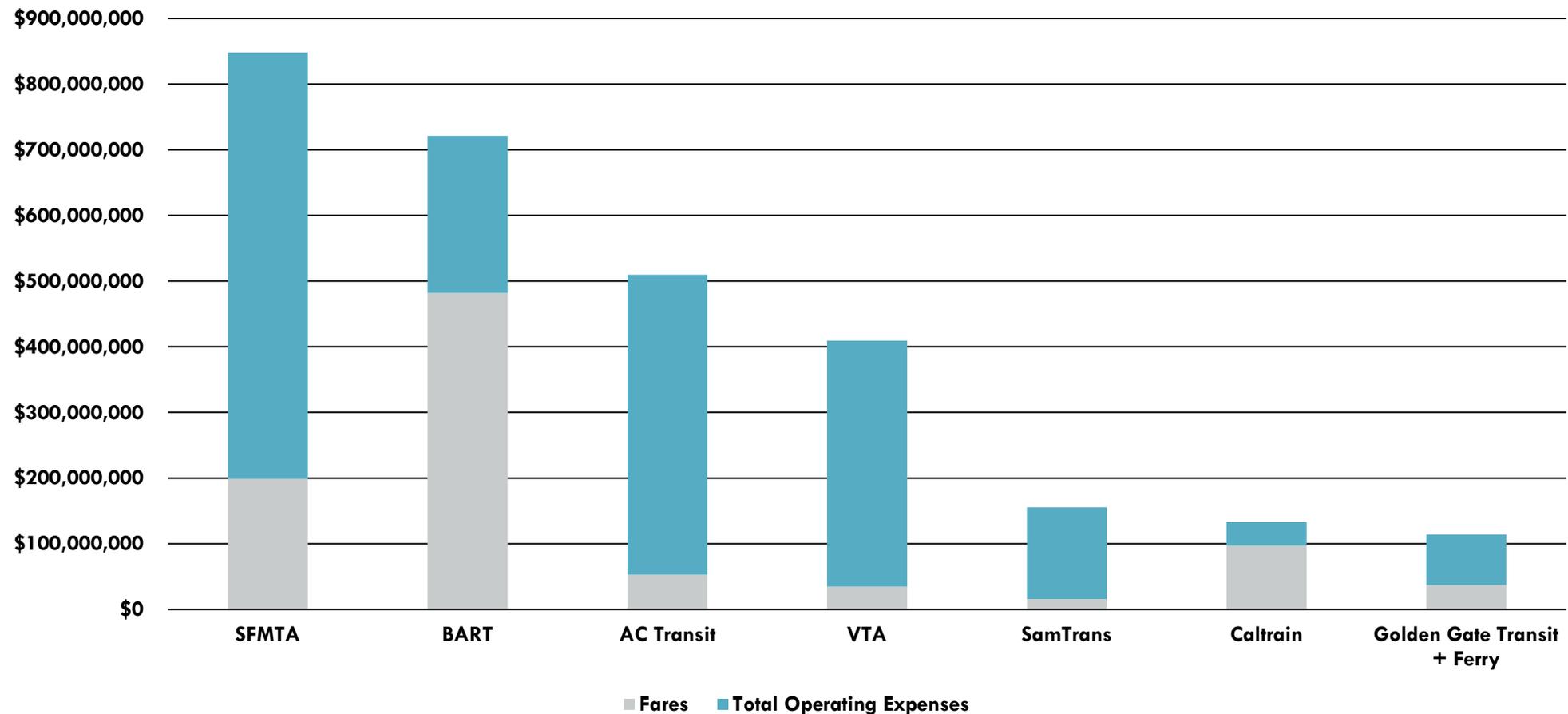
Flat fare/premium hybrid = 9 operators

Zone-based = 5 operators

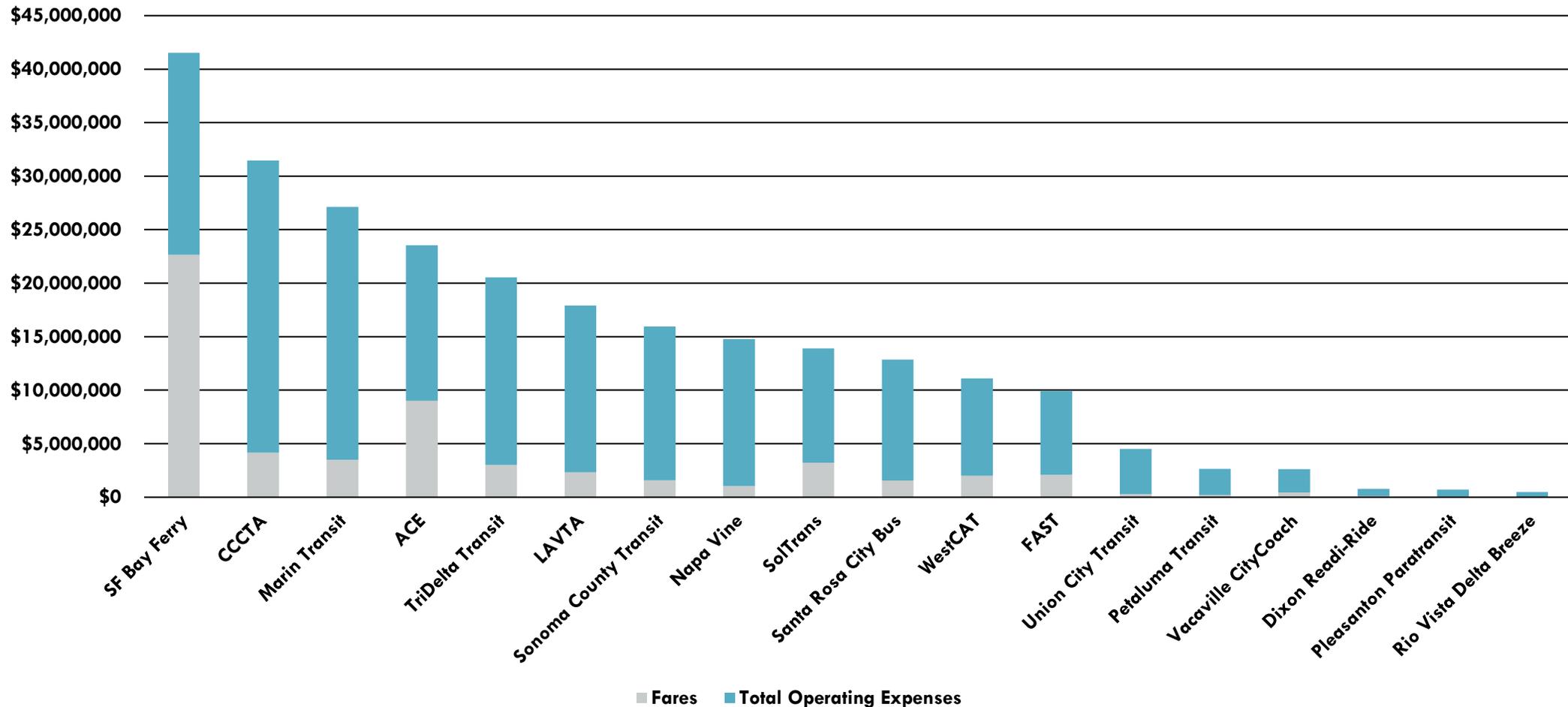
Distance-based = 1 operator



Fare Revenue as a Component of Total Operating Expenses in 2018



Fare Revenue as a Component of Total Operating Expenses in 2018, cont.



