

Draft Report on Recommendations for the Transit Fare Review June 2018



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Summary of Proposed Recommendations

Proposed recommendations for changes to our transit fare structure are organized into two categories:

First Moves

Actions or policies that help to improve the customer experience and can be implemented while maintaining overall fare revenue. These recommendations include:

- Eliminate zones and shift to pricing by the distance between stations on SkyTrain, SeaBus, & future rapid transit and update pre-paid passes to reflect this change. Maintain flat fare on bus.
 - Maximum fare would be equivalent to a three-zone fare.
 - Evening and weekend off-peak discounts would be maintained.

Future Moves

Actions or policies that help to improve the customer experience, but would require additional funding or further study before implementation. These recommendations include:

- Expand targeted off-peak discounts and/or rewards to better manage overcrowding on the system.
- Expand discounts for children, youth, and low-income residents if funded by Senior Government.

Introduction

About the Transit Fare Review

In 2016, TransLink launched a comprehensive four phase review of the way we price transit. We heard that the majority of residents from Metro Vancouver think the current fare system does not work well. This desire for change combined with new technological capabilities offered by Compass set the stage for this comprehensive review of the way we price transit in Metro Vancouver to improve the overall customer experience.

What do we want to achieve?

The goal of the Transit Fare Review is to recommend changes to the fare structure that promote an exceptional customer experience where paying for transit:

- Is **simple**
- Is **fair**
- Is **affordable**
- Helps grow **ridership**
- Helps **improve service** by reducing overcrowding

As a result of the proposed recommendations identified through the Transit Fare Review, fares for some trips may go up and fares for other trips may go down. However, the goal is not to increase or decrease TransLink's revenue. Rather, the approach is that any changes would be revenue neutral for TransLink.

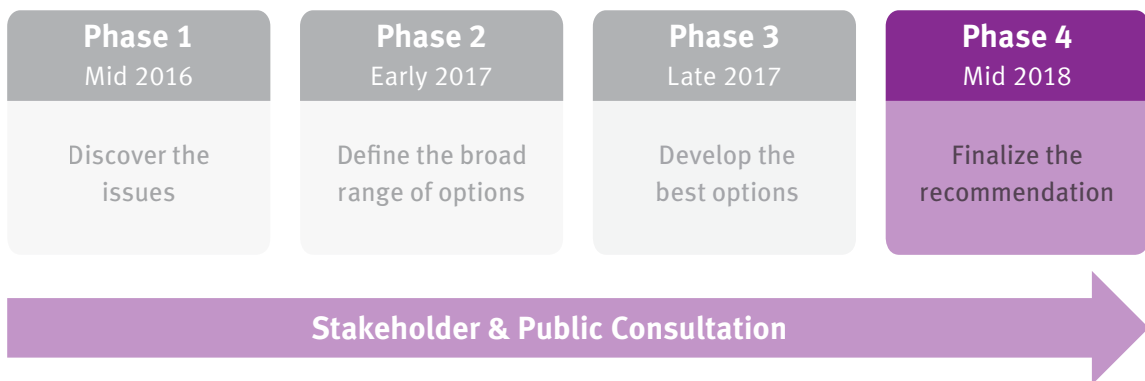
How did we get here?

We've received more than 55,000 responses from people across Metro Vancouver in the first three phases of the Transit Fare Review. In Phase 1, we heard about concerns, issues and ideas for ways to make the fare structure easier to use, fairer and more affordable. In Phase 2, we asked for input on how fares should vary by distance, time and service type. In Phase 3, we asked about specific proposals for how to price by distance, which types of fare products are preferred, and if changes should be made to customer discounts. We've taken what we've heard from the public and our customers, together with technical analysis, modelling, research, and prototyping to identify a set of proposed recommended changes to the fare structure.

Have your say!

In Phase 4, we are checking in with you one last time for feedback on our proposed recommendations. We encourage you to be part of the final phase of TransLink's Transit Fare Review. Read this guide and provide your feedback through the online survey at www.translink.ca/farereview.

Timeline



How are the recommendations organized?

