

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
10	04/13/15	Open	Information	04/08/15

Subject: Fare Policy Discussion

ISSUE

Whether or not to provide policy direction on fare structure changes.

RECOMMENDED ACTION

None at this time. Staff requests Board direction on considerations for fare modifications.

FISCAL IMPACT

None at this time.

DISCUSSION

RT's current Fare Policy was adopted on August 26, 2013, by Resolution 13-08-0125 with modifications made over several years to reflect changes in the fare structure. Like many other transit agencies, RT addresses fare policy as a direction for changes to the fare structure. While the RT Fare Policy describes the fare structure and the process for changing fares, it does not provide guidance for evaluating how changes in fare structure should affect RT's finances, administration or customers.

During the past year, the RT Board has been approached by several groups requesting modifications to the fare structure to allow for low income individuals, military and students to receive free or further reduced fares. Concurrently, RT staff has been reporting a revenue shortfall mainly due to lower than projected fare revenue.

These conflicting issues prompted Board members to suggest that some goals and/or policies be put in place to provide guidance for future changes and the RT fare structure.

Another reason to pursue a fare policy is the effect the fare structure has on fare evasion. RT is considering several strategies designed to result in a reduction in fare evasion. The implementation of the Connect Card, as well as other changes being considered, are expected to have a major, positive impact on this issue.

Also, the Connect Card will allow the flexibility to price transit services in ways that have been considered too cumbersome to manage with the current fare media.

RT staff reviewed several reports and presentations, including the fare policies of San Diego, Oakland, Seattle, Portland, Boston, San Antonio and Phoenix, among others. Examples of fare policies from other agencies are provided in Attachment 1. The questions below highlight common factors found in the fare policy information reviewed, as well as the relevance of those factors to

Approved:

Presented:

Final 04/08/15

General Manager/CEO

AGM, Planning and Transit System Development

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Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
10	04/13/15	Open	Information	04/08/15

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some of the issues currently being faced by RT.

Should the fare structure reflect the value of the service provided?

With the exception of contracted service, all of RT's services are priced at variations of the base fare, with adjustments for discounts and federal requirements (i.e., half fare for seniors and disabled individuals and up to twice the base fare for paratransit service to disabled people). RT's fare structure does not address differing fares to reflect the cost to provide the service or the benefit the service provides to the customer. Implementation of the Connect Card will provide more flexibility in fare offerings and allow RT to better match the fare paid to the value received. Pricing the service to reflect differences in value is a common practice among transit agencies. Options often include one or more of the following:

- Distance based fares, including reduced fare zones;
- Pricing by time of day, e.g. peak/off peak fares;
- Price differential based on service mode (bus, rail, Community Bus, demand-response);
- Pricing based on the speed of trip (express service); and
- Higher fares for vehicles providing more comfort and amenities.

What affect should the fare structure have on ridership/revenue growth?

While increases in fare generally result in some ridership deflection, fare decreases do not always attract new riders, but may increase use by existing riders. The issue to define is whether the fare structure is designed primarily to increase revenue, to increase the customer base or to address equity issues. Also, recent research indicates that while a fare increase may address short term revenue goals, the longer term effect may be to decrease ridership to a point that diminishes revenue gains over a longer period of time. Considerations include:

- Farebox recovery goals;
- Average Fare;
- Long term ridership/revenue projections; and
- Access and use by low income populations.

RT is required by California Legislation authorizing the Transit Development Act (TDA) to attain a farebox recovery and local support ratio of 25.5%. As part of the renewal process for receipt of Measure A funds, RT verbally committed to improve its farebox recovery ratio to 27% system wide. Through the last 10 years the RT farebox recovery has varied reaching the highest levels in FY 2011 and FY 2012 - after major fare increases in 2009 and 2010, and two very large service reductions that decreased operating cost.

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
10	04/13/15	Open	Information	04/08/15

Subject: Fare Policy Discussion

Average Fare Box Recovery Ratio Past 10 years

	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
Farebox Recovery	18.7%	20.5%	22.5%	21.9%	24.8%	23.9%	26.0%	25.1%	24.1%	22.0%

How does the fare change affect social equity issues?

RT has a perceived social service responsibility to low income riders, providing “life line” service for individuals who cannot afford a full transit fare. There is also a marketing aspect to providing transit service to low income individuals and students. Getting low income individuals, children and students to experience transit encourages them to use transit when their life situation changes. Considerations include:

- Analysis of possible equity issues embedded in the current fare structure;
- Evaluation of existing programs and partnership opportunities that may assist with some or all of the cost of discounts; and
- Focus groups/surveys/discussions with customers and social service providers to determine actual need and potential use.

As noted previously in this paper, RT is mandated by the federal government to provide discounts to senior citizens and disabled customers. The federal government also allows transit operators to charge up to twice the average fare for riders of complimentary paratransit service due to the higher cost of providing this service.

The federal government also allows private businesses to provide transit fare subsidies of up to \$130 monthly to employees as a pre-tax benefit. This program provides a federal tax savings for employees and a payroll tax savings to employers. There are currently 64 employers in the Sacramento region that provide subsidies for employees. These subsidizes range from 30-100%, however, most are in the 50-75% range and are coupled with a pre-tax purchase option.

There are approximately 11 outlets, such as the Francis House, that provide a 100% discount to their clients. Agencies such as Francis House, buy tickets from RT at a significant discount and then provide further assistance to low income individuals.

The federal government provides a subsidy to its employees. The State of California provides a \$65 monthly subsidy to state employees and several municipal governments provide a similar subsidy.

In addition to the programs mentioned above, RT partners with other agencies such as the Sacramento County Department of Human Services (DHS) to provide transit discounts to low income individuals.

Is the fare structure easy to understand and use?

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
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Complex fare offerings may confuse riders. RT’s transit riders are a very diverse population – several languages, varying income levels, many ethnic origins, all ages, disabilities, and education. Considerations include:

- A fare structure that is simple and easy to understand;
- Information that is easily translated into several languages;
- Durable and easily handled fare media; and
- Testing any new media with various groups of customers.

