

Transit Fare Review Phase 3 Summary Report

Executive Summary
June 2018

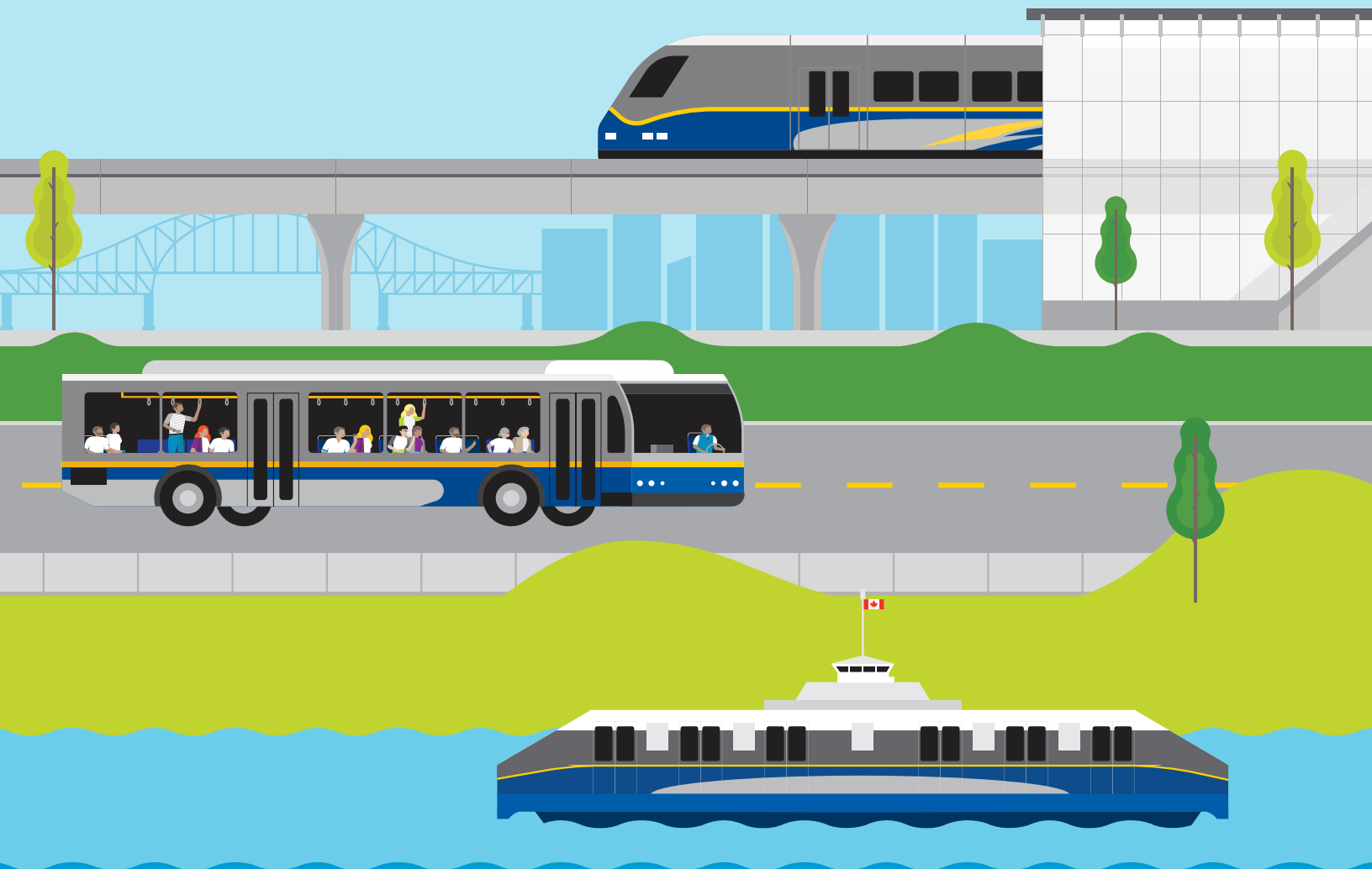


Table of Contents

Introduction	2
About the Transit Fare Review	3
What we heard & learned	4
Phase 3 Activities	9
Next steps	10

Introduction

In this four-phase Transit Fare Review, we've been taking a fresh look at how we price transit in Metro Vancouver. We completed Phase 3 in December 2017 and this report provides a snapshot of what we did, what we heard, and what we learned in this phase.

