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GTHA FARE INTEGRATION UPDATE

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Metrolinx Board of Directors Meeting
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Executive Summary

- Work continues to complete a business case for a regional fare integration structure
- A fourth concept, Fare by Distance, has been added for evaluation
- More analysis is being undertaken to better understand access and equity impacts
- Additional work has been identified as necessary to inform recommendations in relation to
 - Customer/traveller impacts
 - Fare concessions and products
 - Approaches to implementation

Background:

- Minister of Transportation's mandate letter to Metrolinx: "to create an integrated travel experience in the GTHA through fare integration" (September 2016)
- More than 55K riders a day currently pay two fares for one trip creating a "barrier" that discourages transit use



PRESTO throughout the GTHA will create possibilities for new regional fare approaches



Rapid transit expansion in the GTHA can be optimized by an integrated fare system



As rapid growth continues in the GTHA, **trips between municipalities** form an increasingly large share of total travel



In a competitive market, **travellers increasingly expect** fares that reflect the value of their trip

GTHA Regional Fare Integration Strategy

Vision:

- Increase customer mobility and transit ridership while maintaining the financial sustainability of GTHA's transit services
- At full implementation, fare integration aspires for commuting costs to be no more than they are today
- This strategy will remove barriers and enable transit to be perceived and experienced as one network composed of multiple systems/service providers

For customers

- Simplified and consistent customer experience
- Switching between systems is quick and hassle-free
- Fares that reflect the quality and value of the service received
- Affordable for existing riders