According to the Transit Cooperative Research Program Report (TCRP) #95 on transit fares:

When the variety of purchase types and rider fare classes is considered, it is not unusual for a transit system to have more than 10 different fare categories, often for the same trip. A transit system that offers three purchase options (such as individual payment, ten-ride ticket, and a monthly pass), three different rider fares (adult, student, and the elderly), and two different trip fares (express and local services), could have as many as 18 different fare categories (3 times 3 times 2).

RT provides 25 ways for a member of the general public to pay for a single trip. In addition to those fares that are available to qualifying members of the general public, RT offers 12 core special pass categories.

As RT attempts to promote regionalism and connectivity, RT has entered into transfer agreements with nine other regional transit partners. Some partner agencies have other forms of media recognized by RT. This can be confusing to the rider and the revenue splits can be costly and cumbersome to understand.

Does the fare structure add a burden on fare collection? Is the fare structure enforceable?

A change in fare structure can increase the cost of transit operations by adding cost to fare collection, monitoring, accounting and vehicle running times.

RT estimates that it does not receive fare payment from approximately 11.5% of rail passenger boardings due to fare evasion.

Any changes in fare structure should place an emphasis on containing cost and making fare evasion more difficult. Considerations include:

- Evaluation of cost for revenue collection, accounting and data monitoring as part of revenue/ridership gain/loss projections;
- Evaluation of the impact on dwell times;
- Evaluation of ability to identify paid customers;
- Identification of legal ramifications of enforcing the fare structure; and

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- Validation of fare payment that is easy and quick.

Pre-paid fares are often seen as a good strategy for reducing operating cost. Having a customer pay the fare before boarding lessens the time a vehicle has to remain at a stop (dwell time) to collect fares as passengers board. Also, eliminating paper (dollar bills, paper transfers and tickets) entering the fare boxes not only reduces dwell time but also saves on farebox repairs and fare counting expenses. The Connect Card is expected to help with these issues.

RT staff is seeking input from the Board in order to develop a draft fare policy as guidance for any future modifications to the fare structure.

- **Should the fare structure reflect the value of the service provided?**
- **What affect should the fare structure have on ridership/revenue growth?**
- **How does the fare change affect social equity issues?**
- **Is the fare structure easy to understand and use?**
- **Does the fare structure add a burden on fare collection?**
- **Is the fare structure enforceable?**

AC Transit BOARD POLICY

Policy No. 328

Category: Financial Matters

FARE POLICY: FARES, FARE STRUCTURE, AND FARE INCREASES

PURPOSE

The purpose of this Board Policy is to set forth AC Transit's fare policy—the District's fares, its fare structure, planned fare increases—and the goals and rationales for them. This policy serves to codify the actions regarding fares, fare structure, and fare policies taken by the Board of Directors in approving Resolution No. 13-046 on December 11, 2013.

DEFINITIONS

The specific fare or price levels and conditions for the various fare types below are contained in the attached Fare Tables in Exhibit A, Resolution No.13-046.

Clipper Card or Clipper: The Bay Area regional stored-value transit electronic payment “smart card” administered by the Metropolitan Transportation Commission (MTC). This card can be used to pay AC Transit fares if it is loaded with cash and/or AC Transit passes.

Discount Fare: Discount fare shall be the fare required of passengers eligible for youth, senior, or disabled fares.

EasyPass: Annual Transbay-value pass provided on Clipper to a defined universe of participants at qualified colleges, employers, and residential communities.

Day Pass: Fare instrument, whether in paper form or electronic form on Clipper, that grants an AC Transit passenger the right to board an AC Transit bus(es) for one fare on the day of purchase.

POLICY

I. GOALS OF THE FARE POLICY

The following are the goals of the fare policy, as adopted by the AC Transit Board of Directors:

Goal 1 - Simplicity: Fares and the fare structure should be easy to use for passengers, and easy to operate for the District.

Goal 2 - Appropriateness: Fares and the fare structure should provide a good value for passengers.

Goal 3 - Equity: Fares and the fare structure should be fair for all passengers.

Goal 4 - Transparency: Fares and the fare structure should result in predictable costs and cost increases for passengers; and predictable revenue increases for the District.

Goal 5 - Policy Supportiveness: Fares and the fare structure should be supportive of other District goals—service, land use, and social goals—and compliant with other regulatory mandates.

Goal 6 - Affordability: Fares should be affordable to all passengers to ensure their full access to bus service and to prevent adverse impacts on socially vulnerable populations.

II. RATIONALES FOR KEY PROVISIONS OF THE POLICY - This policy was developed after a review of policies and practices of local and national transit agencies. The following are rationales for key elements of the Policy:

Transbay fare as twice local fare - Longstanding AC Transit practice, this also approximates BART Transbay fares. This supports Goals 1, 2, and 3.

Discount fares as 50% of base fare - The federally mandated discount for senior and disabled fares is 50% in the off-peak period. AC Transit has generally maintained discount cash fares as 50% of the adult fare, the most common discount fare level among American transit agencies. This supports Goals 1, 2, 3, 5, and 6.

31-Day pass prices as thirty-six (36) times the applicable single-ride fare - This ratio is the median ratio between pass prices and cash fares among American transit agencies. For passengers who ride 5 days per week, or approximately 40 times per month, a pass priced at 36 times the single-ride fare provides a modest discount, with any “extra” trips (such as weekend trips) being free. Because some of AC Transit’s discount passes are currently priced far below this level, the fare policy provides for a seven-year transition period, through 2018, to gradually bring them up to the target level. This supports Goals 2, 3, 4, and 6.

Establishing 7-Day pass - These passes provide a discount for people who sometimes use the system heavily, but not for a full month. They provide a discount fare instrument for people who may have difficulty paying for a full month’s pass at a time. This supports Goals 2, 3 and 6.