Timeline



Highlights

We have received a combined total of over 55,000 responses during the first three phases of the Transit Fare Review. Throughout the process, we've heard respondents overwhelmingly say they want to see change from our current zone system to one that they feel is more fair.

Respondents told us that to them, fairness means a system in which fares more closely reflect the distances they travel. By Phase 3, nearly three-quarters of respondents said they would prefer to see a system priced more closely by distance travelled.

However, when considering distance-based fares across the entire system, a majority of respondents said bus travel should not be priced by distance like rapid transit, citing concerns about simplicity, affordability of bus travel and the inconvenience of potentially needing to tap out.

Additionally in Phase 3, participants expressed support for both Pre-paid Passes and Fare Capping as ways to provide benefits for frequent riders. Respondents also expressed support for expanding customer discounts to include low-income residents, but did not support increasing transit fares to fund discounts for low-income individuals.

About the Transit Fare Review

TransLink's three-zone fare structure was implemented in 1984 and has remained largely unchanged for almost 35 years. In this time, the region has grown by over one million people and the transit system has evolved from one based entirely on buses to one that includes an increasingly extensive rail rapid transit network.

The most frequent fare-related customer complaint that TransLink receives is that the current system is unfair because some short trips pay more than some long trips if they happen to cross an arbitrary zone boundary. This desire for change, combined with new technological capabilities offered by Compass, has provided an opportunity to review the way we price transit in Metro Vancouver to respond to long-standing concerns and improve the overall customer experience.

What we learned in previous phases

In Phase 1, respondents shared their concerns, issues and ideas. In Phase 2, we asked for input on how fares should vary by distance, time of day and service type. In both phases, the majority of respondents told us they wanted to see a fare structure that aligns fares more closely with usage.

You can read more about what we heard in previous phases in the *Phase 1 Summary Report* and *Phase 2 Summary Report* at www.translink.ca/farereview.

What we did

In Phase 3, we made significant progress developing, evaluating and refining options that would improve the customer experience while maintaining the same amount of revenue we collect from fares. We focused on three key areas:

1. Shortlisted options for varying fares by **distance**,
2. Options for how to structure fare **products** for frequent riders, and
3. Opportunities for expanding customer **discounts**.