Objectives of the Fare Coordination and Integration Study

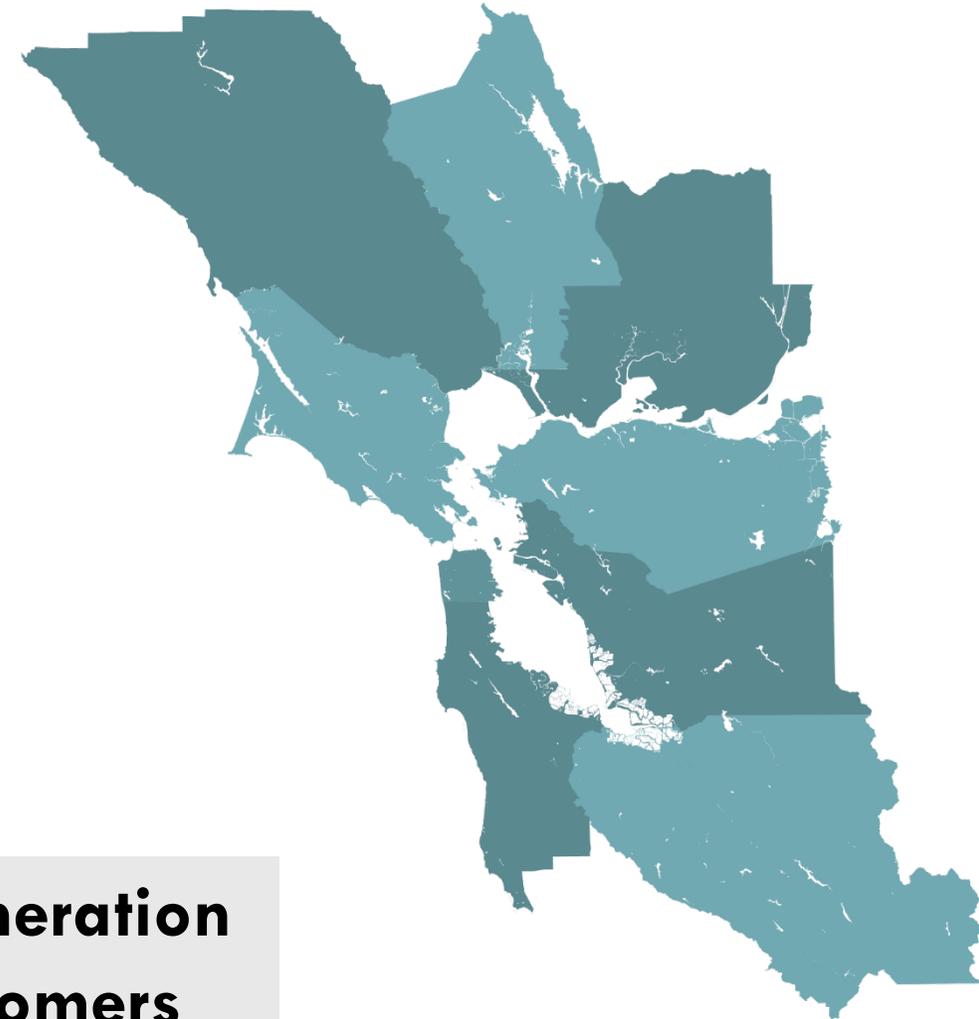
Develop goals for the regional fare system that will support an improved user experience, increased transit ridership and build on robust public outreach;