Developing a ten-year schedule of fare increases - Developing a ten-year schedule of fare increases creates predictability for passengers, for the District, and for other agencies that work with AC Transit. Having a long-term plan for fare increases allows the District to respond to inflation, and also obviates the need for very large fare increases at one time. It allows a planned transition of discount pass prices to the target levels. A number of transit agencies regionally and nationally have moved to a longer-term approach. This supports Goals 2, 3, 4, and 6.

III. FARE STRUCTURE

Specific levels for the fares referred to in this section are found in the Fare Tables, Resolution No.13-046, Exhibit A.

A. **Adult Local Fare as Base Fare** - The adult local fare shall be the base fare, upon which other fares and pass prices are calculated.

B. **Transbay Fare** - The adult Transbay fare for shall be twice the adult local fare.

- C. **Discount Fare** - The discount fare shall be half of the applicable adult fare, local or Transbay.
- D. **31-Day Pass Prices** - The target price of a 31-day pass shall be thirty-six (36) times the applicable adult or discount fare. However, pass prices through 2018 shall be governed by the schedule of graduated increases in the Fare Tables in Resolution No.13-046, Exhibit A.
- E. **EasyPass Prices** - Prices under the EasyPass program shall be at the levels established in the EasyPass pricing matrices in Resolution No. 13-046, Exhibit A.
- F. **7-Day Passes** - As further described in Section IV.B. below, the District shall initiate the sale of 7-day local adult, local youth, local senior/disabled, and Transbay adult passes. These passes shall cost ten (10) times the applicable single-ride fare.
- G. **Other Fares** - The provisions of Resolution No. 13-046, Exhibit A (attached), concerning Free Rides, Dumbarton Express fares, Regional Transfers, Capitol Corridor, and Ferry Transfers shall govern these fares.

IV. FARE MEDIA

- A. **Existing Fare Media** - Passengers may pay their fare using the follow media:
 1. **Cash** - The passenger may pay the applicable fare in cash, either in bills and coins or as cash loaded on a Clipper card.
 2. **Day Pass** – The passenger may pay the applicable fare for the day pass in cash, either in bills and coins or as cash loaded on a Clipper card.
 3. **Pass** - The passenger may pay the applicable fare using a 31-Day Pass, an EasyPass (including Class Pass), or an RTC Monthly Pass, and either as a paper pass or a pass loaded on a Clipper card.
 4. **Discount transfer from BART** - The passenger may use a BART-to-Bus transfer to receive a twenty-five cent (\$0.25) discount against the otherwise applicable fare, either as a paper transfer or a transfer on a Clipper card.
 5. **Special Agency Ticket** - The passenger may pay the applicable fare using a ticket provided by a qualified public or social service agency, or a qualified non-profit organization.
- B. **Planned 7-Day Pass** - The District shall make available, at the earliest practicable date, passes valid for seven consecutive days of unlimited local or Transbay rides. These shall be made available only as a product on Clipper.

V. FARE AND PASS PRICE LEVELS**A. Future Planned Increases**

1. **Planned Fare Levels by Date** - Exhibit A of Resolution No. 13-046 (following section V.B.) contains the approved fare and pass price levels, listed as AC Transit Table of Fares effective August 1, 2011; July 1, 2014; July 1, 2016, and July 1, 2018.
2. **Financial Review Prior to Implementation of Fare Increases** - Prior to each scheduled fare increase, the Board of Directors shall receive and consider a report on the fare revenue and financial situation of the District.
3. **Overall Review of Fares and Pass Prices in Five Years** - In 2016, five years after the initiation of this Policy, the Board of Directors shall conduct a review of the implementation of the Policy and its effects.

- B. Discounted fares on Clipper Cards** - The District shall make a discounted base fare available for both full fare paying passengers and discount fare paying passengers (youth, senior, disabled) to encourage more Clipper card utilization. This policy shall be implemented if, and only if, the Board of Directors determines that the policy is consistent with the requirements of Title VI.

Exhibit A: Resolution 13-046

AC Transit Table of Fares

Effective August 1, 2011

	Adult	Youth Age 5-18 (No ID Required)	Seniors 65+, Disabled and Medicare Cardholder (ID Required)
Cash			
Local Cash	\$2.10	\$1.05	\$1.05
Local Transfer *	\$0.25	\$0.25	\$0.25
Transbay Cash	\$4.20	\$2.10	\$2.10
Transbay Transfer**	Free	Free	Free
BART-to-Bus***	\$1.85	\$0.80	\$0.80
<p>* Good for 120 minutes (2 hours) and one use only.</p> <p>** Issued on first bus upon payment of Transbay fare. Applies to Local-to-Transbay and Transbay-to-Local. Good for 120 minutes (2 hours) and one use only.</p> <p>*** Local trips only. No discount on Transbay.</p>			

	Adult	Youth Age 5-18 (No ID Required)	Seniors 65+, Disabled and Medicare Cardholder (ID Required)
Clipper Card Value			
Local e-Cash	\$2.10	\$1.05	\$1.05
Transbay e-Cash	\$4.20	\$2.10	\$2.10
Local 31-Day	\$80.00*	\$20.00*	N/A
Transbay 31-Day	\$151.20	N/A	N/A
Local Monthly	N/A	N/A	\$20.00*
Local 7-Day**	\$21.00*	\$10.50*	\$10.50*
Transbay 7-Day	\$42.00	N/A	N/A
<p>* Can be upgraded to Transbay with e-Cash. E-Cash must be present on card for upgrade. ** Will be available as soon as it can be implemented on Clipper after August 1, 2011.</p>			

Other Passes

Local Senior/Disabled Monthly (sticker on RTC Discount Card) \$20.00

EasyPass Pricing Matrices

The General Manager is allowed pricing flexibility 15 percent above or below a matrix price point, and is allowed to offer up to a 20-percent discount to colleges in a one-year pilot program.