Proposed recommendations for changes to our transit fare structure outlined in this report are organized into two categories:

1. **First Moves:** Actions or policies that help to improve the customer experience and can be implemented while maintaining overall fare revenue.
2. **Future Moves:** Actions or policies that help to improve the customer experience, but would require additional funding or further study before implementation.

Distance

CURRENT SYSTEM

TransLink's three-zone fare structure has been a long-standing source of complaints from residents of Metro Vancouver.

Charging customers for the number of zones they travel through was designed in 1984 to roughly approximate distance travelled in a way that was simple to understand and manage without the assistance of a smart card. Today, about 20% of daily weekday trips pay an arbitrarily higher fare than trips of a similar distance just because they cross a zone boundary. In 2015, zones were eliminated for buses so that all bus trips are charged a one-zone fare regardless of the distance travelled.



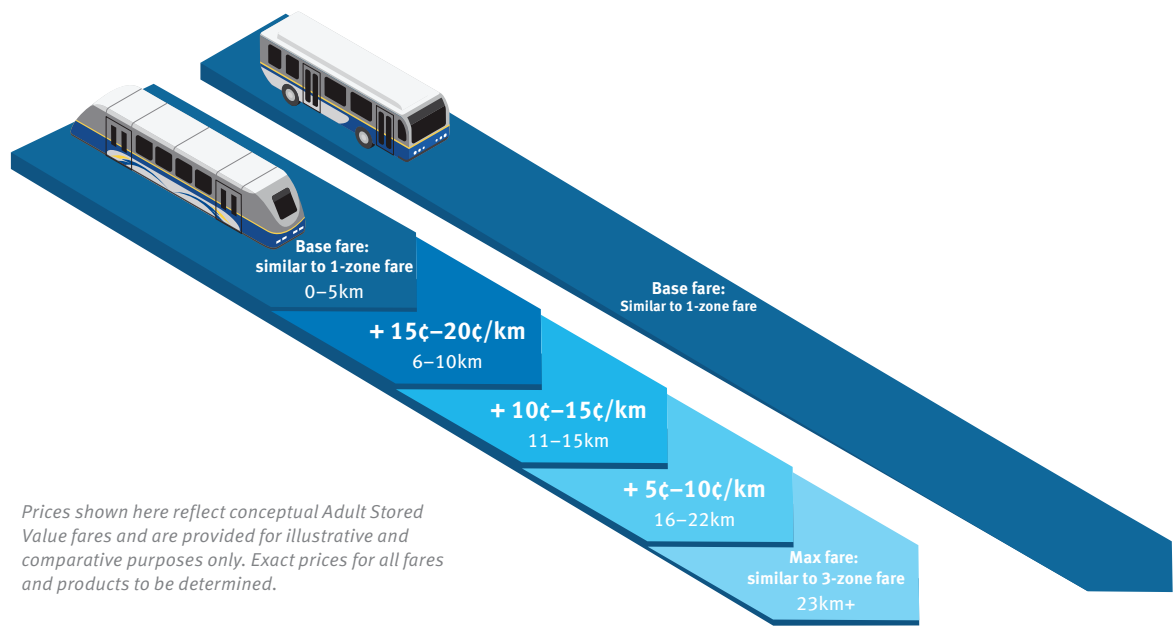
Current fare zone system for SkyTrain and SeaBus

RECOMMENDED FIRST MOVES

1.1 Eliminate zones and shift to pricing by the distance between stations on SkyTrain, SeaBus, and future rapid transit. Maintain flat fare on bus.

How would it work?

Under this proposed system, bus fares would continue to be charged a flat fare regardless of distance travelled, the same as it is today. For SkyTrain and SeaBus trips, fares would be based on how many kilometres you travel. A base fare would cover travel up to five kilometres – or approximately three to four stations. After this base distance, the fare would increase in small increments until a maximum fare is reached, which would occur at around 20 kilometres or 13 to 15 stations.



What's the same as today?