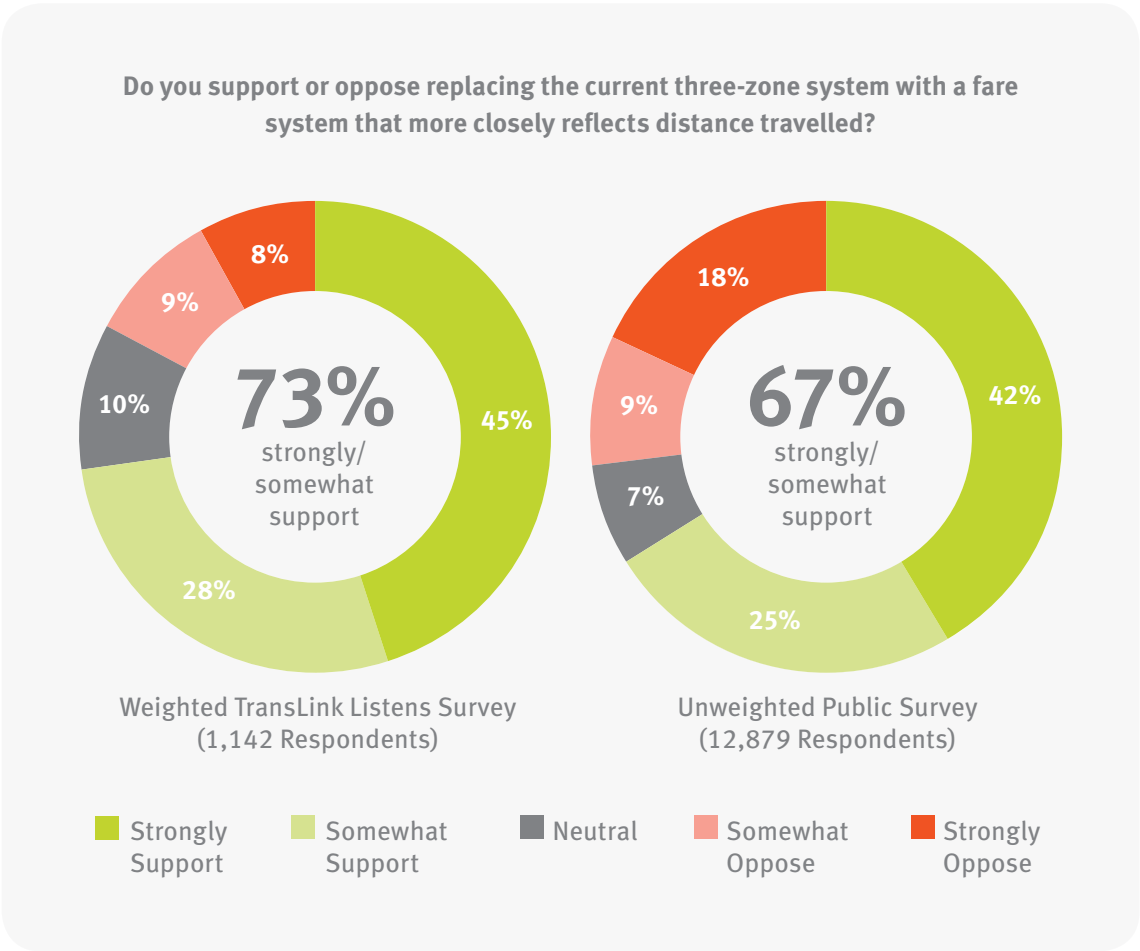
Over 14,000 residents shared input and feedback on these options through public engagement in Phase 3. Each option was evaluated for its impacts on usability, affordability, fairness, and ability to manage overcrowding and grow ridership.

What we heard & learned

Options for fares by Distance

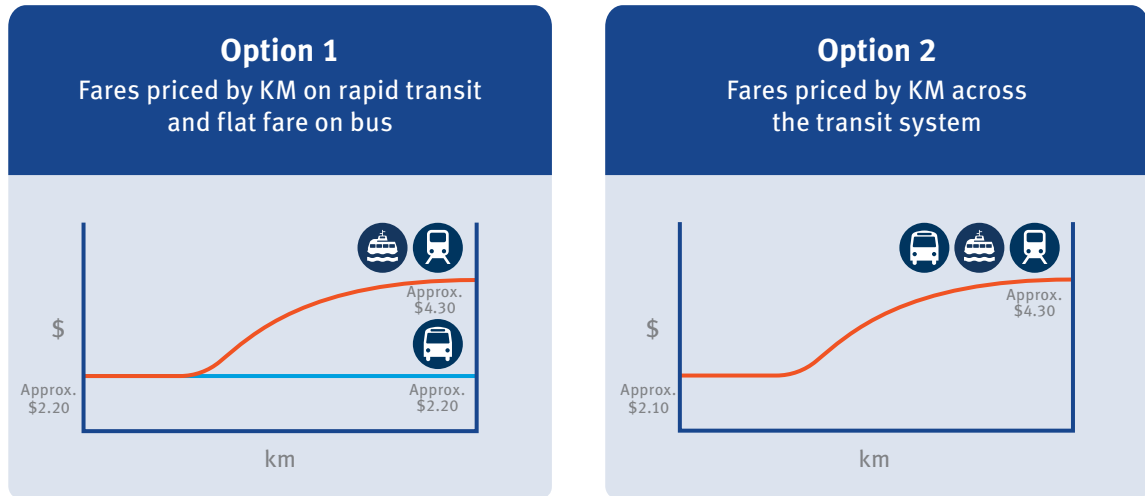
Though our current zone-based system is relatively simple, many residents have expressed concerns about its fairness. As a result of these concerns, 59% of residents said the current system doesn't work well. In Phase 2, 72% of residents told us they want a fare structure where prices are tied more closely to distance travelled. In Phase 3, we presented the current 3-zone fare system as an option along with details about what distance pricing would mean for a future fare structure, including what types of trips would cost more and less. When provided with this information, **nearly three-quarters of respondents supported replacing the current zone system with a fare system that more closely reflects distance travelled.**