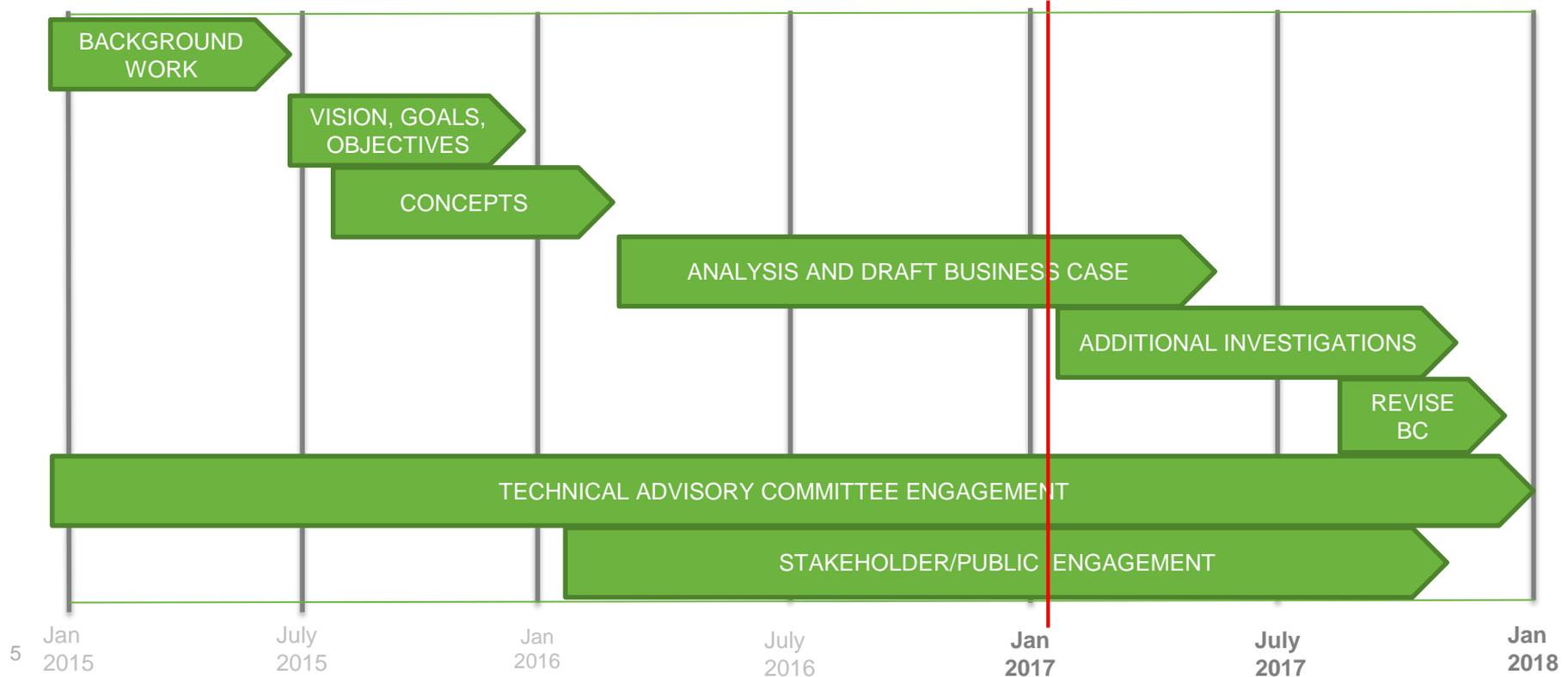
For transit service providers

- Generates revenue in support of cost recovery plans
- Distributes demand efficiently throughout the network
- Adaptable to changes in service, operations, and infrastructure
- Allows service providers to adapt to meet changing customer needs

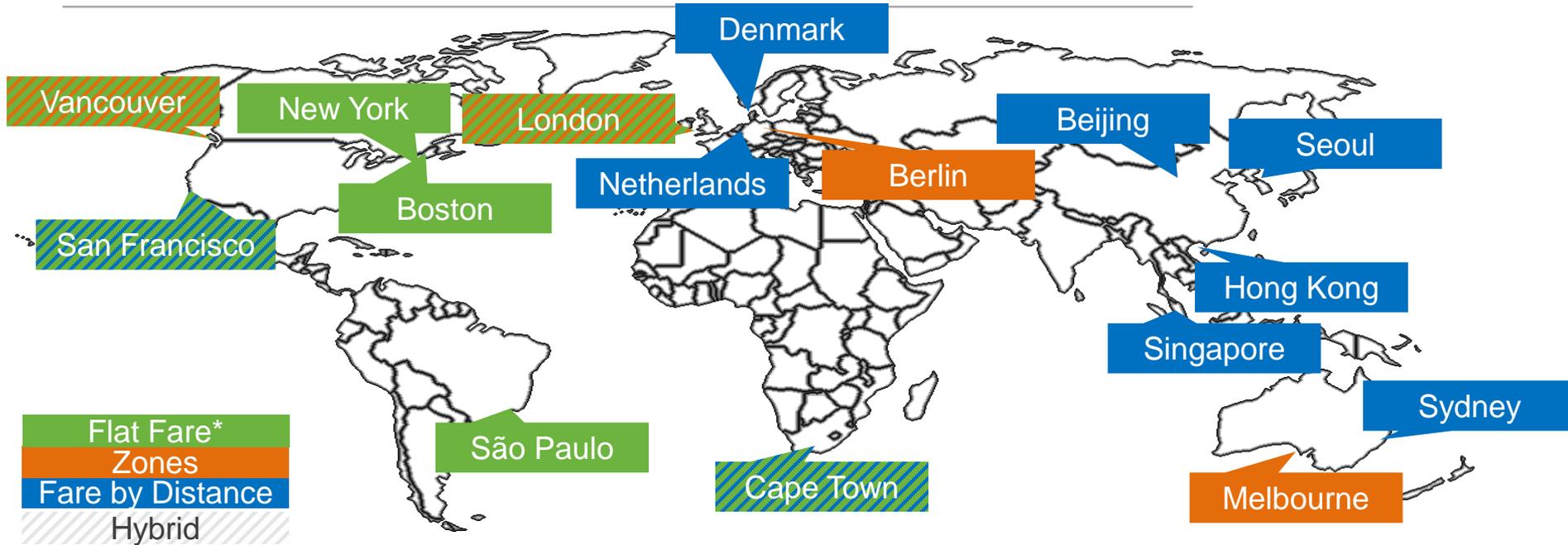
For the region

- Fares that complement existing and planned transit developments, helping to grow regional transit ridership
- A fare system that improves regional economic competitiveness, encourages residents to drive less and supports smart growth

Fare Integration (FI) Schedule Overview



Fare Approaches Around the World



* This chart generally illustrates fare approaches on local bus and metro systems; most “flat fare” cities also have regional transit that use fare zones or fare by distance, making them effectively hybrids

