

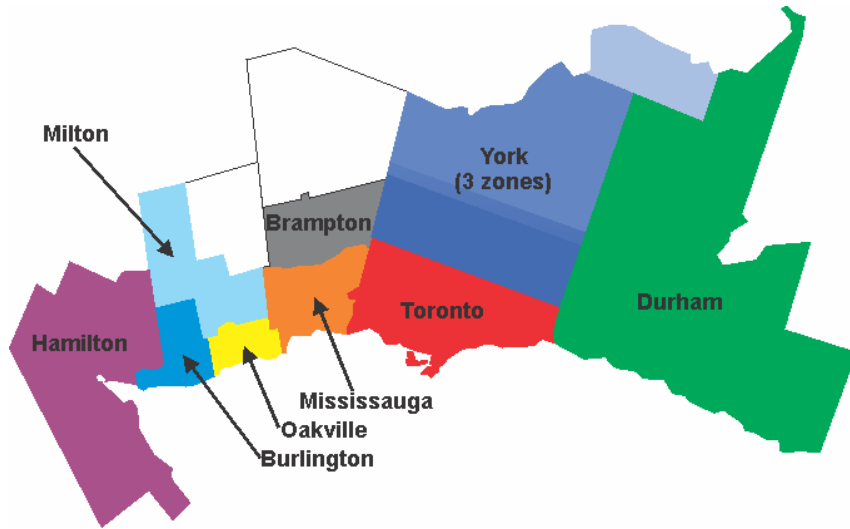


Towards a Regional Fare Policy

Leslie Woo
Chief Planning Officer

March 3, 2015 Board of Directors

Existing GTHA Transit Fare - 10 Structures

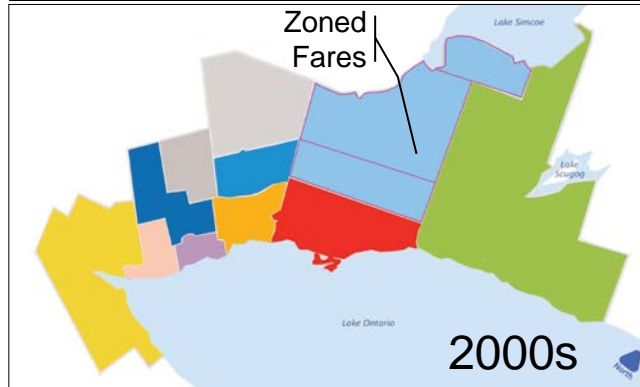
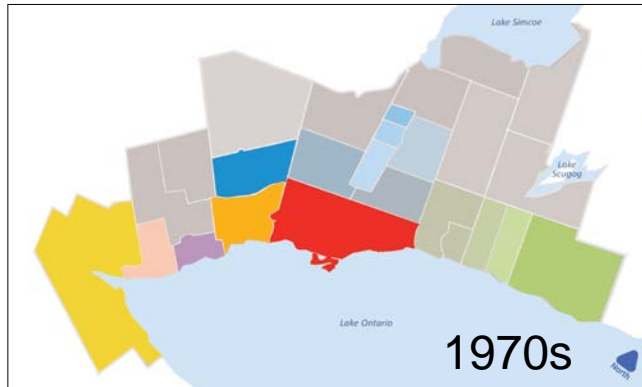
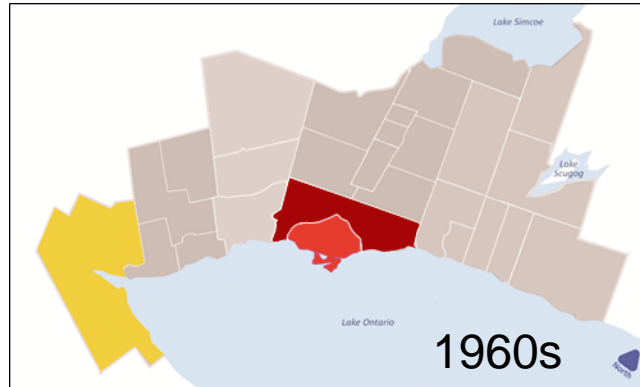
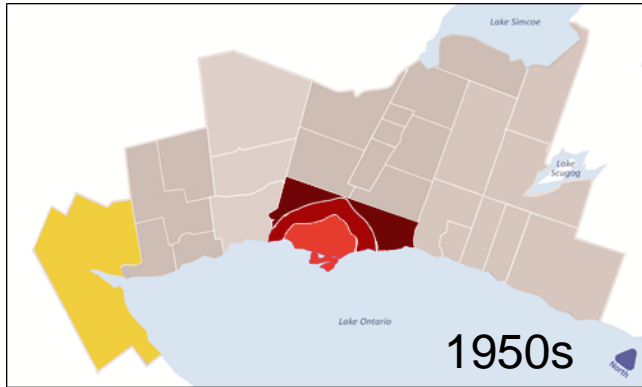