Support for replacing the current three-zone fare system has consistently increased throughout the three phases of the Transit Fare Review, increasing to 73% in Phase 3.



The results of the TransLink Listens panel survey were weighted by age, gender, area of residence, and primary mode of transportation in order to generate findings that are more closely statistically representative of the region's adult population (age 19 and older).

In Phase 3, we narrowed the long list of options down to two shortlisted options that we presented for feedback. In both options, the rapid transit system is priced on a station-to-station basis with the price determined by the distance between stations. In Option 1, the bus is a flat fare while in Option 2, both rapid transit and the bus are priced by distance travelled.



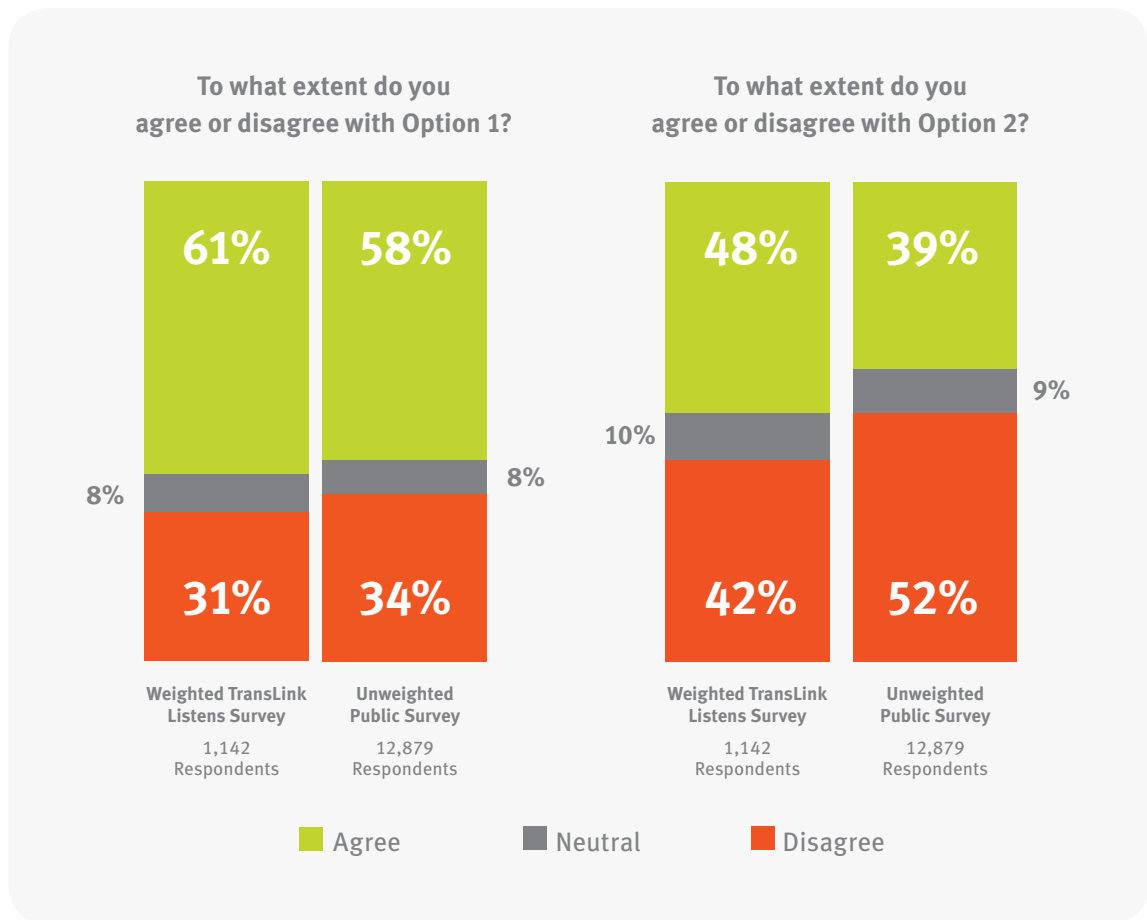
Fares are estimates of the adult Stored Value rate.