- **Minimum fare:** About the same as a 1-zone fare.
- **Maximum fare:** About the same as a 3-zone fare. People travelling the longest distance on SkyTrain would continue to pay about the same price as they do under the current system.
- **Tapping:** tap in and out on SkyTrain and SeaBus, tap in on bus.
- **Transfers:** No additional fee to transfer between bus, SkyTrain and SeaBus.
- **Bus only fares:** Flat fare similar to today's 1-zone fare for unlimited travel within the 90 minute transfer window.
- **Evening and weekend travel similar to today's 1-zone fare:** For off-peak trips, riders pay the equivalent of a 1-zone fare for travel system-wide.

What's different from today?

- **No more zones:** Rapid transit fares are based on the number of kilometres you travel, instead of how many zones you travel through.
- **More gradual price increments:** Prices vary for each set of stations depending on the distance between them.

Why not price by distance on the bus, too?

Distance-based pricing on bus was considered in Phase 3 but is not currently recommended. We heard that many residents think distance-based fares on buses would make it difficult to predict and calculate fares and might require tapping out, which could discourage bus use. Both of these concerns could be addressed with new technologies currently being tested and deployed in cities around the world. Should the transit network evolve in the future to include more on-demand or flexible bus services, our approach to pricing bus services could be re-evaluated.

Which trips would pay more than today?

- 1-zone trips on SkyTrain that travel long distances within a single zone, for example: trips between Marine Drive and Waterfront or between Sapperton and Gilmore.
- 2-zone trips on SkyTrain that travel long distances across two zones, for example: trips between New Westminster and Waterfront.

Which trips would pay less than today?

- 2-zone trips on SkyTrain that travel just a few stations but that happen to cross a zone boundary, for example: trips between Joyce-Collingwood and Metrotown, Surrey Central and Columbia, or Production Way-University and Burquitlam.
- 3-zone trips on SkyTrain that travel across an entire zone and then cross the next zone boundary by only a few stations, for example: trips between Burquitlam and Commercial-Broadway or between Scott Road and Joyce-Collingwood.
- SeaBus trips.

Why are we recommending this?

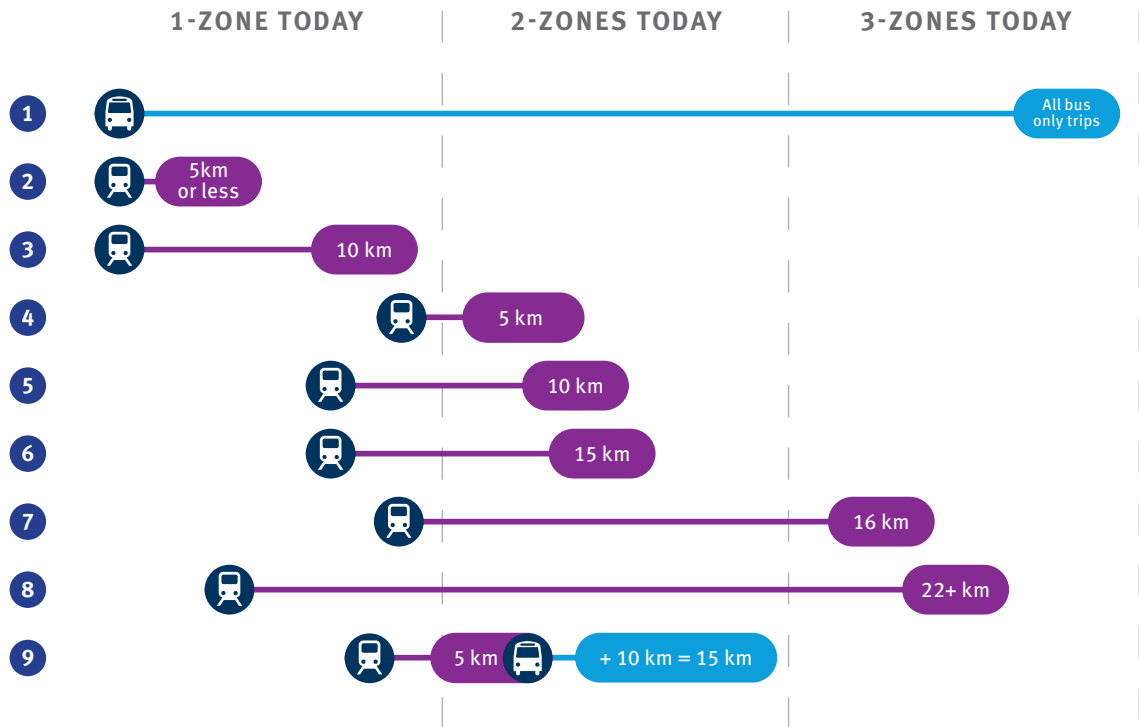
We heard during each phase of the Transit Fare Review that people find the current system unfair, with 73% of respondents saying they would prefer to see a system priced by distance travelled. A structure that prices trips more closely with the actual distance travelled helps address the most common complaints, including the high price of short trips across a zone boundary, steep price jumps across a zone boundary, and the arbitrariness of the zone boundaries.

