



City of Richmond

Report to Committee

To: Public Works and Transportation Committee **Date:** February 6, 2017
From: Victor Wei, P. Eng.
 Director, Transportation **File:** 01-0154-04/2017-Vol 01
Re: **TransLink Transit Fare Review – Initiation of Phase 2**

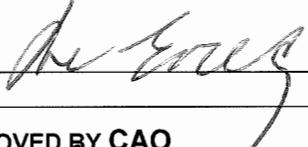
Staff Recommendation

That Richmond’s comments as provided at the elected officials forum held on January 24, 2017 as outlined in the staff report titled “TransLink Transit Fare Review – Initiation of Phase 2,” dated February 6, 2017, from the Director, Transportation, be endorsed.



Victor Wei, P. Eng.
 Director, Transportation
 (604-276-4131)

Att. 4

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Community Social Development	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: DW	APPROVED BY CAO 

Staff Report

Origin

In June 2016, staff presented a report for information regarding TransLink’s initiation in May 2016 of a review of its transit fare policy. The process will span an 18 to 24 month period and include four phases of public consultation. This report provides an update on the recent conclusion of Phase 1 and the activities to be undertaken in Phase 2.

This report supports Council’s 2014-2018 Term Goal #3 A Well-Planned Community:

3.3. Effective transportation and mobility networks.

This report supports Council’s 2014-2018 Term Goal #5 Partnerships and Collaboration:

Continue development and utilization of collaborative approaches and partnerships with intergovernmental and other agencies to help meet the needs of the Richmond community.

Analysis

Transit Fare Review Purpose and Timeline

The existing three-zone fare structure was originally adopted in 1984 and has remained unchanged in the ensuing 30+ years. The introduction of Compass provides an opportunity to improve the way TransLink’s transportation system is priced. In addition to a review of best practices of other transit agencies around the world, data from the Compass system such as trip patterns and overall travel behaviour will help inform the development and evaluation of fare system options.

Through the review, TransLink will consider possible changes to the transit fare system including what role distance travelled, time of travel, type of transit service, fare product, customer group, and journey time should have on the fare that passengers pay. As shown in Figure 1, Phase 1 is now complete and the process has moved into Phase 2.



Figure 1: Timeline for Transit Fare Review

Phase 1: Discover

A key activity of Phase 1 (mid to end 2016) was broad engagement with stakeholders and the general public to identify what transit riders perceive as issues with the current fare system and what should be the priorities for a future fare system.¹ Feedback was obtained via a series of stakeholder workshops (attended by 85 people from a variety of sectors), an on-line public consultation questionnaire completed by over 28,000 people across the region and direct individual and group discussions with transit users.

The findings show that residents strongly support a review of the fare system. Less than one-third of survey respondents agreed that the current fare system works well with about 6-in-10 disagreeing. In all sub-regions, the majority of residents disagree that the current fare system works well. As summarized in Attachment 1, the key messages heard in Phase 1 with respect to the current fare system relate to how fares are priced by:

- Distance Travelled: Residents consider short trips across zone boundaries to be expensive and the arbitrary zone boundaries as unfair with the remedy being that fares should be based more on distance travelled.
- Time of Travel: There is support for fares that are lower during less busy times of the day than at busier times of the day. TransLink's current fare system has an off-peak evening discount that is in effect on weekends and weekday evenings after 6:30 pm. Approximately 60 per cent of all weekday transit trips (over 500,000 trips) take place during morning and afternoon peak periods.
- Quality of Service: About one-half of residents support charging lower fares for slower and less direct service (e.g., buses) than for faster and more direct service (e.g., rapid transit).

Respondents were also asked to select their top four priorities for the review from a list of 11. Attachment 1 also identifies the four most commonly selected priorities with the top priority being "Make fares lower for shorter trips."

Phase 2: Define

Phase 2 will use the feedback received during Phase 1 to help define and evaluate options for varying fares by the three core components of fare structure: distance travelled, time of travel and service type. Attachment 2 outlines each concept and three potential options proposed by TransLink for consideration. For each concept, the options range from flat fares at one end to a greater refinement of fares at the other end; each option has its own advantages and disadvantages.