In both options, the rapid transit fare would vary by station, making the fare price more proportional to the distance you travel and eliminating the arbitrary zone boundaries. Rapid transit includes the rail system and SeaBus. In both options, the maximum fare is equal to the three-zone fare.

In Option 2, bus trips are also priced by kilometre, which some people feel is more fair. It also allows for a lower starting fare price. However, it can be more difficult to predict fares in advance.

In Option 1, there is a single flat fare for all bus trips, similar to the current system. While this option requires a higher starting base fare than Option 2, it is simpler to predict fares in advance.

More information on the benefits and tradeoffs for each of these options is available in the *Phase 3 Discussion Guide* and the *Technical Backgrounder* at www.translink.ca/farereview.



Option #1 (Fares priced by kilometre on rapid transit and flat fare on bus) was preferred over Option #2 (Fares priced by kilometre across the transit system).

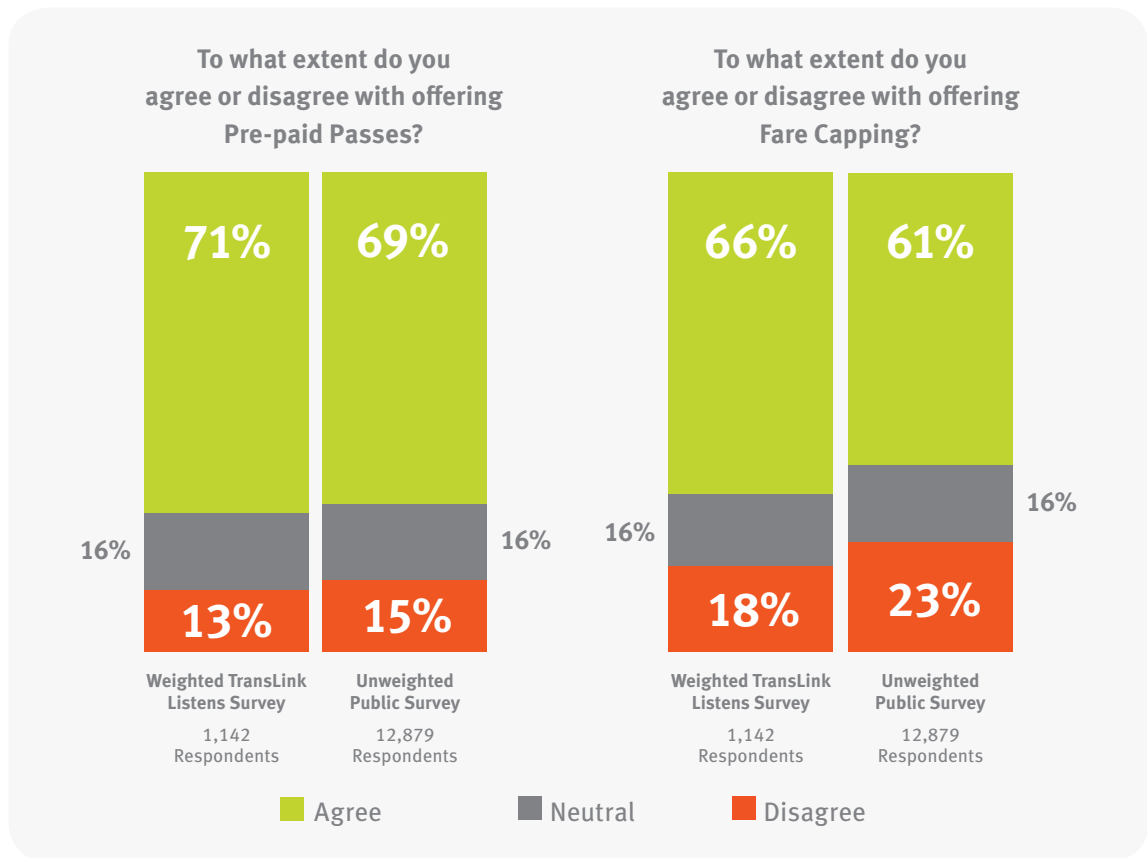
Support for both options was primarily driven by the belief that **“pricing by distance is fair and makes sense.”**