Compared to the current system, pricing fares by kilometres travelled on SkyTrain and SeaBus:

- Better reflects actual use: Trips of the same length on the same mode of transit would pay the same price.
- Allows for more gradual pricing increments: Steep jumps in fares across zone boundaries would be replaced by smaller station-by-station increases.

Impact of the proposed distance-based fare structure on different trips

The table below illustrates how the price for various trips would change under the proposed pricing by distance structure¹. Most fares will stay about the same, while some will increase and some will decrease. The illustrative prices below are for Adult Stored Value fares, and exact prices will be determined at the time of implementation.



SeaBus is considered rapid transit and fares are the same as SkyTrain

	Current Fare	Proposed fare structure change
1	\$2.20	About the same
2	\$2.20	About the same
3	\$2.20	▲ +\$0.75 to +\$1.00
4	\$3.25	▼ -\$1.00 to -\$1.25
5	\$3.25	▼ -\$0.10 to -\$0.25
6	\$3.25	▲ +\$0.25 to +\$0.50
7	\$4.30	▼ -\$0.25 to -\$0.50
8	\$4.30	About the same
9	\$3.25	▼ -\$1.00 to -\$1.25

▼ Decrease in price ▲ Increase in price

¹ We examined all trip combinations in developing the draft recommendations.

1.2. Maintain zone-based fare structure on West Coast Express

The West Coast Express has patterns of usage and payment that are distinct from the rest of the transit system. As a high-speed, limited-stop, commuter-rail service, it has been well-served by a system of zones based on distance. We recommend that West Coast Express would continue to have a separate, premium pricing structure that differs from the rest of the transit network.

1.3 Maintain flat fare on HandyDART.

HandyDART fares would continue to be charged a flat fare regardless of distance travelled, the same as it is today.

Fare products

CURRENT SYSTEM

Today, there are four ways to pay for single-trip fares which allow unlimited transfers for up to 90 minutes:

- You can pay cash on a bus;
- You can tap a contactless credit card or mobile wallet on card readers;
- You can buy a Compass Ticket from a Compass Vending Machine; or
- You can load Stored Value onto your Compass Card so you can pay-as-you-go at a discounted rate.

In addition to single fares, we also offer Day Passes and Monthly Passes: pre-paid passes that grant unlimited travel within the specified number of zones for a flat fee.

RECOMMENDED FIRST MOVES

2.1 Update pre-paid passes to reflect proposed distance-based pricing system.

How would it work?

Adult Pre-paid passes, which are currently based on zones, would be based on kilometres in the new fare structure. Similar to today, if you are a frequent transit user you would choose the two rapid transit stations between which you most commonly travel and buy a Monthly Pass to cover that distance. For the occasional trip that exceeds the distance covered by the pass, you would pay the difference for that individual trip using the Stored Value on your Compass Card, similar to today's AddFare for extra zones travelled. Unlimited bus travel is included in all passes. Pre-paid passes for Concession riders will remain as a flat rate in the near-term.

What's the same as today?