For the engagement period of Phase 2, elected officials, stakeholders and the public will be asked for their preferences on these options. The Phase 2 engagement period began on January 24, 2017 with an elected officials forum attended by Councillor McPhail and staff (see Attachment 3 for a list of attendees). The forum was held in advance of the start of the public consultation (beginning January 30, 2017) and was an opportunity to learn about the feedback gathered in

¹ A Phase 1 Summary Report is available on the TransLink website at http://www.translink.ca/-/media/Documents/plans_and_projects/transit_fare_review/Transit%20Fare%20Review%20Phase%201%20Summary%20Report_20161205.pdf.

Phase 1 and provide feedback on the options being considered in Phase 2. At the forum, City representatives offered the following feedback on the three options for each concept:

- Distance Travelled: Preference for either Option 2 (refined zones) or Option 3 (measured distance) as Option 1 (system-wide flat fare system) is not equitable.
- Time of Travel: Preference for Option 2 (off-peak discount) or at least maintaining the existing fare discounts in order to manage travel demand by encouraging transit riders who have more flexibility to change when or where they decide to travel, thus freeing up valuable space for those who have no option but to travel at that time or on that route. Such as system should emphasize incentives to travel in off-peak periods so that riders who must travel in peak times are not perceived as being penalized.
- Quality of Service: Preference for Option 1 (similar to the current system) whereby a premium fare is levied only for West Coast Express given its high speed heavy rail limited stop service (with added personal convenience features such as generous seating and tables) that is also more costly to operate than other transit services. All other public transit services (rapid transit, buses, SeaBus) would have the same fare to provide a seamless, easy-to-understand system for users.

As noted above, the remaining engagement activities will commence on January 30, 2017 with a stakeholder forum to be held January 30, 2017 and the launch of an on-line survey (at translink.ca/farereview) for the general public that is open from January 30 to February 17, 2017. An accompanying Phase 2 Discussion Guide (Attachment 4) and informational videos will also be posted on the TransLink website on the same day. Phase 2 will also include the development of options for different types of products and passes, user discounts and rules around connections (or transfers) between services.

Future Phases 3 and 4

The results of Phase 2 will be used to narrow down to a short-list of options for Phase 3 (mid 2017) and a recommended approach in Phase 4 (2018). A more refined time-and-distance based transit fare system will form part of the comprehensive regional mobility pricing strategy for both roads and transit as proposed in the Mayors' Council Vision for implementation within the first five to 10 years of the Vision.

Financial Impact

None.

Conclusion

TransLink has completed Phase 1 and initiated Phase 2 of a four-phase review of its transit fare structure, products and programs. The process will run until 2018 and staff will continue to provide regular updates to Council on the progress of the review with the next update, anticipated in Summer 2017, reporting on the results of the Phase 2 public consultation period.



Joan Caravan
Transportation Planner
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JC:jc

- Att. 1: Phase 1: Key Feedback Received
- Att. 2: Phase 2: Fare Options by Distance Travelled, Time Travelled and Service Type
- Att. 3: Phase 2: Attendees at Elected Officials Forum
- Att. 4: Phase 2 Discussion Guide

Phase 1: Key Feedback Received

What we heard in Phase 1

The primary source of dissatisfaction with the current fare system relates to perceptions of inequality around how we price by distance today.

Support for fares that are lower during less busy times of day—especially from youth and seniors.

Some support for charging lower fares for slower and less direct service than for faster and more direct service.

	TRANSLINK LISTENS MARKET RESEARCH PANEL SURVEY		PUBLIC QUESTIONNAIRE	
	Agree/ Strongly Agree	Disagree/ Strongly Disagree	Agree/ Strongly Agree	Disagree/ Strongly Disagree
DISTANCE Fares should be lower for shorter distance trips and longer for longer distance trips	70%	17%	67%	19%
TIME OF TRAVEL Fares should be lower at less busy times of day than at busier times of day	62%	24%	48%	33%
SERVICE TYPE: QUALITY OF SERVICE Fares should be lower for slower and less direct services than for faster and more direct services	50%	31%	38%	38%

Priorities for a Future Fare System

PRIORITY	TRANSLINK LISTENS MARKET RESEARCH PANEL SURVEY	PUBLIC QUESTIONNAIRE
#1	Make fares lower for shorter distance trips	Make fares lower for people who use transit frequently
#2	Make fares lower for people with less ability to pay	Make fares lower for shorter distance trips
#3	Make it easier to understand and predict how much you'll pay	Provide more fare product options for different periods of time (e.g., 3-day, weekly)
#4	Make fares lower at less busy times	More fare products options to make transit more affordable for families to travel together

Phase 2: Fare Options by Distance Travelled

How should the distance you travel affect the fare you pay?