- Each municipality sets its fares
- YRT has zones for long trips, all other municipal transit systems operate with flat fares
- GO Transit operates with fare by zones
- GO co-fares with 905 transit operators
- Free transfers between municipal operators outside Toronto

Existing GTHA Fare Structure – Limitations

- Different tickets and passes (single trips vs. time period pass)
- Different fares for seniors, students, etc.
- Each agency sells only its own fares
- No fare integration between the TTC and other local transit operators nor GO Transit

Evolution of Existing GTHA Fare Structure



Fare Integration

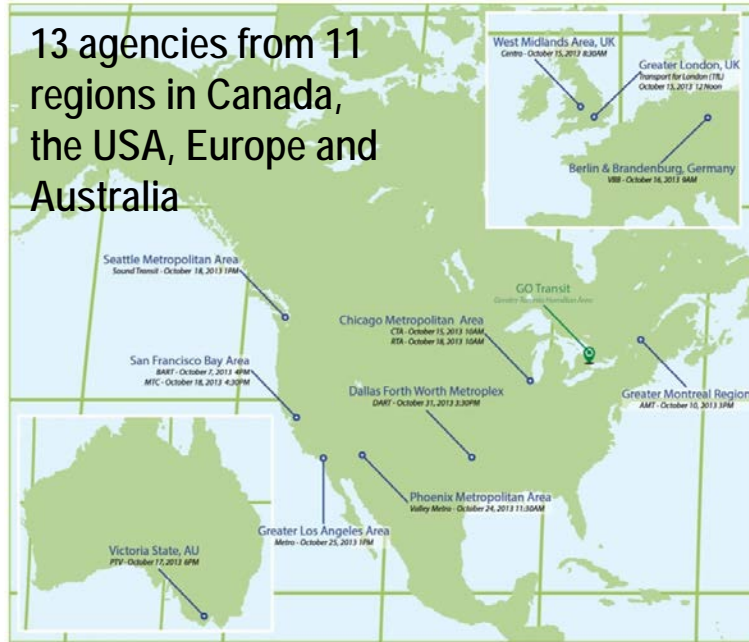
- Priority Action in *The Big Move*: provide a seamless, integrated fare for all transit systems across the GTHA
- The **PRESTO** smartcard system provides the foundation for fare integration
- Fare integration is key to the success of **Regional Express Rail (RER)**
- Toronto Council direction on **SmartTrack** includes Fare Integration

Metrolinx Fare Integration Study

Working with municipal transit providers:

- Global Practices review
- A Vision and Objectives for the GTHA Fare Policy
- Defining a range of potential fare policy options
- Refine the list of options to a preferred fare structure

Global Practices Review



Findings ...