The stronger preference for Option #1 was based primarily on the feeling **that the bus should not be priced the same as rapid transit**, as it would be too difficult to predict fares, discourage use of the bus, and may require tapping out. Those who preferred Option #2 felt that despite these challenges, fares should be calculated the same regardless of the mode of transport and that this was the most fair approach.

Options for Fare Products

In our current zone-based system, customers can purchase a pre-paid Monthly Pass, which benefits frequent riders by offering unlimited travel within a given number of zones specified for a flat monthly fee. While Pre-paid Passes offer a simple and predictable way to pay for all of your monthly transit travel at once, they require upfront payment and the ability to accurately predict your transit usage in advance, which may serve as a barrier for some people. To overcome these potential shortcomings, some customers have expressed interest in replacing the Monthly Pass with a system of Fare Capping. In Phase 3, we presented both options for feedback.

1. Pre-paid Pass	2. Fare Capping
<p>Pay in advance for unlimited travel during a set period of time.</p> <p>A Pre-paid Pass offers unlimited travel over a given time period. In practice, this means that frequent riders get a discount when they purchase a pass in advance.</p>	<p>Pay-as-you-go with a fare cap, after which travel is free.</p> <p>With this option, you pay the regular fare for each trip until you hit a certain threshold and then remaining travel is free within a set time period, such as a day, week or month.</p>