In today's current system, customers pay more for each zone boundary they cross.

One Zone: All bus and HandyDART (*temporary*)

Three Zones: SkyTrain and SeaBus

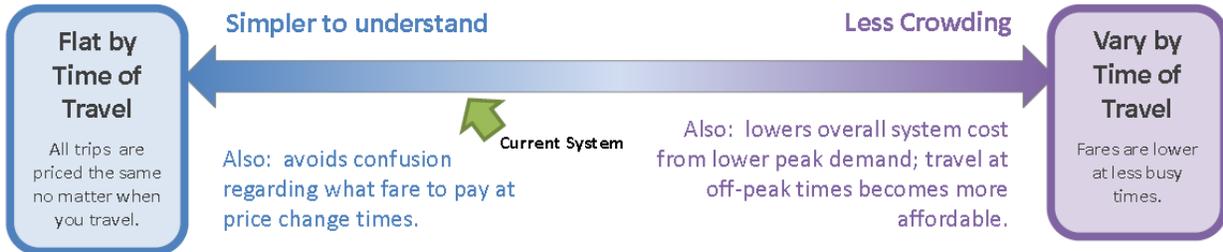
Five Zones: West Coast Express

Distance Options

1. Flat by Distance	2. Refined Zones	3. Measured Distance
<p>Eliminate boundary issues altogether by pricing all trip distances the same.</p>	<p>Refine zone system to address boundary issues through:</p> <ul style="list-style-type: none"> a) overlapping zones to “soften” the sharp zone boundary edge; b) more zones so jump in price is gradual; c) 2-zone base fare where first zone boundary crossing is free. 	<p>Vary fares based on the measured distance between journey origin and destination using either:</p> <ul style="list-style-type: none"> a) Kilometers b) # of stops/stations
<p>Better for: infrequent users who want system be as simple as possible; and longer transit trips, which would be cheaper.</p>	<p>Better for: short to medium-length trips (which would be cheaper) especially across zone boundaries.</p>	<p>Better for: short to medium-length trips and for achieving the “user pay” principle.</p>
<p>Worse for: shorter transit trips which would cost more and since most people make short trips, the majority of riders would pay more to use transit</p>	<p>Worse for: interpreting more complicated maps to figure out which fare to buy.</p>	<p>Worse for: the longest trips which could cost more.</p>

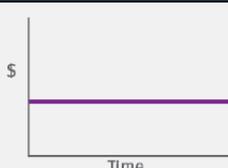
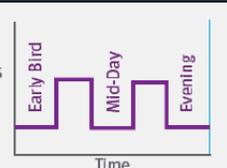
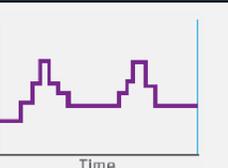
Phase 2: Fare Options by Time Travelled

How should the time of day you travel affect the fare you pay?



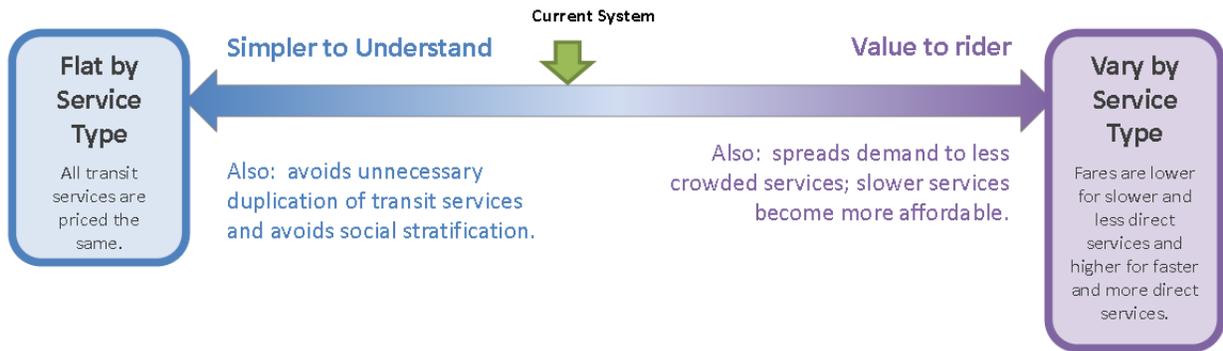
Today, customers travelling in Off-Peak times—after 6:30 p.m. on weekdays and all day weekends and holidays—only pay a one-zone fare on SkyTrain and SeaBus. Trips on bus and HandyDART are one-zone at all times.