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.

... And we have an opportunity with Next Generation Clipper to make transit work better for our customers



Fare Coordination and Integration Study

Operators and MTC Working Together

Fare Integration Task Force – Project Ownership

Co-Project Managers – BART & MTC staff

Staff Working Group – Operator staff advise Co-PMs

Steer + team (consultants) – Project analysis

Subcommittee on Fare Coordination/Integration -
Advocates, other stakeholders engaging with project

Policymaker Forum on Fare Coordination/Integration -
Transit agency board members providing input

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

Tentative Project Timeline

Spring/Summer
2020

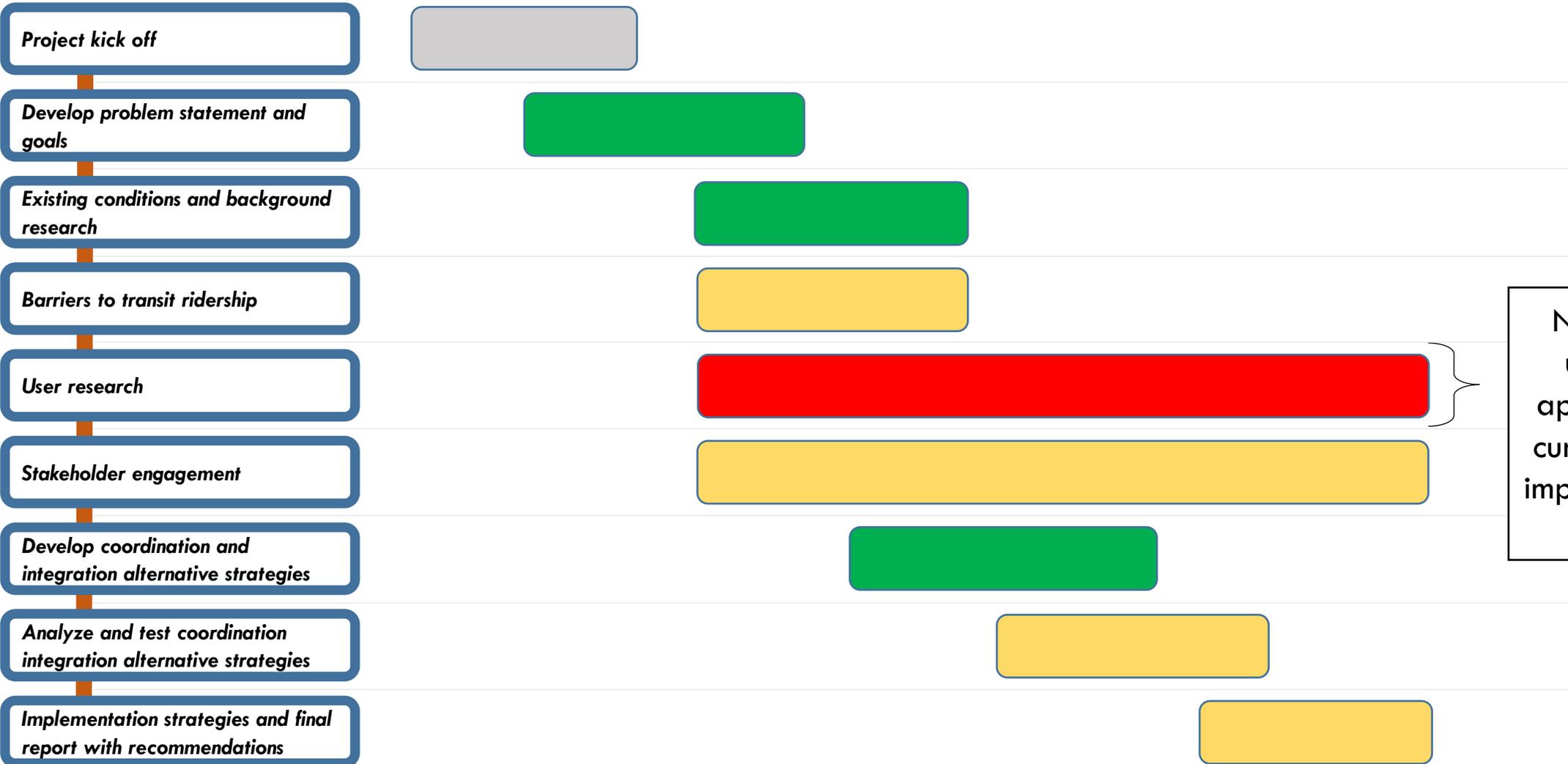
Summer/Fall
2020

Winter/Spring
2020-2021

Summer 2021

Key

- Complete
- Opportunity to accelerate
- Neutral
- At risk



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

COVID-19 – Transit in Crisis

Unprecedented challenges for passengers, staff, and agencies

From a user perspective so much has changed since March:

Different schedules

Different service levels

Concerns about safety

Job losses and financial situation

Closed education institutions

Concept Problem Statement



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
<p>1. Customer Value: Current fare policies can lead to a disconnect between the fare charged and the value a customer places on their trip.</p>	<p>Fare policy audit - collect information on all fare policies in the region, including prices and rules by traveler type</p>	<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? 	<p>Agency websites and policy documents</p>
	<p>Inter-agency transfer availability and prices for multiagency trips</p>	<ul style="list-style-type: none"> • What types of transfers have transfer discounts and which ones have double fares? 	<p>Agency websites and policy documents</p>
	<p>Market segmentation to identify fares paid, distance travelled, and volume of trips taken in key geographic markets by service type used</p>	<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? 	<p>Regional travel surveys, clipper data, regional transit model</p>
	<p>Ridership trends over time with respect to fares and service changes</p>	<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? 	<p>Historic ridership and clipper data</p>
	<p>Agency fare strategy discussions</p>	<ul style="list-style-type: none"> • What are the key goals, factors, and considerations agencies take into account when setting fares? 	<p>Interviews</p>