Fare Structure Concepts

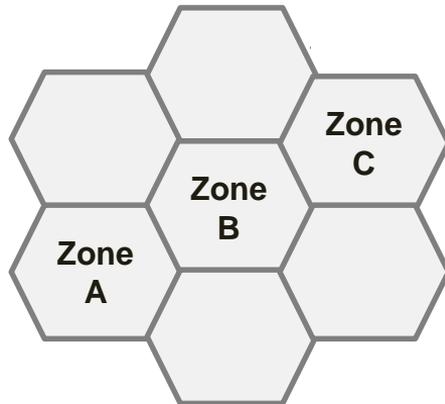
1. Modified Existing

Modify current fare environment to address the most significant issues with the status quo

- ☑ Discounts for trips currently with double fares
- ☑ Regional base fare and Rapid Transit fares more closely aligned
- ☑ A modified **concept 1B** using fare by distance on rapid transit is also being examined (Appendix A)

2. Zones

Develop a new regional fare structure with fare by zone for “Local” and “Rapid Transit,” adding flexibility to pricing



3. Hybrid

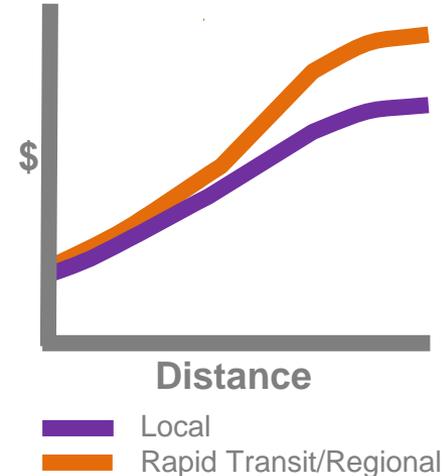
Develop a new fare structure with region-wide flat fare for “Local,” with “Rapid Transit” and “Regional” using fare by distance



New

4. Fare by Distance

Develop a new fare structure with fare by distance on all transit service types and potentially different /km rates by service provider or mode



Fare Structure Concept Summary

Concept	Local		Rapid Transit	Regional
	Intra-Toronto or Intra-905	Toronto/905 Cross-border		
<i>Status Quo</i>	Flat	Double Flat	Flat	Modified Distance
1. Modified Existing	Flat	Discounted Double Flat	Flat	Distance
1. B) Modified Existing + fare by distance on Rapid Transit	Flat	Discounted Double Flat	Distance	Distance
2. Zones	Zone		Zone	Zone → Distance
3. Hybrid	Region-wide Flat		Distance	Distance
4. Fare by Distance	Distance		Distance	Distance

Payment Experience

■ Tap on only

■ Tap on and tap off

Early Analysis of Concepts

Concept	Appealing Characteristics	Limitations
1. Modified Existing System	<ul style="list-style-type: none">• Most easily implemented• No change for customers to existing PRESTO fare payment processes	<ul style="list-style-type: none">• Discounts cannot fairly price the variety of trips across the boundary• Municipal boundaries still have arbitrary impacts on trip price, depending on the position of the trip with respect to the boundary
2. Zones	<ul style="list-style-type: none">• Allows short trips on local transit to be priced lower	<ul style="list-style-type: none">• Zone boundaries have arbitrary impacts on trip price, depending on the position of the trip with respect to the boundary
3. Hybrid	<ul style="list-style-type: none">• Fares better reflect the value of the trip, independent of location or any municipal boundaries• Minimal change to existing PRESTO fare payment behaviour	<ul style="list-style-type: none">• Introduces price discrepancy on local versus rapid transit for long trips, and has limited ability to lower pricing for short trips• Limited range of practical pricing options to address revenue loss associated with region-wide flat fares on local transit
4. Fare by Distance	<ul style="list-style-type: none">• Greatest consistency in fares across all services• High ridership potential due to lower-cost fares for short trips	<ul style="list-style-type: none">• Significant change for customers and transit agencies

Further Technical Work

- Operational impacts
- Low income/fare equity
- Time of day pricing
- Parking pricing
- Fare products (ie. period passes)
- Fare concessions (ie. student, senior, child)
- Treatment of services and transfers