Vision – Think Regionally

Develop a shared vision to improve region-wide transit for all customers, in addition to services within each jurisdiction

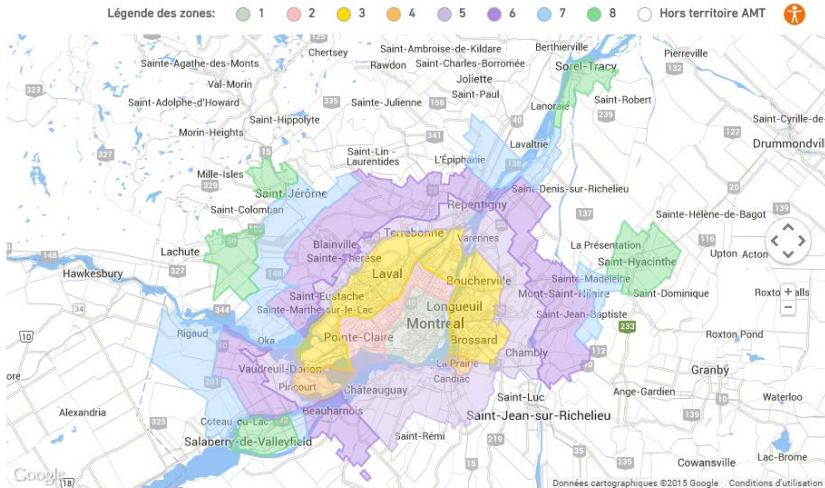
Plan – Become a Leader

The most successful lead agencies took responsibility for regional concerns and assumed risks

Implement – Operate as a Regional Network

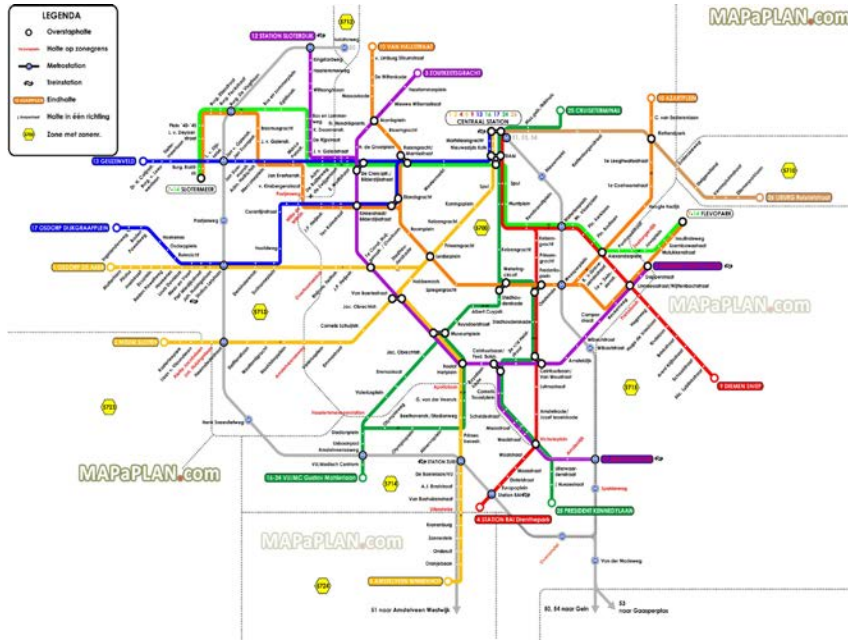
To enable seamless travel, develop a network that is easy to navigate and understand

Global Practices Review – Montreal



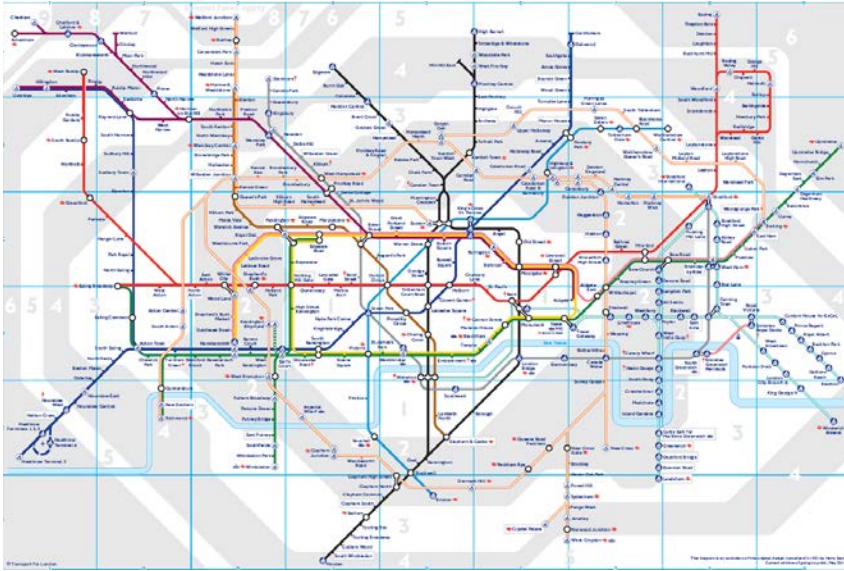
- Each municipal service has its own fare zone
- AMT provides integration through inter-municipal fares based on zones
- Considering a region fare scenarios
- All operators use OPUS smart card system