	<p>User research to understand how customers perceive the price of their trips</p>	<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? 	<p>User research</p>

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

Subcommittee Discussion: Problem Statement

Does the problem statement effectively capture the myriad decision factors for riding transit (of which price/fares is one)?

Does this problem statement incorporate the impacts of COVID-19 adequately?

Does the problem statement capture issues around equity in the Bay Area's fare policies?

What other feedback would you like to provide?

An aerial photograph of a high-speed train with a green and silver livery traveling on a track. The train is moving from the upper left towards the lower right. The track is bordered by a gravel bed and a metal fence. To the left of the track is a grassy field, and to the right is a residential area with houses and trees. A semi-transparent white rectangular box is overlaid on the image, containing the text "User Research" in a bold, black, sans-serif font.

User Research

User Research

Before COVID-19 our expected outcomes from user research and the stories we gathered included insights about:

The overall experience and meaning of taking transit, reflections on the value of transit (not simply the cost of fares), barriers to taking transit, legibility/comprehension of fares, and decision-making and priorities of riders.

We also planned to gather observations about the environmental and material conditions of taking transit while waiting, riding, and arriving to put the stories and reflections into context.

Our consultant team had expected to conduct a wide range of activities including: experience mapping, user interviews, customer personas, co-creation of fare products with customers, testing and prototyping fare concepts with users, and narrative workshops

Subcommittee Discussion: User Research

What are the best ways to do user research during the pandemic?

How do we engage the full diversity of the Bay Area when so many people are sheltering in place?

Can community-based organizations play a role in helping connect our team with communities digitally?

Are there other meaningful ways to gain insights from users and non-users of the transit system about the barriers they face in using transit and how fares impact them?



Thank You

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