Time of Travel Options

L1. No Time Variation	L2. Off-Peak Discount	L3. Hourly Variation
		
Eliminate the existing off-peak discount and make trips the same price throughout the day and week.	Some or all of the three main off-peak periods - early bird, mid-day, evening - receive a percentage discount off the regular fare.	Price each hour of the day differently to directly target the most overcrowded hours of the day, with higher prices during the most crowded times and lower prices during the least crowded times.
Better for: infrequent users who want it to be as simple as possible; and peak-period riders who want to keep their costs down.	Better for: peak-period riders who want less overcrowding and fewer pass-ups; and off-peak riders looking to keep their costs down	Better for: peak-period trips which benefit from less overcrowding and fewer pass-ups; and off-peak riders looking to keep their costs down
Worse for: peak-period trips which would maintain overcrowding and pass-ups; and off-peak riders looking to keep their costs down.	Worse for: infrequent users who want it to be as simple as possible	Worse for: infrequent users who want it to be as simple as possible

Phase 2: Fare Options by Service Type

How should the quality of service type you use affect the fare you pay?



Today, there is one set of prices for **bus**, **SkyTrain**, and **SeaBus**. The **West Coast Express** is a higher priced premium service. **HandyDART** is priced the same as bus for adults but does not accept concession fares.

Service Type Options

S1. Fares differ for premium service	S2. Fares differ for some service types	S3. Fares differ for all service types
<p>\$\$\$ </p> <p>\$\$    </p>	<p>\$\$\$ </p> <p>\$\$  </p> <p>\$  </p>	<p>\$\$\$\$ </p> <p>\$\$\$  </p> <p>\$\$  </p> <p>\$ </p>
Fares are equal for all services with a premium fare only for West Coast Express, recognizing that it is a high-speed, limited stop service.	Higher fares for more fast and direct services.	Higher fares for more fast and direct services, including between local bus service and express bus service.
Better for: cost-conscious riders who have equal access to almost all services at no extra cost.	Better for: riders who are willing to pay a bit more for a faster, more direct ride.	Better for: riders who are willing to pay a bit more for a faster, more direct ride.
Worse for: riders who are willing to pay a bit more for other faster, more direct services that are less crowded.	Worse for: cost-conscious riders who now have to pay more to access faster and more direct services.	Worse for: cost-conscious riders who now have to pay more to access faster and more direct services.

Phase 2: Attendees at Elected Official Forum (held January 24, 2017)

**Jan 24 Elected Officials Forum Attendees
TransLink Transit Fare Review**

Name	Position	Organization
Mayor Côté	Mayor	City of New West
Laura Sunnus	Constituency Assistant for Judy Darcy, MLA	
Patrick Johnstone	Councillor	City of New Westminster
Alison Morse	Councillor	Bowen Island Municipality
Hugh Fraser	Deputy Director of Engineering	The Corporation of Delta
Harry Bains	MLA	Surrey-Newton
Jaimie McEvoy	Councillor	City of New Westminster
Naomi Yamamoto	MLA	Province
Cindy Tse	Project Engineer	Transp. Div., City of Surrey
Linda McPhail	Councillor	City of Richmond
Robin Hicks	Councillor	District of North Van
Mayor Lois E. Jackson	Mayor	Corporation of Delta
Eric Gustavson	Constituency Assistant for Hon. Harjit S. Sajjan, MP for Vancouver South	
Victor Wei	Director of Transportation	City of Richmond

Phase 2 Discussion Guide

Transit Fare Review

Phase 2 Discussion Guide

January 2017



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Phase 2 Discussion Guide

TRANSIT FARE REVIEW

PHASE 2 DISCUSSION GUIDE

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Transit Fare Review

Phase 2 Discussion Guide

How should we determine transit fares in Metro Vancouver?