Ensuring a Positive Customer Experience

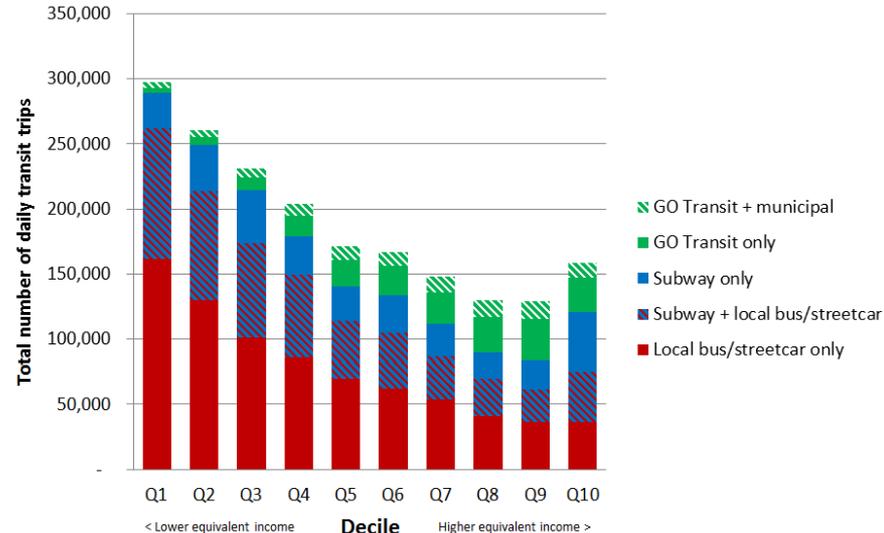
- Avoid financial impacts to existing riders
- Any changes to the fare structure will require a change management and communications strategy to ensure a positive customer experience, for example:
 - Tap on/tap off payment experience
 - Transfers
 - Fare products
 - Service types
- Metrolinx will be conducting research to better understand the customer experience, including:
 - Focus groups
 - Global benchmarking
 - Satisfaction scoring
 - Surveys
 - Public engagement



Equity and Access

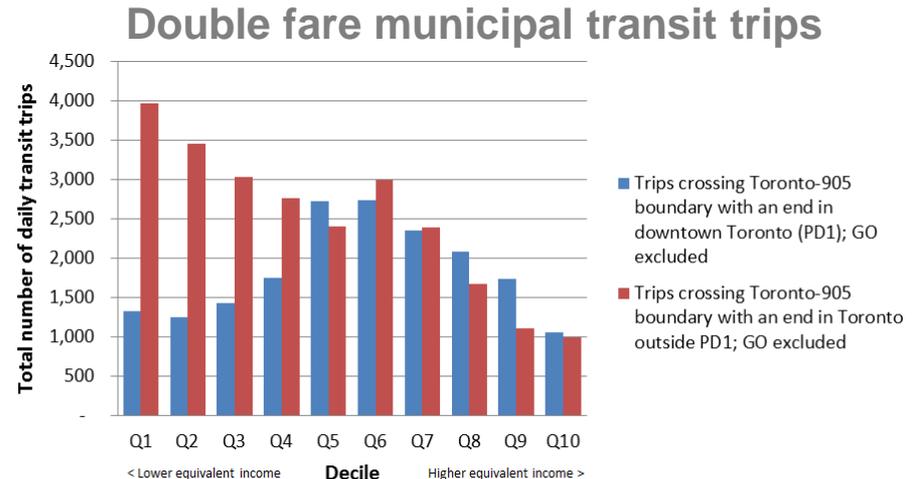
- Equitable access to transit is a key consideration in GTHA fare strategy
- The complete bundle of transit travel must be considered when assessing fare structure impacts on low income travellers
- Investigations to understand customer transit use by income revealed:
 - Transit is critical to mobility of people with limited income: Residents of the lowest income neighbourhoods use transit for 30% of their travel- about twice the rate as higher income groups
 - Low income travellers make more trips that are not for work or school, and travel more during off-peak hours
 - About 85% (vs 50% for high income customers) of transit trips by low income residents involve bus or streetcar; about half are bus/streetcar only, and the rest combined with subway