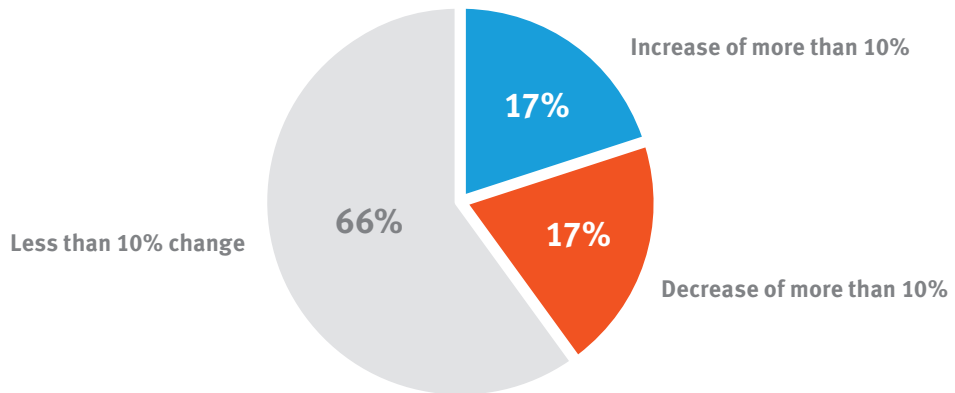
- **Unlimited SkyTrain and SeaBus trips:** Passes continue to offer unlimited trips on SkyTrain and SeaBus based on the distance purchased
- **Unlimited bus trips:** All passes continue to offer unlimited bus trips across the system
- **Pay in advance:** Customers pay up front for monthly travel
- **Predictable transit costs:** One monthly pass to cover all your most frequent transit needs

What's different from today?

- **No more zones:** Passes would be valid for all trips up to a certain distance rather than all trips within a specified zone. These valid distances would be clearly marked on station wayfinding maps.
- **More options:** Choose from pass options that more closely match the distance you frequently travel.

How would monthly fare costs be impacted under the proposed structure?

Most riders take a variety of trips over the course of a month; some trips would cost more and some would cost less. Under the proposed system, we estimate that the majority of riders would spend about the same amount on fares overall. A minority of riders will see an increase or a decrease depending on which trips they do most often. Frequent riders would choose their Monthly Pass based on their most common trip, which is the commute trip for the majority of customers. The change in price for this frequent trip would have the biggest impact on riders’ overall fare costs for the month.



Current Pre-paid Adult Monthly Pass System

Monthly Pass – Zones	1-zone	2-zone	3-zone
Unlimited SeaBus and SkyTrain trips within zone/s	\$93	\$126	\$172

Illustrative Pre-paid Adult Monthly Pass System under Proposed Distance-Based Pricing Structure*