HAVE YOUR SAY!

In Phase 1 of the Transit Fare Review, we heard from nearly 30,000 people who shared their concerns, issues and ideas. Overall, we heard strong support for taking a fresh look at the way we determine transit fares in Metro Vancouver.

With the introduction of Compass in 2015, we now have an unprecedented opportunity to address longstanding concerns, provide a better customer experience and grow ridership.

You can find details of what we learned in the [Phase 1 Summary Report](#).

ABOUT THE TRANSIT FARE REVIEW

Now in Phase 2 of the Transit Fare Review, we've defined the main options for each of the three key structural components. Have your say on the possible ways to vary fares by: 1) Distance travelled; 2) Time of travel; and 3) Service type.

Learn more by reading the discussion guide or watching our online videos. Then let us know what you think by taking the survey and participating in our online discussion forum, which will be open between January 30 and February 17, 2017. You can find all of this at translink.ca/farereview.

Figure 1: Transit Fare Review Timeline



We'll use your feedback to develop a combined shortlist in Phase 3.

Will the Transit Fare Review result in increased transit fares?

As a result of the Transit Fare Review, fares for some trips may go up and fares for other trips may go down. However, the approach when comparing fare options is to maintain the same overall amount of fare revenue.

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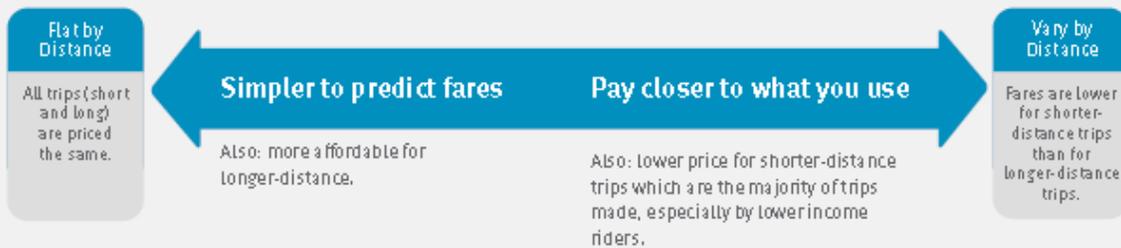
Phase 2 Discussion Guide

1. Varying Fares by Distance Travelled

This component refers to how fares vary based on the origin and destination of a transit journey.

RATIONALE

The spectrum below explains why you might choose or not choose to vary fares by distance.



CURRENT SYSTEM

Today, customers pay more for each zone boundary they cross. All bus and HandyDART travel temporarily operates under one-zone; SkyTrain and SeaBus under three zones; and West Coast Express operates under its own five-zone structure.



ISSUES RAISED IN PHASE 1

Based on research and consultation in Phase 1, the following key issues emerged regarding our current approach to pricing by distance travelled:

- a. Large zones don't accurately reflect distance travelled.
- b. People making short trips across a zone boundary must pay a two-zone fare.
- c. Trips of similar lengths may be more expensive by SkyTrain and SeaBus than by bus.

Phase 2 Discussion Guide

OPTIONS FOR VARYING PRICE BY DISTANCE TRAVELLED

The table below defines the range of options for varying fares by distance travelled.



Phase 2 Discussion Guide

2. Varying Fares by Time of Travel

This component refers to how fares vary based on the time of day, which is a way to reflect the level of demand on the transit system. Most transit systems experience an influx of riders during a few hours on weekday mornings and weekday afternoons, known as the "AM Peak" and "PM Peak." Outside of these peak periods, the transit system has less demand, less crowding and more available capacity to accommodate new trips without having to add expensive new vehicles.

RATIONALE

The spectrum below explains why you might choose or not choose to vary fares by the time of day that you travel.