Effective August 1, 2011

For Businesses and Residential Communities

		Number of Program Participants (Annual price per participant)				
		100-500	501-1,000	1,001-5,000	5,001-10,000	10,001+
Level of Transit Service						
1		\$121	\$103	\$86	\$68	\$51
2		\$108	\$93	\$78	\$64	\$48
3		\$93	\$82	\$69	\$58	\$45
4		\$81	\$70	\$62	\$53	\$43

For Two- and Four-Year Colleges

		Number of Program Participants (Annual price per participant)				
		100-500	501-1,000	1,001-5,000	5,001-10,000	10,001+
Level of Transit Service						
1		\$163	\$139	\$117	\$92	\$69
2		\$146	\$126	\$105	\$86	\$65
3		\$126	\$110	\$93	\$78	\$61
4		\$109	\$95	\$84	\$71	\$58

Exhibit A: Resolution 13-046
AC Transit Table of Fares

Effective July 1, 2014

	Adult	Youth Age 5-18 (No ID Required)	Seniors 65+, Disabled and Medicare Cardholder (ID Required)
Cash			
Local Cash	\$2.10	\$1.05	\$1.05
Day Pass	\$5.00	\$2.50	\$2.50
Transbay Cash	\$4.20	\$2.10	\$2.10
Transbay Transfer*	Free	Free	Free
BART-to-Bus**	\$1.85	\$0.80	\$0.80
<p>* Issued on first bus upon payment of Transbay fare. Applies only to Transbay-to-Local. Good for 120 minutes (2 hours) and one use only.</p> <p>** Local trips only. No discount on Transbay.</p>			

	Adult	Youth Age 5-18 (No ID Required)	Seniors 65+, Disabled and Medicare Cardholder (ID Required)
Clipper Card Value			
Local e-Cash	\$2.00	\$1.00	\$1.00
Transbay e-Cash	\$4.20	\$2.10	\$2.10
Day Pass e-Cash	\$5.00	\$2.50	\$2.50
Local 31-Day	\$75.00	\$20.00	N/A
Transbay 31-Day	\$151.20	N/A	N/A
Local Monthly	N/A	N/A	\$20.00
Local 7-Day*	\$20.00	\$10.00	\$10.00
Transbay 7-Day*	\$42.00	N/A	N/A
*7 Day Passes are not available in the 2014 fare structure.			

Other Passes

Local Senior/Disabled Monthly (sticker on RTC Discount Card) \$20.00

EasyPass Pricing Matrices

The General Manager is allowed pricing flexibility 15 percent above or below a matrix price point, and is allowed to offer up to a 20-percent discount to colleges in a one-year pilot program.

Effective July 1, 2014

For Businesses and Residential Communities

		Number of Program Participants (Annual price per participant)				
		100-500	501-1,000	1,001-5,000	5,001-10,000	10,001+
Level of Transit Service						
1		\$121	\$103	\$86	\$68	\$51
2		\$108	\$93	\$78	\$64	\$48
3		\$93	\$82	\$69	\$58	\$45
4		\$81	\$70	\$62	\$53	\$43

For Two- and Four-Year Colleges

		Number of Program Participants (Annual price per participant)				
		100-500	501-1,000	1,001-5,000	5,001-10,000	10,001+
Level of Transit Service						
1		\$163	\$139	\$117	\$92	\$69
2		\$146	\$126	\$105	\$86	\$65
3		\$126	\$110	\$93	\$78	\$61
4		\$109	\$95	\$84	\$71	\$58

AC Transit Table of Fares

Effective July 1, 2016

	Adult	Youth Age 5-18 (No ID Required)	Seniors 65+, Disabled and Medicare Cardholder (ID Required)
Cash			
Local Cash	\$2.25	\$1.10	\$1.10
Day Pass	\$5.00	\$2.50	\$2.50
Transbay Cash	\$4.50	\$2.20	\$2.20
Transbay Transfer*	Free	Free	Free
BART-to-Bus**	\$2.00	\$0.85	\$0.85
<p>* Issued on first bus upon payment of Transbay fare. Applies only to Transbay-to-Local. Good for 120 minutes (2 hours) and one use only.</p> <p>** Local trips only. No discount on Transbay.</p>			

	Adult	Youth Age 5-18 (No ID Required)	Seniors 65+, Disabled and Medicare Cardholder (ID Required)
Clipper Card Value			
Local e-Cash	\$2.15	\$1.05	\$1.10
Transbay e-Cash	\$4.50	\$2.20	\$2.20
Day Pass e-Cash	\$5.00	\$2.50	\$2.50
Local 31-Day	\$81.00*	\$26.50*	N/A
Transbay 31-Day	\$162.00	N/A	N/A
Local Monthly	N/A	N/A	\$26.50*
Local 7-Day**	\$22.50*	\$11.00*	\$11.00*
Transbay 7-Day**	\$45.00	N/A	N/A
<p>* Can be upgraded to Transbay with e-Cash. E-Cash must be present on card for upgrade.</p> <p>**7 Day Pass dependent on availability</p>			

Other Passes

Local Senior/Disabled Monthly (sticker on RTC Discount Card) \$26.50

EasyPass Pricing Matrices

The General Manager is allowed pricing flexibility 15 percent above or below a matrix price point, and is allowed to offer up to a 20-percent discount to colleges in a one-year pilot program.

