

To: Board of Directors

Date: 01/26/2023

From: Melody Reeb, Director of Planning, Marketing, & Innovation

Reviewed by: *Ref*

SUBJECT: Regional Fare Transfer Policy

Background:

In late 2019, the Metropolitan Transportation Commission (MTC) began a Regional Fare Coordination and Integration Study (FCIS) to evaluate the impacts of the region's disparate fare systems on ridership and develop goals for a regional system that would improve the passenger experience and promote higher ridership. The Fare Integration Task Force was formed as a "Special Committee" of the Clipper Executive Board (CEB) to oversee the study, and in late 2021, this Task Force adopted a Policy Vision Statement for fare integration in the 9-county region based on the study recommendations. Concurrently, the Blue Ribbon Transit Recovery Task Force (BRTF) adopted the Transit Transformation Action Plan, which called for the implementation and funding of the recommended pilot projects from the FCIS. The first pilot project, Clipper BayPass, is an all-transit agency institutional/employer pass and was deployed in August 2022.

Transfer Policy:

The second recommendation from the FCIS was to develop an inter-agency transfer discount policy and implement a pilot in conjunction with the rollout of the Next Generation Clipper system, which provides more flexibility around business rules. The proposed policy is meant to be simple for riders to understand and would provide a discount of up to \$2.50 for each transfer within two hours of the first boarding. Based on current transit operator fares in the region, this would mean that transfers to any local service would be free, and transfers to regional services such as BART or Caltrain would be discounted.

For County Connection, there would be no change to existing free transfers between the East Bay bus operators. However, for passengers transferring from BART to County Connection, the proposed policy would increase the discount, and riders would transfer for free instead of paying \$1 as they currently do. A more significant change will be when riders transfer to BART since there is currently no discount. Those riders will now receive a \$2.50 discount off their BART fare when transferring from another operator such as County Connection.

Title VI:

Similar to the Clipper BayPass Pilot, MTC will serve as the lead agency for the Title VI process and conduct an equity analysis at the regional level in coordination with transit operator staff. As this is a fare reduction, the pilot is not anticipated to present significant issues from a Title VI perspective. Although MTC will be leading the effort, the individual transit agency boards are still responsible for complying with Title VI requirements and would need to approve the analysis. Staff anticipates that the equity analysis along with an inter-agency Memorandum of Understanding (MOU) will be presented to the Board for approval in late 2023.

Financial Implications:

MTC has identified \$22.5 million in funding through the Transit Transformation Action Plan to support the implementation of the pilot and offset fare revenue losses. The pilot is expected to last for 18 to 24 months depending on usage. Under the proposed funding model, transit agencies would be responsible for the first \$0.50 of each transfer discount, and MTC would reimburse the remaining amount. However, the reimbursement from MTC would then be reduced to account for the estimated increase in fare revenue generated from additional trips being made as a result of the program. Because County Connection already provides transfer discounts that exceed the initial \$0.50 that operators would be responsible for, staff anticipates that all additional costs in terms of foregone revenue would be covered by MTC.

Recommendation:

None, for information only.

Action Requested:

None, for information only.

Attachments:

None