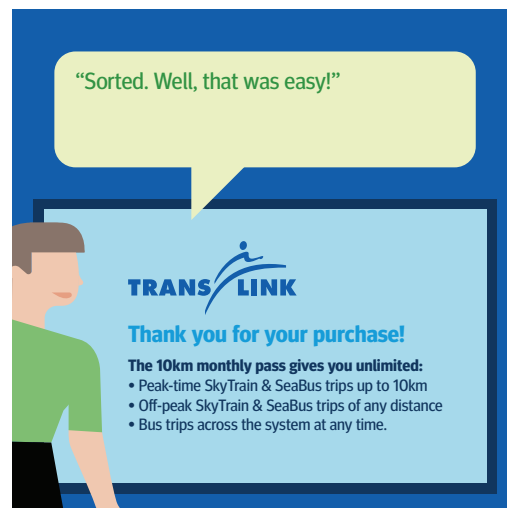
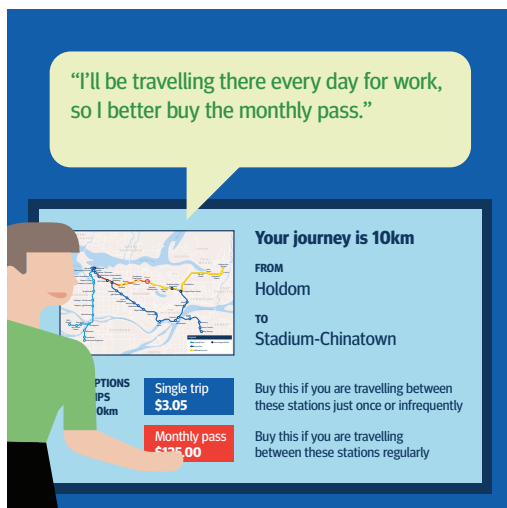
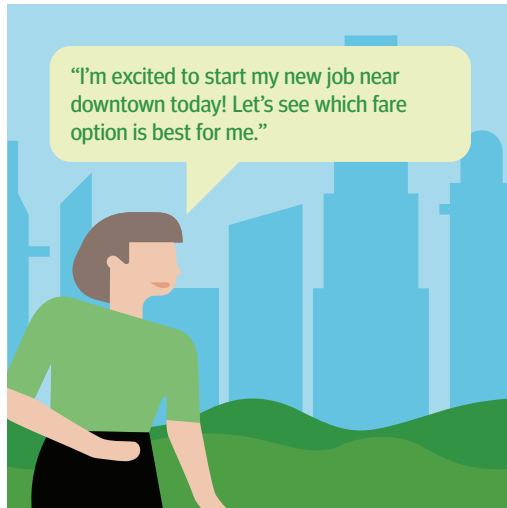
Monthly Pass – Distance	5 km	7 km	10 km	13 km	17 km	20 km or more
Unlimited SeaBus and SkyTrain trips up to the following distances	\$93	\$110	\$125	\$140	\$155	\$172

All proposed passes include unlimited trips up to the specified number of kilometres on SkyTrain and SeaBus, unlimited bus travel, and unlimited travel system wide on evenings and weekends.

** Pass distances and pricing are for illustration only and are subject to change.*

How will I know how much my trip will cost and which product is better for me?

In the proposed fare structure where prices vary by distance travelled on rapid transit, improved station maps, online trip planners and Compass Machines will make it easier for you to estimate your fare for any trips and make sure you have all the information you need to ensure you pay the right price. Here is an illustrative example of how a customer might use a Compass Vending Machine to buy their fare under the proposed structure.



Why are we recommending this?

Adapting the current zone-based passes to the proposed fare by distance structure allows riders to continue using today's well-used and well-liked unlimited pre-paid passes. They offer unlimited travel, good value, predictability of monthly fare costs, and convenience.

What about fare capping?

Fare capping was considered through our review but is not currently being recommended. Fare capping offers a best price guarantee to all riders and does not require a decision to pre-purchase a pass at the beginning of a day or month. However, our analysis showed that the fare cap would need to be set at a higher price than today's pre-paid passes, effectively increasing costs for frequent riders. Given its potential benefits, we will continue to explore how fare capping could be introduced in a cost-effective way for both TransLink and our customers into the future, especially in the context of integrated, multi-modal payment platforms and the emergence of Mobility-as-a-Service (MaaS).

RECOMMENDED FUTURE MOVES**2.2 Consider ways to increase the flexibility of pre-paid passes, including rolling monthly passes.**

Prepaid monthly passes are currently valid from the beginning to the end of a calendar month. Rolling passes could start on any date during the month, and last until the same date the following month. Rolling passes would provide you with additional flexibility to purchase your passes at any time and would help alleviate the crowds at Compass Vending Machines at the beginning of the month when many customers renew their monthly passes. Rolling monthly passes would require additional financial and technical analyses before implementation.

2.3 Consider aligning the Concession Monthly Pass structure with the proposed distance-based pricing system.

Today, discounted Concession Monthly Passes are all one flat fare, no matter how many zones you travel. This is a simple way to structure Concession Monthly Passes, but it does not fully capture the fairness benefits provided by the proposed distance-based system. We are committed to keeping Concession discounts for eligible riders and maintaining a flat rate for these passes. In the future, we propose to explore updating the pricing structure of Concession Monthly Passes to more closely reflect distance travelled, as we already do with Concession cash and Stored Value fares. More work is needed to identify specific discount rates and prices to ensure affordability is maintained.