Effective July 1, 2016

For Employers and Residential Communities

		Number of Program Participants (Annual price per participant)				
		100-500	501-1,000	1,001-5,000	5,001-10,000	10,001+
Level of Transit Service						
	1	\$129	\$110	\$92	\$73	\$55
	2	\$116	\$100	\$83	\$69	\$52
	3	\$100	\$88	\$74	\$62	\$48
	4	\$87	\$75	\$66	\$56	\$46

For Two- and Four-Year Colleges

		Number of Program Participants (Annual price per participant)				
		100-500	501-1,000	1,001-5,000	5,001-10,000	10,001+
Level of Transit Service						
	1	\$174	\$148	\$125	\$99	\$74
	2	\$156	\$135	\$112	\$92	\$70
	3	\$135	\$118	\$100	\$83	\$65
	4	\$117	\$101	\$90	\$76	\$62

AC Transit Table of Fares

Effective July 1, 2018

	Adult	Youth Age 5-18 (No ID Required)	Seniors 65+, Disabled and Medicare Cardholder (ID Required)
Cash			
Local Cash	\$2.35	\$1.15	\$1.15
Local Day Pass	\$5.00	\$2.50	\$2.50
Transbay Cash	\$4.70	\$2.30	\$2.30
Transbay Transfer*	Free	Free	Free
BART-to-Bus**	\$2.10	\$0.90	\$0.90
<p>* Issued on first bus upon payment of Transbay fare. Applies only Transbay-to- Local. Good for 120 minutes (2 hours) and one use only.</p> <p>** Local trips only. No discount on Transbay.</p>			

	Adult	Youth Age 5-18 (No ID Required)	Seniors 65+, Disabled and Medicare Cardholder (ID Required)
Clipper Card Value			
Local e-Cash	\$2.25	\$1.10	\$1.10
Transbay e-Cash	\$4.70	\$2.30	\$2.30
Day Pass e-Cash	\$5.00	\$2.50	\$2.50
Local 31-Day	\$84.60*	\$34.50*	N/A
Transbay 31-Day	\$169.20	N/A	N/A
Local Monthly	N/A	N/A	\$34.50*
Local 7-Day**	\$23.50*	\$11.50*	\$11.50*
Transbay 7-Day **	\$47.00	N/A	N/A
<p>* Can be upgraded to Transbay with e-Cash. E-Cash must be present on card for upgrade.</p> <p>**7 Day Pass dependent on availability</p>			

Other Passes

Local Senior/Disabled Monthly (sticker on RTC Discount Card) \$34.50

EasyPass Pricing Matrices

The General Manager is allowed pricing flexibility 15 percent above or below a matrix price point, and is allowed to offer up to a 20 -percent discount to colleges in a one-year pilot program.

Effective July 1, 2018

For Employers and Residential Communities

		Number of Program Participants (Annual price per participant)				
		100-500	501-1,000	1,001-5,000	5,001-10,000	10,001+
Level of Transit Service						
	1	\$134	\$115	\$96	\$76	\$57
	2	\$120	\$104	\$86	\$71	\$54
	3	\$104	\$91	\$77	\$64	\$50
	4	\$90	\$78	\$69	\$58	\$48

For Two- and Four-Year Colleges

		Number of Program Participants (Annual price per participant)				
		100-500	501-1,000	1,001-5,000	5,001-10,000	10,001+
Level of Transit Service						
	1	\$181	\$154	\$130	\$103	\$77
	2	\$162	\$140	\$117	\$96	\$72
	3	\$140	\$123	\$104	\$86	\$68
	4	\$122	\$105	\$93	\$79	\$64

Free Rides

AC Transit employees, pensioners, and employee dependents may ride AC Transit buses free of charge. Criteria for free passage are: employees must be in uniform or present District ID card bearing current year's sticker or temporary District ID; Pensioners and Employee Dependents must present a current pensioner or dependent pass. Other free riders include: Peace Officers presenting an official badge and ID card, as well as children under the age of five.

Dumbarton Express (DB, DB1)

- AC Transit fares apply to Dumbarton Express service.
- All AC Transit fare media are accepted, EXCEPT:
 - AC Transit EasyPass
 - UC Berkeley Bear Pass (faculty and staff)
 - UC Berkeley Class Pass
- Fare media from other operators **are** accepted as follows:

<u>Passes</u>	<u>Value</u>
VTA Express Eco Pass	Transbay Fare Credit
VTA Day Pass	Local Fare Credit
VTA Monthly Pass	Local Fare Credit
SamTrans Monthly Pass	Local Fare Credit
Union City Transit Pass / Transfer +0.25	Local Fare Credit
Caltrain Monthly Pass	Local Fare Credit
BART-to-Bus Transfers	Free Local Ride*

*no discount on Transbay

Regional Transfer Policies

All passes and transfers from transit systems with a reciprocal agreement (shown below) will be accepted by AC Transit for a local fare at intersecting points, transit centers, and BART stations. Agencies that have reciprocal agreements with the District (including agency-specific provisions where applicable):

Capitol Corridor

Customers alighting from Capitol Corridor and Amtrak California San Joaquin trains in Richmond, Berkeley, Emeryville, Oakland, Hayward and Fremont/Centerville are issued a two-part perforated transfer by the train conductor. Each half is worth a local fare and is accepted on any local AC Transit bus. These transfers are punched, indicating the month and day, are valid for 48 hours, and are deposited in the farebox (bill transport). They may be upgraded to a Transbay fare by adding a local cash fare.

County Connection (CCCTA)

Fairfield/Suisun Transit

Golden Gate Transit

SamTrans

AC Transit will honor SamTrans local and express bus passes as a local fare credit in San Mateo County. They may be upgraded to a Transbay fare by adding a local cash fare.

Union City Transit

Vallejo Transit

VTA (Santa Clara Valley Transportation Authority)

WestCAT (WCCTA)

Ferry Transfers – Alameda/Oakland, Harbor Bay

The AC Transit portion of the boarding pass represents a local fare when surrendered. Ferry service boarding passes cannot be upgraded or used as part of a Transbay fare.

2012 MBTA Fare Policy

I. Purpose

The purpose of this Fare Policy is to establish guidelines for setting or restructuring MBTA fares. MBTA staff and the Board of Directors will look to this policy when they make decisions about adjusting fares. All such decisions will also be made in accordance with the MBTA's enabling legislation (MGL c. 161A), specifically § 5(r), which directs the MBTA to adopt a fare policy that addresses the following:

- A fare structure, including fare media and passes¹
- Fare levels, including discounts
- A system for free or substantially price-reduced transfer privileges
- Fare equity.