Global Practices Review – Amsterdam



- Two operators: local (bus tram and metro) and regional rail
- All modes are Fares by Distance
- All operators use OV-Chipkaart smart card system

Global Practices Review – London



- All transit managed by Transport for London
- Flat fare for each bus or tram segment
- Fare by Zone for regional rail and underground
- Oyster smart card system

GTHA Fare Integration - Vision

FOR CUSTOMERS:

- A customer-focused transit system – simple, harmonized and consistent
- Customers experience a common fare structure throughout the GTHA
- Fares reflect the quality and value of the services provided

FOR OPERATORS:

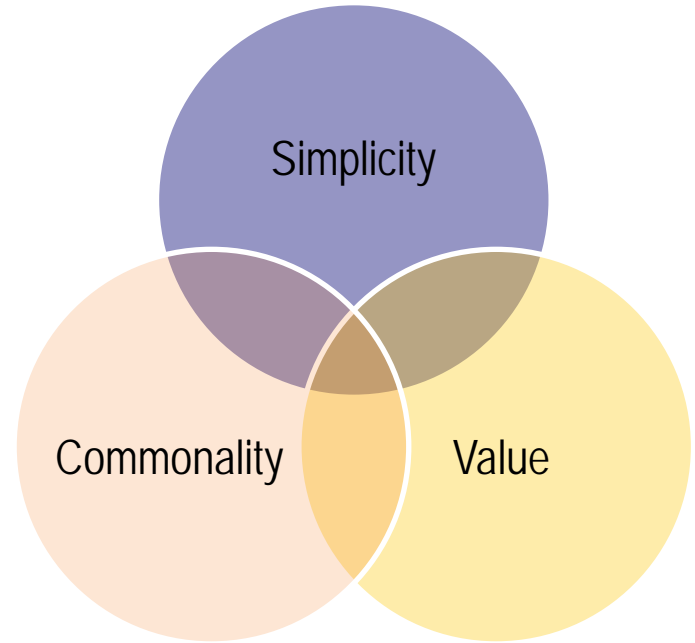
- Regionally integrated fare collection, product and policies
- Integrated system that respects the hierarchy of service needs, improves service and financial efficiencies, and improves competitiveness

GTHA Fare Integration - Objectives

Simplicity – fare policies that are easy to understand with harmonized rules and definitions that offer a consistent customer experience across the region

Value – fares that reflect the journey travelled and the quality of service provided

Commonality – one fare structure for all agencies with common fare products and common fare payment methods



GTHA Fare Integration Objectives

Objective	Criteria	Rationale
Simplicity	Customer Easy to Understand Consistent Experience Transparent	<ul style="list-style-type: none"> Recognizes that predictability, convenience, and consistency increase patronage Enhances access/options and mobility More seamless - easier
	Operator Easy to administer Ability to adjust/Flexible	<ul style="list-style-type: none"> Simplified communication and administration Complexity inhibits reasonable adjustments and perhaps requires higher quality of support Trend to simplify Efficiency
Value	Customer Reflects quality of service	<ul style="list-style-type: none"> Aligns cost to service provided Not penalized due to service design and the need to transfer People generally willing to pay for faster speed or higher amenity services
	Operator Aligns to cost of service	<ul style="list-style-type: none"> Allocates capacity efficiently in short and long term Aligns price with the cost of service Avoids market distortion (i.e. does not encourage longer trips - sprawl, or distorted land uses) Benefit of capturing capital intensive investment
Commonality	Customer One basic structure	<ul style="list-style-type: none"> Recognizes that predictability /consistency / convenience leads to increased ridership Assumption that there is one consistent fare structure
	Operator One basic structure	<ul style="list-style-type: none"> Easy to communicate and administer/operate