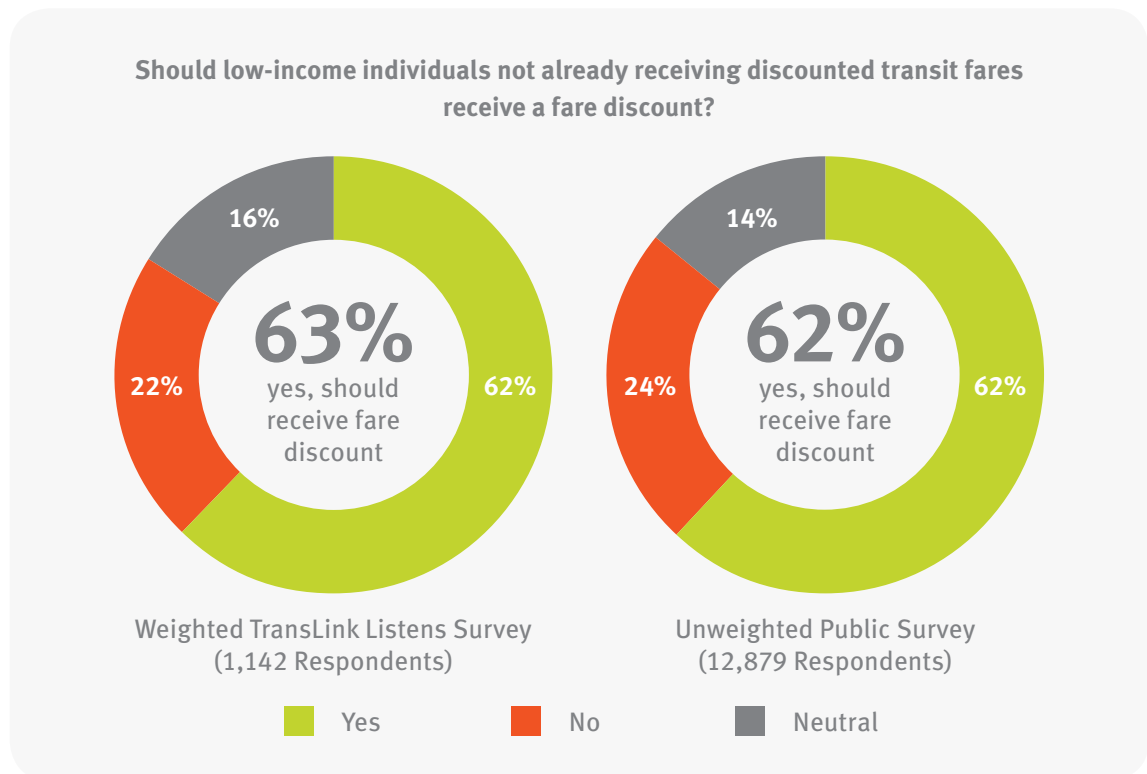


Though both Pre-paid Passes and Fare Capping are supported by a large majority of respondents, Pre-paid Passes are preferred over Fare Capping by a small margin.

As Fare Capping would extend the current Monthly Pass discount to all frequent users (not just those who purchase it in advance), the fare cap would need to be set slightly higher than the cost of the Pre-paid Pass. The **higher overall cost of Fare Capping was the most common reason cited for disagreement** with this option and likely contributed to the stronger preference for Pre-paid Passes. Some respondents also found the new concept of Fare Capping to be complicated to understand and communicate.