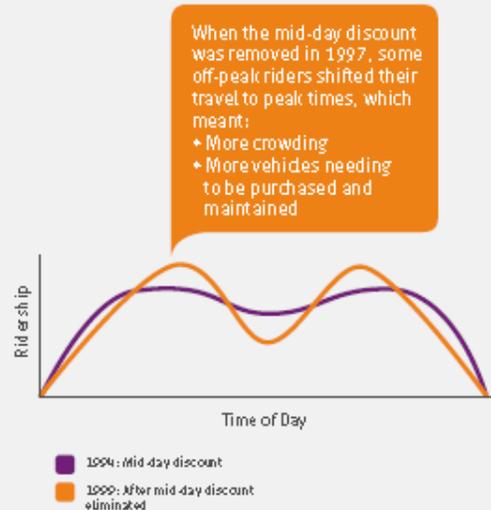


CURRENT SYSTEM

Today, customers travelling outside of peak times, after 6:30 p.m. on weekdays and all day weekends and holidays, pay a one-zone fare.

Prior to 1997, there was a mid-day discount on public transit fares. After it was removed in 1997, there was no longer a price incentive for travellers with flexible schedules to travel during the mid-day instead of during the peak. As a result, demand for transit increased during the most expensive times to serve and decreased during the less expensive time to serve (See Figure 2). This example shows how a simple fare policy change can have a major impact on system costs, crowding and passenger comfort.

Figure 2: Ridership by hour on a weekday, 1994 and 1999 before and after removal of mid-day discount in 1997



Phase 2 Discussion Guide

TRANSIT FARE REVIEW

PHASE 2 DISCUSSION GUIDE

ISSUES RAISED IN PHASE 1

Based on research and consultation in Phase 1, the following key issues emerged:

- a. Two-thirds of journeys are made using “unlimited” pass products that have no incentive to shift to less busy times.
- b. There is no price incentive for those travelling just one-zone, which make up 80% of all trips on transit, to delay their travel to the evening off-peak period because only riders travelling two or three zones benefit from the off-peak discount.
- c. There is no price incentive to shift morning trips to before or after the morning peak period. Even though the morning peak period is sharper (fewer hours) and more pronounced (higher spike), we currently only offer a discount in the evenings.
- d. Our current system applies the off-peak discount system-wide rather than to specific locations or directions where overcrowding is most severe. Overcrowding does not occur evenly across our system at the same times.

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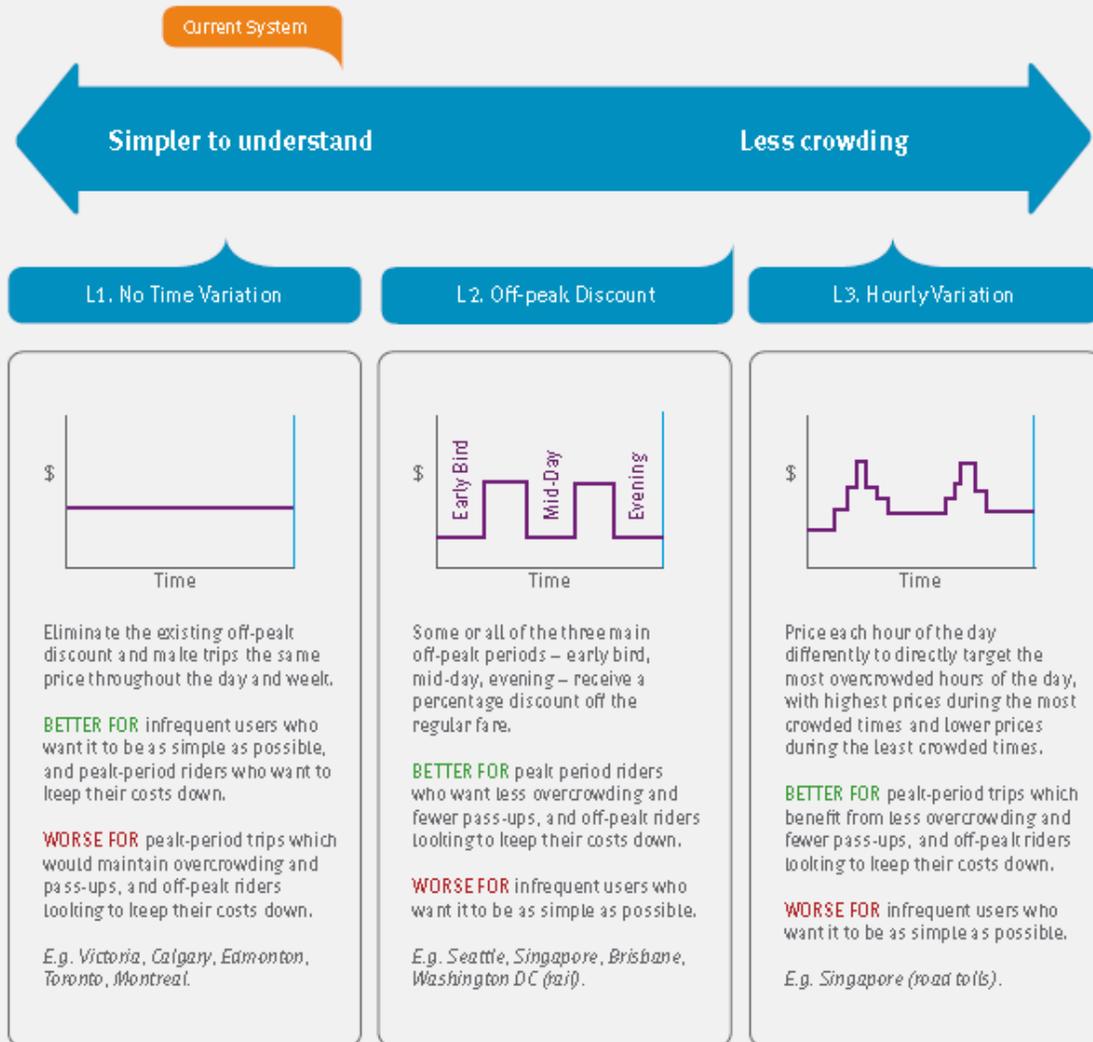
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OPTIONS FOR VARYING PRICE BY TIME OF TRAVEL