II. Fare Policy Goal

The goal of this Fare Policy is to support the MBTA's mission of providing high-quality public transportation services for the benefit of the individuals and communities that it serves.

Fare Policy Objectives

The MBTA, in consultation with the Rider Oversight Committee, has developed six Fare Policy Objectives that are critical to achieving the Fare Policy Goal. The nature of these objectives reflects the complexity of developing a Fare Structure that will balance the desire to keep fares affordable for MBTA customers with the need to maximize fare revenue to help maintain and expand transit operations. These objectives were used to develop the Fare Structure described later in the policy.

In the future, when changes to the Fare Structure are considered, strategies for meeting the six objectives will be developed and evaluated. The new Fare Structure that emerges will encompass the mix of strategies that are determined to best meet the Fare Policy Objectives, as described below, in the context of the conditions and needs at that time.

1. Customer- and Community-Related Objectives

The following three objectives directly support the MBTA's mission of operating high-quality public transportation services. When a fare increase or restructuring is proposed, all fare strategies considered for achieving these three objectives should be carefully weighed in relation to each other, as some possible strategies may achieve one objective at the expense of another. The MBTA must strive to meet all of these objectives.

¹ For the purposes of this policy, "fare structure" encompasses all four of the fare requirements found in MGL, c. 161A § 5(r).

a. Increase Ridership Utilization and Occupancy

Because the MBTA exists to provide transit services for the benefit of the public, the degree to which the Authority increases ridership is a direct indication of how successfully the MBTA is achieving its mission. Increasing ridership also supports the important societal goals of reducing traffic congestion and decreasing air pollution. However, when an increase in ridership creates the need to add service, the resulting additional fare revenue is offset by new operating costs. It is therefore important to adopt fare strategies that will increase ridership on services that have underutilized passenger capacity. It is also important to adopt fare strategies that will increase ridership by making MBTA services more attractive and convenient to use.

b. Establish Equitable Fares

To be equitable, fares must take into account the needs of various populations of users and types of services. The Fare Structure should, therefore, support the travel patterns and requirements of transit riders throughout the service area and should reflect the level and quality of the service provided. In addition, the MBTA recognizes the need to ensure that for any fare increase, the burden placed on environmental justice communities is not unjustifiably and disproportionately greater than that borne by the system as a whole.

c. Enhance Mobility and Access

The Fare Structure should enhance the ability of riders to access the system and move through it with ease. To do so, the Fare Structure should be easy to understand and should promote a unified system by simplifying fares across modes.

2. Financial and Privacy Objectives

All fare strategies that are seriously considered in the context of the three Customer and Community Objectives discussed above must also meet the following three Financial and Privacy Objectives to ensure the continued operation of MBTA services and the right to privacy of the Authority's customers.

a. Maintain or Increase Fare Revenue Stream

Because fare revenue is a critical component of the MBTA's operating budget, any increase to, or restructuring of, fares should ensure that the total fare revenue stream is maintained at an appropriate level, consistent with requirements of the MBTA's enabling legislation, MGL c. 161A.

b. Maximize Fare Revenue Collection

To maximize fare revenue collection, the MBTA should take advantage of substantial developments in fare collection technologies.

c. Respect Customer Privacy

As the MBTA strives to implement fare collection technologies that are easy and convenient to use, the Authority must remain cognizant of the need to respect customers' privacy and to ensure the security of personal information.

III. Fare Structure

Using the Fare Policy Objectives described above, the MBTA identified fare strategies for developing the following Fare Structure that meets the four fare policy requirements found in § 5(r) of the Authority's enabling legislation.

A. Fare Media and Passes

1. The following fare media will be available for use on the MBTA system:
 - a. The CharlieCard (a smart card with a computer chip) that can be programmed to hold stored value (to pay for rides individually), a pass (that allows multiple rides within a specified duration of time), or both at the same time.
 - b. The CharlieTicket (a ticket with a magnetic strip) that can be programmed to hold stored value OR a pass. The MBTA may consider plans to phase out use of the CharlieTicket wherever possible.
 - c. Cash will be accepted at bus fare boxes and at fare vending machines in stations and at other locations. Credit and debit cards will also be accepted at many fare vending machines. Tokens will not be valid for use anywhere on the system.
2. Passes will be available for the following durations and modes:
 - a. Monthly passes for local bus, local bus/rapid transit combination, inner express bus, outer express bus, ferry, and commuter rail (both Zone and InterZone passes).
 - b. A monthly pass for one mode or zone will be accepted on any other mode with a lower or equal fare.
 - c. One-day and seven-day passes for local bus, rapid transit, inner harbor ferry, and commuter rail Zone 1A.
 - d. Student-only five- and seven-day passes for local bus, rapid transit, inner express bus, outer express bus, and commuter rail Zones 1A through 2. The five-day pass is for weekday use only, and the five- and seven-day passes are available only on a Student CharlieCard or CharlieTicket.

- e. A monthly pass for seniors and persons with disabilities for local bus and rapid transit (only on a Senior/TAP CharlieCard).
3. The following multi-ride tickets will be available (all multi-ride tickets will be valid for only 30 days):
 - a. Adult multi-ride CharlieTickets—for use only on commuter rail and ferries—offer 10 rides, but no multi-ride discount will be available (the 10-ride ticket is equivalent to the price of 10 single-ride fares). These are for use only on commuter rail and ferries.
 - b. Half-fare multi-ride CharlieTickets for seniors, students, and persons with disabilities—for use only on commuter rail and ferries—offer 10 rides, but no multi-ride discount will be available (the 10-ride ticket is equivalent to the price of 10 single-ride half-price fares).