Service type

CURRENT SYSTEM

Today, there is one integrated fare structure for bus, SkyTrain, and SeaBus. The West Coast Express is a premium service with higher fares. HandyDART, which provides door-to door service for customers who are unable to use other service types without assistance, is a one-zone fare and does not accept Concession discounts.

RECOMMENDED FIRST MOVES

3.1 Maintain premium pricing on the West Coast Express.

Transit riders today appreciate the integrated nature of TransLink's various services and have indicated in previous Transit Fare Review phases that they oppose the idea of different pricing structures for different services.

The exception is the West Coast Express, which the public acknowledges is distinct from the rest of the system as a high-speed, limited-stop, commuter-rail service. Moving forward, we recommend maintaining premium pricing on the West Coast Express, recognizing that it is sufficiently fast, convenient, direct, and travels a far enough distance to justify premium pricing relative to the rest of the transit system.

RECOMMENDED FUTURE MOVES

3.2. Recognize Concession discounts on HandyDART as part of on-going efforts to improve the HandyDART experience.

Throughout the Transit Fare Review, stakeholders have told us that fares should be consistent between HandyDART and the conventional transit system. To further align HandyDART fares with the other service types, we would consider recognizing TransLink-offered age-based discounts on HandyDART while implementing other changes outlined in the Custom Transit Service Delivery Review including HandyDART eligibility criteria.

Time of Travel

CURRENT SYSTEM

Like most transit systems, TransLink experiences an influx of riders during a few concentrated hours on weekday mornings and weekday afternoons during the times when many people travel to and from work and school. Outside of these busy peak periods, the transit system has less crowding and more capacity available to accommodate new trips without having to add expensive new vehicles. Today, if you travel outside of peak times (after 6:30pm on weekdays and all day weekends and holidays) you receive an off-peak discount where you can make any trip for the price of a one-zone fare.

RECOMMENDED FIRST MOVES

4.1 Maintain existing off-peak discount (weekday evening and weekend trips pay the base fare).

Our current off-peak discount helps encourage trips by transit on evenings and weekends when the system is less busy. The off-peak discount benefits both occasional riders who can be flexible about when they travel, as well as monthly pass holders who make longer than normal trips during the off-peak period.

RECOMMENDED FUTURE MOVES

4.2 Expand targeted off-peak discounts and/or rewards to better manage overcrowding on the system, subject to a transportation business case and near-term field study to determine feasibility.

While our current off-peak discounts work well for some trips, there are several opportunities to make them work better for both TransLink and our customers. In previous phases many of you supported ideas like extending off-peak discounts to include other less busy times of day like early mornings and the mid-day, as well as structuring off-peak discounts so that all trips made during these times could receive a discount – not just trips that travel across multiple zones.

We acknowledge that extending off-peak discounts in these ways could further encourage flexible riders to shift their time of travel and help to reduce overcrowding in peak periods. However, there are two considerations with adding new off-peak discounts across the entire transit system that prevent us from recommending it as a first move:

1. Extending or adding new discounts would result in decreased fare revenue (absent additional funding). While shifting riders to off-peak periods would defer the need for expensive capital investment to manage higher loads in busiest peak periods, it would still require up-front investment in the form of decreased revenue. This decrease would need to be made up through an increase to regular fares that would negatively impact those commuters who do not have the flexibility to change their time of travel.
2. Different sub-regions in Metro Vancouver experience peak congestion at different times and in different directions. This makes it difficult to implement new off-peak periods across the entire transit system that make sense everywhere, and could add to congestion in some locations rather than decrease it.

To expand off-peak discounts and address these two concerns, we recommend offering expanded off-peak discounts and/or reward programs as funding becomes available that are specifically targeted to key times – like the early morning and mid-day – in geographic areas where overcrowding is most acute.

To ensure that new targeted off-peak discounts are effective, efficient and fair, we need more information on the flexibility of riders to shift their travel at different times, locations, and travelling in different directions. Implementing a field study in the near term would help provide the information needed to design effective targeted off-peak discounts.