The table below defines the range of options for varying fares by weekday time of travel.



Phase 2 Discussion Guide

3. Varying Fares by Service Type

Urban regions often deploy a number of transit service types (E.g. rapid transit, commuter rail, bus, ferry, paratransit, etc.) in order to serve different kinds of trips.

RATIONALE

The spectrum below explains why you might choose or not choose to vary fares by service type.



CURRENT SYSTEM

Today, there is one set of prices for bus, SkyTrain, and SeaBus. The West Coast Express is a higher priced premium service. HandyDART, which provides door-to-door service for customers who are unable to use other service types without assistance, is priced the same as bus for adults but does not accept concession fares.

b. The temporary removal of zones on buses has resulted in perceptions of unfairness, for example between bus and SkyTrain/SeaBus for journeys that cross a fare zone boundary. This is perceived as a problem mainly by transit riders who use rapid transit for all or part of their regular journeys.

ISSUES RAISED IN PHASE 1

a. While West Coast Express has a premium fare, other services such as SkyTrain are charged at the same rate as a bus (if travel is within the same fare zone) despite SkyTrain being faster and more frequent.

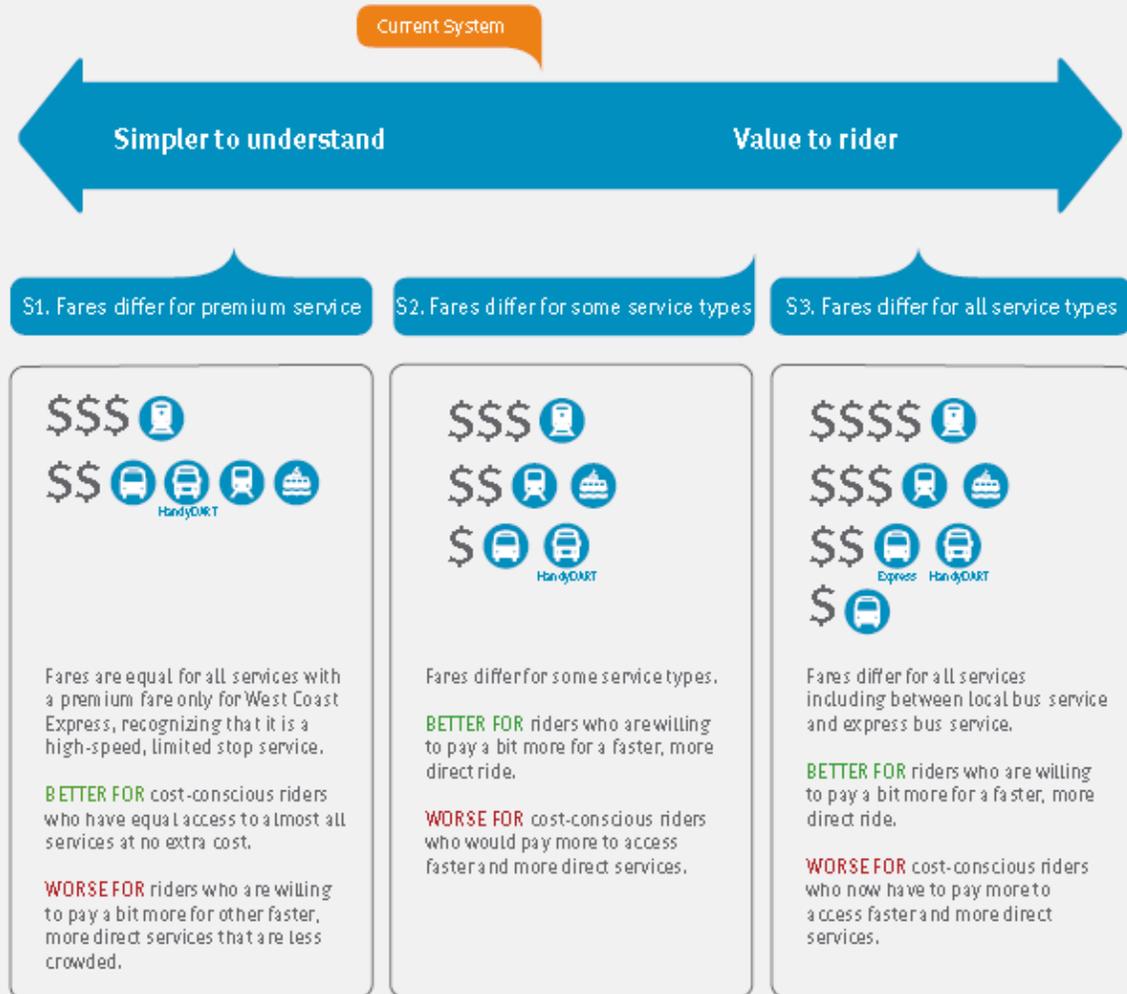
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OPTIONS FOR VARYING FARES BY SERVICE TYPE

There are three main options presented for varying fares by service type for the conventional transit system.



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PHASE 2 DISCUSSION GUIDE

APPENDIX: Varying Fares by Product Type, User Type and Journey Time

UPCOMING COMPONENTS FOR FEEDBACK

Once we narrow down the major structure-forming decisions in terms of distance, time of day, and service type – we will consider three additional fare policy components in the next phase: 4) product types, 5) discounts for different riders, and 6) rules about connections between services.