B. Fare Levels

1. Fares may be differentiated by mode to reflect differences in operational characteristics and average trip length. By mode, fares will be either flat or zoned.
 - a. One flat fare will be charged for any trip on any local bus route.²
 - b. One flat fare will be charged for any trip on the rapid transit system, regardless of the distance or direction traveled.³
 - c. Ferry services may have more than one fare zone; the fares may vary by route. (All single-ride ferry tickets will be valid for 14 days.)
 - d. Express bus service may have more than one fare zone; the fare for local service on express bus routes (for those routes that allow local travel) will be the local bus fare.
 - e. Commuter rail will have multiple fare zones, based on the distance traveled, as well as InterZone fares, based on the number of zones traveled. (All single-ride commuter rail tickets will be valid for 14 days.)
 - f. Fares may be charged on bus replacement services for rapid transit, depending on operational considerations.
2. “Full fare” for all modes will be defined as the adult single-ride cash or CharlieTicket fare. Customers using CharlieCards (where available) will pay a discounted fare. This is intended to encourage use of the CharlieCard, which facilitates easy access to rapid transit stations, faster boarding on buses, and shorter dwell times at bus stops.

² Includes Silver Line Washington Street Bus Rapid Transit.

³ Includes all stops on the Red Line, Green Line, Orange Line, Blue Line, Mattapan High-Speed Line, and Silver Line Waterfront.

3. On all fixed-route modes, fares for students, seniors (age 65 or older), persons with disabilities, and Medicare cardholders will not exceed one-half the adult “full fare” paid by single-ride cash or CharlieTicket users.⁴
4. Customers using THE RIDE paratransit services will pay no more than twice the local-bus, single-ride, cash, or CharlieTicket fare for trips that meet the Americans with Disabilities Act (ADA) complementary paratransit service requirements: service must be provided within 0.75 miles of a local bus route or rapid transit station and at the same hours and days as the fixed-route service. However, a premium fare will be charged for trips on which either the origin or destination is not within the ADA-mandated service area, for trips that begin or end outside of the ADA-mandated service hours, and for same-day and “will-call” trips⁵ (which are outside the scope of the ADA).
5. Persons with a valid Massachusetts Commission for the Blind ID card will ride for free on fixed-route services.⁶
6. Children 11 years of age and under ride for free when accompanied by an adult with a limit of two children per adult.
7. A lower fare will be charged for all commuter rail tickets that are purchased off-board (in stations or other retail locations) during both peak and off-peak hours. This fare will equal the price of the single-ride zoned ticket (purchased on board the train) minus \$3.00.

C. Transfer Privileges

1. Discounted transfers will be structured so that customers who use stored value on CharlieCards and who transfer between two modes will be charged only for the cost of the higher-priced of the two modes. The transfer price will equal the difference in price between the two modes (the “step-up” price).
2. Because the discounted intermodal transfer privilege will be limited to CharlieCard users, it will be available between two modes only when an automated fare collection technology has been installed on both modes.
3. Certain transfers for customers who use stored value on CharlieTickets will also be discounted, including:
 - a. Free transfer for local bus to local bus

⁴ The student discount is available only to students age 12 through high school.

⁵ “Will-call” trips are ones for which the day of the trip is scheduled in advance, but the exact pick-up time is not specified until the day on which the trip is made.

⁶ MGL c. 159, § 15 allows common carriers to provide free service to certain classes of passengers, including blind persons identified by a certification of registration from the Commission for the Blind.

- b. Free transfer between the Mattapan High-Speed Line and the Red Line at Ashmont Station
 - c. “Step-up” transfer for Silver Line Washington Street to rapid transit
 - d. Free transfer for rapid transit to Silver Line Washington Street
4. All transfers must occur within a two-hour window (that is, for any given trip on which a transfer is made, the second vehicle must be boarded within two hours of the time the first vehicle was boarded).

D. Fare Equity

1. To enhance fare equity, the MBTA uses a simplified “flat-fare-by-mode” system, which reflects a “value-pricing” instead of “distance-pricing” approach. “Value-pricing” recognizes that customers value the core bus and rapid transit system in terms of whether it gets them to their destination safely and efficiently—not in terms of the distance they travel or connections they make.
2. Allowing customers to transfer between modes while only paying for the higher-priced of the two modes also reflects “value-pricing.” This approach benefits customers in urban communities who do not have direct rapid transit service, and who would otherwise pay two separate fares for their trip downtown—one for the bus and one for the subway.

IV. Glossary

Within the context of this policy, the following definitions apply:

Commuter rail: Passenger rail service that operates between North or South stations in Boston and the middle and outer suburbs.

Express bus route: A bus route providing a limited number of peak-direction trips during peak periods. A large part of any express route is characterized by high-speed, non-stop operation, and a limited number of stops are provided only near route termini. Some restrictions on drop-offs and pickups may apply.

Local bus route: Any bus or trackless trolley route or portion of a bus or trackless trolley route not designated as an express bus route is considered a local bus route.

Mode: Any type of transit service provided by the MBTA, such as local bus, express bus, rapid transit, commuter rail, ferry, and paratransit.

Rapid transit: Includes the Green Line, Red Line, Orange Line, Blue Line, and Silver Line Waterfront Bus Rapid Transit.

Senior: Any person age 65 or older.

Student: The MBTA’s enabling legislation (MGL c. 161A, § 5(e), defines students as “. . . pupils of public day or evening schools, pupils of private day schools or private evening schools or industrial day or evening schools giving substantially the same character and grade of instruction as the schools conducted at public expense and of a not higher grade than a high school . . .” For the purposes of this policy, a student is any pupil, age 12 through high school.



BOARD POLICY NO. **029**

REGIONAL FARE POLICY AND COMPREHENSIVE FARE ORDINANCE

Purpose:

To establish guidelines for setting a uniform, fair, and equitable areawide fare structure consistent with revenue-producing requirements and established budgets.