Discounts

CURRENT SYSTEM

Today, TransLink offers discounts for children and youth between the age of 5 and 18 and seniors over 65. These discounts were historically provided to customers who were outside traditional working years and assumed to have less ability to afford full-priced fares. Children under the age of 5 travel free.

Students at public post-secondary institutions receive discounted transit through U-Pass BC, a program offered and funded by the Government of British Columbia with support from post-secondary institutions and TransLink. Low-income seniors and individuals receiving provincial disability assistance are also eligible for discounted transit fares through the BC Bus Pass, offered by the Government of British Columbia.

RECOMMENDED FIRST MOVES

5.1 Maintain existing age-based discounts.

TransLink recommends maintaining existing age-based discounts at this time. Scaling back or revoking these discounts could have negative impacts on those who depend on them.

RECOMMENDED FUTURE MOVES

5.2 Create separate rider classes for children, youth, and seniors.

Today, the same Concession fare product is valid for travel by children (aged 5-12), youth (aged 13-18) and seniors (aged 65+). In recognition that these different age categories often have different travel patterns, behaviours, and transit needs, we are proposing the creation of separate rider classes with distinct products to more directly target these different groups. This will allow greater flexibility to offer targeted discounts in the future.

5.3 Expand discounts for children and youth if funded by senior levels of government as part of their responsibility for social assistance, health and education

Further discounting fares for children and youth would make transit a more affordable and attractive option for families travelling together. Encouraging transit use at a young age has the added benefit of investing in the future by developing transit habits that can encourage life-long ridership. To support these benefits through discounts while remaining revenue neutral, additional funding would be required.

5.4 Expand discounts for low-income residents if funded by the senior government as part of their responsibility for social assistance and income redistribution, health and education

No discounts are currently available for low-income individuals who do not qualify for the BC Bus Pass (based on age and disability). Access to affordable and accessible transportation is vital for ensuring that low-income individuals are able to move around the region and actively participate in their communities.

TransLink acknowledges the societal benefits that these discounts would provide. However, social assistance and income redistribution is not within TransLink's mandate, which is to provide an efficient transportation system that is largely self-funded.

In the absence of additional senior government funding, any additional discounts provided by TransLink would need to come through TransLink's existing funding sources, such as fare increases for other riders or through cuts to transit services.

The Provincial government has a strong history and mandate of social assistance and has recently prioritized ensuring affordability for residents of Metro Vancouver. Should additional funding be made available for low-income discounts, TransLink is committed to facilitating an expanded discount program.

Transfer time

CURRENT SYSTEM

Metro Vancouver's transit system was designed as an integrated, connected network to transport you from your origin to your destination in the most efficient way possible. This means that trips often involve a connection—or transfer—from one route to another to complete a journey. Transfers allow people to move between and within areas of the region on one fare, and to complete their journeys by using the quickest and most convenient combination of transit service types.

Today, TransLink's fares have a 90-minute transfer window, which allows you to transfer onto other transit services within 90 minutes from the time of first tap in, and allows 120 minutes to complete your journey. Select services, such as West Coast Express, are granted exceptions to the 90-minute transfer time due to the longer travel time and distance.

RECOMMENDED FIRST MOVES

6.1 Maintain the existing 90-minute transfer window to provide flexibility for travellers to complete one-way trips with multiple connections without paying a new fare.

For the vast majority of trips within TransLink's service area, our work has determined that 90 minutes is a sufficient amount of time to complete all tap-ins required for a one-way trip. Current exceptions would remain. The proposed fare by distance structure, future time of day recommendations, and fare products for frequent travelers may result in new travel patterns and the transfer policy may need to be adapted as needed.

Next steps

We are asking for your feedback on these draft recommendations from June 18 to June 29, 2018. Using the input received from the public and stakeholders, we will refine and finalize our recommended approach for changes to the fare structure before seeking endorsement and approval from the Mayors' Council and TransLink Board later in 2018.

We would then begin to implement the first move recommendations that are technically possible within the current Compass system, which could begin to be rolled out as early as the next one to two years. At the same time, we would begin work to enable the changes recommended for future consideration.