This Appendix briefly discusses the range of options for these last three components.

VARYING FARES BY PRODUCT TYPE

There are five distinct approaches to fare products used in transit systems around the world:

- **Pay-as-you-go products** – Where trips are paid for individually.
- **Period Passes** – Prepaid, multiple use passes available in different time increments (e.g. daily, monthly).
- **Fare capping** – Fares are 'capped' providing free unlimited travel after a set amount of usage or dollar value is surpassed.
- **Percentage Discount Pass** – A prepaid flat fee allowing for a percentage discount off the regular fare price.
- **Off-Peak Pass** – Allows for unlimited travel in off-peak periods, with regular fares required for peak periods.

VARYING FARES BY USER TYPE

Transit ridership is diverse, and each user has different needs and abilities to pay for transit.

It is common for transit agencies to offer discounted fares based on user categories considering factors such as:

1. Different types of users have different abilities to pay
2. Discounting fares for younger people helps foster a transit culture
3. Making transit fares more competitive with driving for some groups of people

VARYING FARES ACCORDING TO JOURNEY TIMES AND CONNECTION RULES

Metro Vancouver's transit system was designed as an integrated, connected network that transports riders from origin to destination in the most efficient way possible. This means that riders must often make a connection (or transfer) between transit vehicles to complete a journey.

Connections 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.

Since 1981, TransLink's fares have had a 90-minute transfer window, which allows the rider to transfer onto other transit services for up to 90 minutes from the time a fare is first used. Depending on which options are chosen in Phase 2, other options for connection rules may need to be explored in a future phase.

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