Policy Options

Levels of Fare Integration

- **Transformational:**

What do we want to have in place in 10 years?

- **Transitional:**

What steps will get us there and how do we implement them?

- **Incremental:**

What can be done now to improve the customer experience?

Transformational

Make it as easy as travelling by car – no cross-boundary impediments

- One fare structure across the region encompassing GO Transit and municipal transit providers
- Builds on and optimizes PRESTO fare card initiative
- Seamless, consistent and simple to customers

Transitional

Steps toward implementing the transformative

- RER Fare Policy
- RER/TTC/GO Integration
- TYSSE & Eglinton Crosstown LRT

Incremental

Immediate Improvement

- GO Co-Fare in 905
- Danforth, Union, Exhibition Pilot – TTC Metropass & Sticker

Basic Regional Fare Structures

- Flat fares – one single fare across the region
- Fare by mode – different fares for different service levels
- Fare by distance – fares based on distance travelled,
- Fare by zone – simplified fare by distance

Most transit systems internationally use a combination or hybrid fare structure

Flat Fare

All transit fares are a single price regardless of trip length or mode of travel.

	Simplicity	Value
Customer	Simplest fare system to use and understand	Does not reflect the cost or value of long or short trips; local transit and rapid transit Short trips subsidize longer trips
Operator	Easiest fare structure to explain/administer and easily adjusted for future fare increases	Longer and rapid transit trips have very poor alignment of fares to cost of services

Fare by Mode

Different fares by mode (LRT, Subway, Local Bus), speed (BRT, Express Bus)

	Simplicity	Value
Customer	Easy to understand for single leg trips Fares more complex on trips using more than one mode	Higher fares relate to faster service Short trips still subsidize longer trips
Operator	Fare gates required at rapid transit stations More flexibility in pricing individual service levels	Good alignment to cost for both local and rapid transit services.

Fare by Distance

	Simplicity	Value
Customer	Relatively easy to understand Transfers or multi-leg routes do not add complexity	Reflects fair value for the service provided Trips cost directly related to trip length
Operator	Offer flexibility for pricing adjustments. Some complexity to administer but it is easily explained and understood.	Good to fair alignment to cost of service

Fare by Zone

A form of fare by distance

	Simplicity	Value
Customer	Relatively easy to understand Added complexities with trips that cross multiple zones and in areas that use buffer zones	Good value to customers Trips cost indirectly related to trip length
Operator	More difficult to administer/use More limitations to flexibility of fare adjustments	Range of fares is more limited than under per/km option with less alignment of cost Rapid transit services may bear higher burden of costs

GTHA Regional Fare Policy

Considerations

- Governance and fare setting responsibility
- Role of municipal transit providers and municipalities
- Phasing-in and transitional options and costs
- Stakeholder concerns, including the impact of the options on various customer groups

Current Evaluation of GTHA Fare Models

PHASE 1	<ul style="list-style-type: none">• Assess suitability to the GTHA using high-level indicators• Examining four base models and two hybrid scenarios• Evaluate impacts of each model using current transit networks by identifying impacts on fares, fare revenues and ridership• Select two options for further analysis
PHASE 2	<ul style="list-style-type: none">• Further detailed analysis using GGHM model, including RER operations, future land use and more extensive service integration• Develop Business Case Evaluation and determine preferred fare policy / structure

Next Steps

- Assess potential fare structures in the GTHA context
- Use the analysis to inform the RER analysis
- Develop a stakeholder engagement plan
- Report back with more detail in summer 2015