Transit Trips by Transit Mode



Equity and Access

- Investigations to understand transit use by income revealed (cont'd)
 - Considering the total bundle of travel, the average length of trips for low income people is about half of higher income groups
 - While trip length on each mode is about the same for all income groups, low income people make more short trips on bus, as well as more longer trips combining bus and subway
 - Low income travellers are particularly affected by paying two fares at the Toronto/905 border
 - About 75% of current cross-boundary trips by low income travellers are not going downtown (shorter trips) compared to about half of trips by high income customers



Opportunities

Fare Integration can advance equity for the region by:

- Reducing fares for some trips across the 905/Toronto boundary
- Making regional transit (GO RER) lower cost
- Impacting the overall cost of transit use for low income travellers, and reducing fares for shorter trips
- Maintaining revenue required to maintain/improve service
- A regional approach to a low-income concession providing fare discounts is required to complement the fare strategy

Next Steps

- Complete the business case (Q3 2017)
- Advance additional technical analysis
- Identify full range of traveller experience impacts
- Identify implementation issues for concepts
- Continue stakeholder discussions including those with key municipal officials



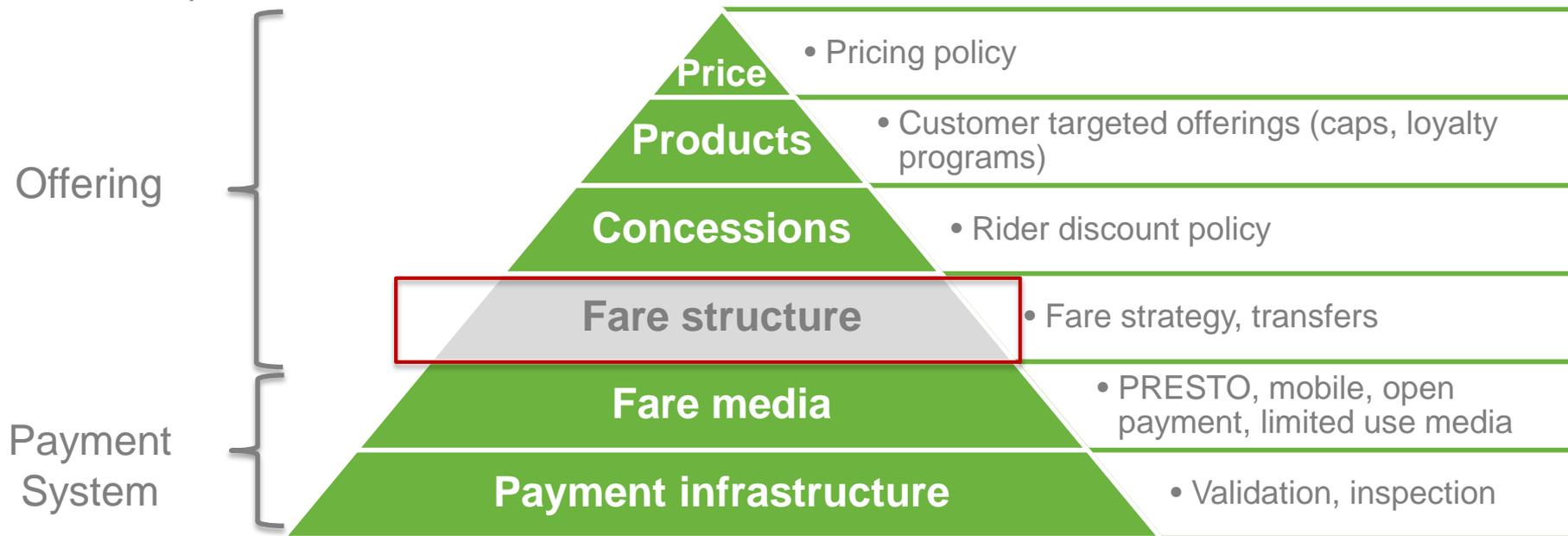
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Appendix A: Fare System Building Blocks

- Our current focus is on the fare structure
- Fare products, and concessions can tune the fare structure for different markets



Appendix B: Vision

Developed in consultation with GTHA transit service providers in 2015

Vision Statement

- The *GTHA Regional Fare Integration Strategy* will increase customer mobility and transit ridership while maintaining the financial sustainability of GTHA's transit services
- This strategy will remove barriers and enable transit to be perceived and experienced as one network composed of multiple systems/service providers