Background

With the approval of Senate Bill (SB) 1703, the planning and programming functions of the San Diego Metropolitan Transit Development Board (MTDB), which is now the Metropolitan Transit System (MTS), and the North San Diego County Transit Development Board, which is now North County Transit District (NCTD), were consolidated under the San Diego Association of Governments (SANDAG). Contained within these functions is the responsibility for developing a Regional Fare Policy, including setting fares for transit services in the region through a Comprehensive Fare Ordinance. The Initial Transition Plan for the regional consolidation specifies that SANDAG will develop the Regional Fare Policy, carried out in consultation with the transit agencies and operators.

Regional Participation

For this policy to be effective, it will be necessary for all transit agencies and operators in the region to implement the regional policy according to the following guidelines:

1. A single, unified, regionwide fare policy and transfer system shall be maintained for all publicly subsidized operators.
 - 1.1 All publicly supported transit operators shall participate in the system to be eligible for public subsidy.
 - 1.2 All publicly supported transit operators shall use and accept regional fare media.

Production

Fare revenues shall meet or exceed the level necessary to support the level of service provided given the current public subsidies available.

2. SANDAG shall adopt a specific farebox recovery ratio objective for each transit agency each fiscal year, consistent with the requirements of the Public Utilities Code regarding the disbursement of Transportation Development Act funds. SANDAG's farebox recovery ratio shall be higher than that set by the Public Utilities Code to encourage revenue growth and ridership.

- 2.1 The fare-pricing schedule shall be set to be consistent with meeting or exceeding the specified farebox recovery requirements.
- 2.2 The annual average fare (per passenger), over time, shall generally be consistent with annual increases in regionwide transit cost indicators and/or the rate of inflation.
- 2.3 SANDAG shall consider the financial and Title VI impacts of a fare change upon ridership, service provision, and operating budgets.
- 2.4 User-side subsidies and direct public/private funding shall be encouraged as sources of operating revenue, particularly for services with lower cost-effectiveness.

Fairness

The fare structure should be fair and equitable to all operators and passengers in the region.

3. Fare levels shall be consistent for similar types of service and similar service areas.
 - 3.1 Fare levels shall reflect a combination of the type of service, distance, speed of travel, and customer amenities provided to the customer, with higher fares set for premium services.
 - 3.2 There shall be a unified policy on transfers within the region and any supplementary charges or upgrades for transfers shall be related to differences between the types of service and respective fare levels.
 - 3.3 Regionwide fare discounts shall generally be limited to youth and senior patrons and patrons with disabilities, and prepaid fare programs, and any mandated federal, state, and local program.

Simplicity

The fare policy shall promote seamless travel throughout the region by developing one common and easily understood fare structure throughout the region.

4. The fare structure and transfer system shall be as simple and easy to understand for users as possible.
 - 4.1 The number of fare, transfer, and pass options shall be minimized to promote user friendliness and efficient fare validation.
 - 4.2 The pricing structure shall be based upon equal or easily identified coin increments.
 - 4.3 The fare collection process aboard a transit vehicle shall be designed to be as expeditious as possible.

- 4.4 Vehicle driver/operator involvement in the fare collection process onboard the transit vehicle should be minimized.
- 4.5 Use of prepaid fares including passes and stored value (e.g., daily and monthly passes) shall be encouraged to speed the patron boarding process.
- 4.6 The automated fare collection system shall be developed to simplify fare payment and collection, while providing the region with the opportunity to develop specialized fare structures that will be transparent to the user and driver/operator.

Responsibilities

SANDAG, the transit agencies, and transit operators all have roles and responsibilities to ensure successful implementation of the Regional Fare Policy.

- 5. SANDAG develops and adopts the Regional Fare Policy and Comprehensive Fare Ordinance which incorporates a uniform fare structure, a transfer policy, and agreement for revenue sharing of regional tickets, tokens, and passes, while also allowing for adoption of specialized fare procedures for travel within each operator's service area. SANDAG will regularly update the Regional Fare Policy and set the basic fare pricing for transit services in the region through updates to the Comprehensive Fare Ordinance.
 - 5.1 A Regional Fare Structure Working Group (comprised of staff from SANDAG, transit agencies, and operators) shall review the comprehensive fare ordinance each year during the annual budget process and propose changes to the ordinance, if appropriate.
 - 5.2 Transit agency boards shall review and provide input on proposed changes to the fare ordinance and solicit public input in accordance with transit agency policies prior to SANDAG Board action.
 - 5.3 SANDAG's Transportation Committee shall review the fare ordinance and develop fare recommendations as part of the annual budget process, unless needed at other times for special circumstances.
 - 5.4 SANDAG may adopt specialized fares and procedures for travel within each transit agency's service area.
 - 5.5 Public notice of fare changes shall be provided as legally required, including written notice on all public transit vehicles, and legal notices to newspapers. The public will be provided with an opportunity(ies) to comment on proposed fare changes in accordance with SANDAG Policy No. 025, Public Participation/Involvement Policy.
 - 5.6 Transit operators shall implement and adhere to this Regional Fare Policy and Comprehensive Fare Ordinance. Transit operators shall take the necessary actions to authorize enforcement of the Comprehensive Fare Ordinance.

- 5.7 The two transit agencies shall have the ability to set special event fares. For special events the transit agencies are encouraged to achieve full recovery of their operational expenses. These fares because of their short-term/temporary nature would not need to be included in the Comprehensive Fare Ordinance and would not require a public hearing.

- 5.8 The two transit agencies shall have the ability to set temporary, promotional, and experimental fares. Temporary, promotional, and experimental fares are defined as fares implemented for no more than twelve months for seasonal events or for marketing purposes. These fares, because of their short-term/temporary nature, would not need to be included in the Comprehensive Fare Ordinance or require a public meeting as provided in SANDAG Policy No. 025, and the operators shall be responsible for any necessary Title VI or financial impacts analysis related to such fares.

- 5.9 The Regional Fare Policy should be reviewed every two years by SANDAG.

Adopted October 2004
Amended February 2006
Amended December 2008