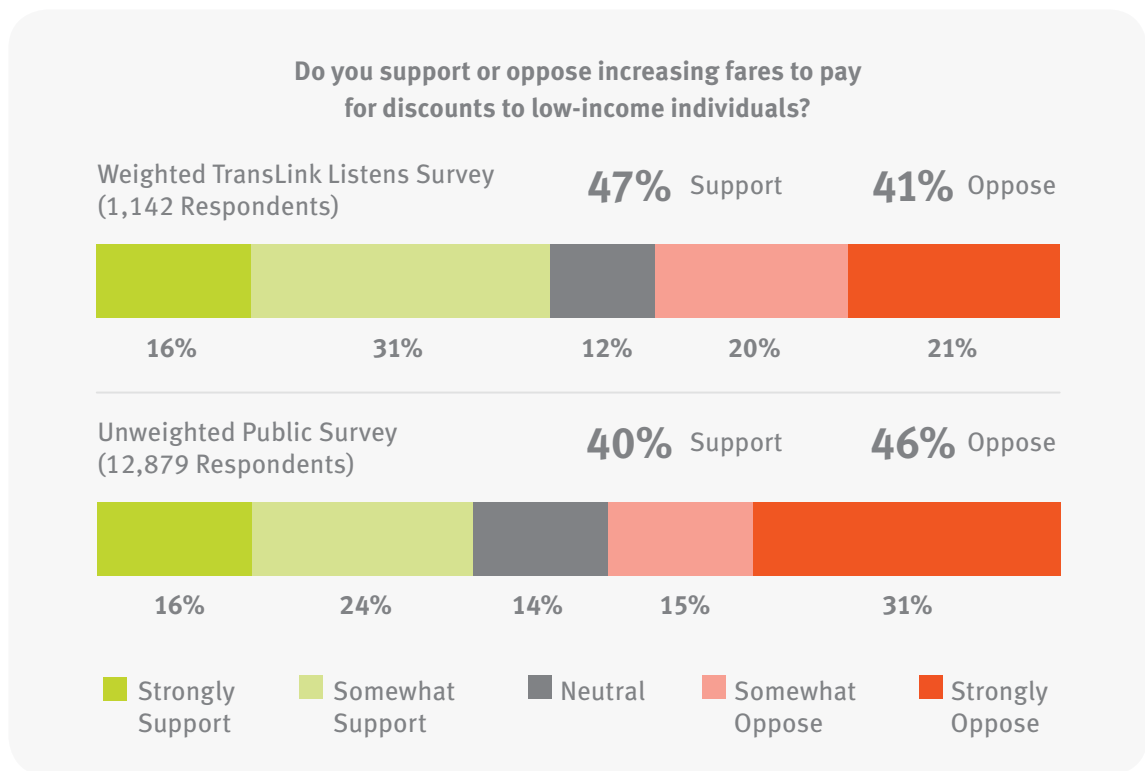
Customer Discounts

There is a growing trend in North America to offer discounted transit fares to low-income residents. In Phase 3, we heard that there is support for this idea in our region.



Social assistance and income redistribution is not within TransLink’s mandate and TransLink does not directly offer discounts to residents on the basis of income. Through its social assistance funding, the Government of BC provides transit discounts to some low-income residents. However, not all low-income residents are eligible for these discounted transit fares. In the absence of additional senior government funding, any additional discounts provided by TransLink would need to come through increases to TransLink’s existing funding sources, such as fare increases for other riders, or through cuts to transit service.

Nearly two-thirds of residents support extending discounted transit fares to low-income residents. However, less than half of residents support increasing transit fares for everyone else in order to fund these discounts.



Phase 3 Activities

Public Engagement

- We sought feedback from the public between November 22 and December 8, 2017 via an online **public survey** completed by 14,021 respondents and a parallel market research panel survey with the **TransLink Listens Panel**, completed by 1,142 respondents.
- Over 100 people participated in 18 small group community meetings across the region.
- The results of the **TransLink Listens** panel survey were weighted by age, gender, area of residence, and primary mode of transportation in order to generate findings that are statistically representative of the region's adult population. The full report on both the public survey and the panel survey is included in Appendix A.
- The **Stakeholder Forum** included key stakeholders across multiple sectors including labour, business, environment, health, faith, people with disabilities, students, children, youth, and seniors to share their perspectives on the options.
- Two **Elected Officials Forums** focused specifically on the perspectives of elected officials from local, provincial, and federal levels of government.
- **Stakeholder Workshops** were hosted by organizations across the region. The learnings from these events are captured in Appendix B.
- The options and their potential impact on fare prices were presented and explained in the **Phase 3 Discussion Guide**, a series of short **videos** posted on the TransLink website, and in a **Technical Backgrounder** that provided more details on the options and their expected performance. These documents identified both conceptual and quantifiable trade-offs between the options, as well as details on how different types of trips might be impacted by the fare changes.

Technical Analysis

- Applied a revenue and ridership **model** to understand what the different options would mean for fare prices.
- Conducted a **multiple criteria analysis** to evaluate the proposed options.
- Conducted a scan of future payment technologies and public transit trends to ensure our options are future-ready.
- Completed **technical analysis** on the feasibility, operational and customer experience impacts of tapping out on buses, as well as a review of emerging technology that facilitates charging by distance travelled on bus without requiring customers to tap out.
- **Consulted with experts** and other transit agencies around the world to incorporate their fare policy learnings into our process.
- **Engaged with municipal and provincial partners** to get their feedback as we developed the options.
- The outcome of much of this work is captured in the *Phase 3 Technical Backgrounder*.

Next steps

A fourth and final phase of public engagement is planned for mid-2018 to provide feedback on draft recommendations. Finalized recommendations for a new fare structure are anticipated later in 2018. To learn how to participate in Phase 4, go to www.translink.ca/farereview