



Fare Policy Recommendations

OC Bus 360°



OC Bus 360°

- Meet customer needs
 - Offer faster, more convenient service
 - Improve travel times
- Retain and build ridership
 - Re-position bus service to match markets
- Improve productivity
 - Use existing resources more efficiently
- Reverse ridership declines
 - Increase boardings by 1.6 million over three years



OC Bus 360°



OC Bus 360°

New vehicles and
bus branding

Project V
community
circulators

Real-time
customer
info

New Bravo!
And Xpress routes

Fare
Study

Mobile
ticketing

Peer
review

More
frequent
service

Targeted
promotions

Background

- Evaluation of fare policy is one component of OC Bus 360°
- CH2M presented recommendations to the Finance & Administration and Transit Committees
- Fare Study final report was provided to the Board of Directors (Board) on May 9, 2016
- Staff was directed to return to the Finance & Administration Committee with final recommendations

CH2M Assessment of Goals and Current Structure

Fare Policy Goals

- Increase Ridership
- Improve Customer Experience
- Minimize Fare Revenue Impact
- Encourage Fare Simplicity
- Enhance Equity

Fare Policy Constraints

- Farebox Recovery Requirement of 20 percent
- Maintaining a Balanced Budget for the Bus Program
- ACCESS fare cannot exceed twice the full fare per the Americans with Disabilities Act

Fare Structure Strengths

- Simple Fare Structure
- Fare Policy and Technology Opportunities

Fare Structure Weaknesses

- Dual Ridership Demographic
- ACCESS Flat Fare Pricing
- Express Fare Structure
- Reduced Fare Enforcement
- Interagency Transfer Enforcement

Fare Study Recommendations

- Reduce Day Pass from \$5 to \$4 for a six-month promotional period
 - Day pass boardings represent 36% of total fixed-route boardings
 - Does not impact base fare or increase paratransit cost
 - Projected to increase ridership by 600k, and decrease revenues by \$1.1M
 - Use Low Carbon Transit Operations Program (LCTOP) subsidy to offset revenue decrease
 - Approximately \$5.4 million in LCTOP funds available to subsidize fare reduction
 - Offering as promotion allows OCTA to:
 - Assess impacts of fare reduction without a permanent decrease in the fare
 - Implement as soon as October 9, 2016 service change
- Eliminate 5 Ride Pass and 7 Day Pass
 - Rarely used passes account for less than 1% of pass usage
 - Contributes to simplicity goal and reducing operational costs
 - Riders could migrate to day pass or monthly pass

Fare Study Recommendations

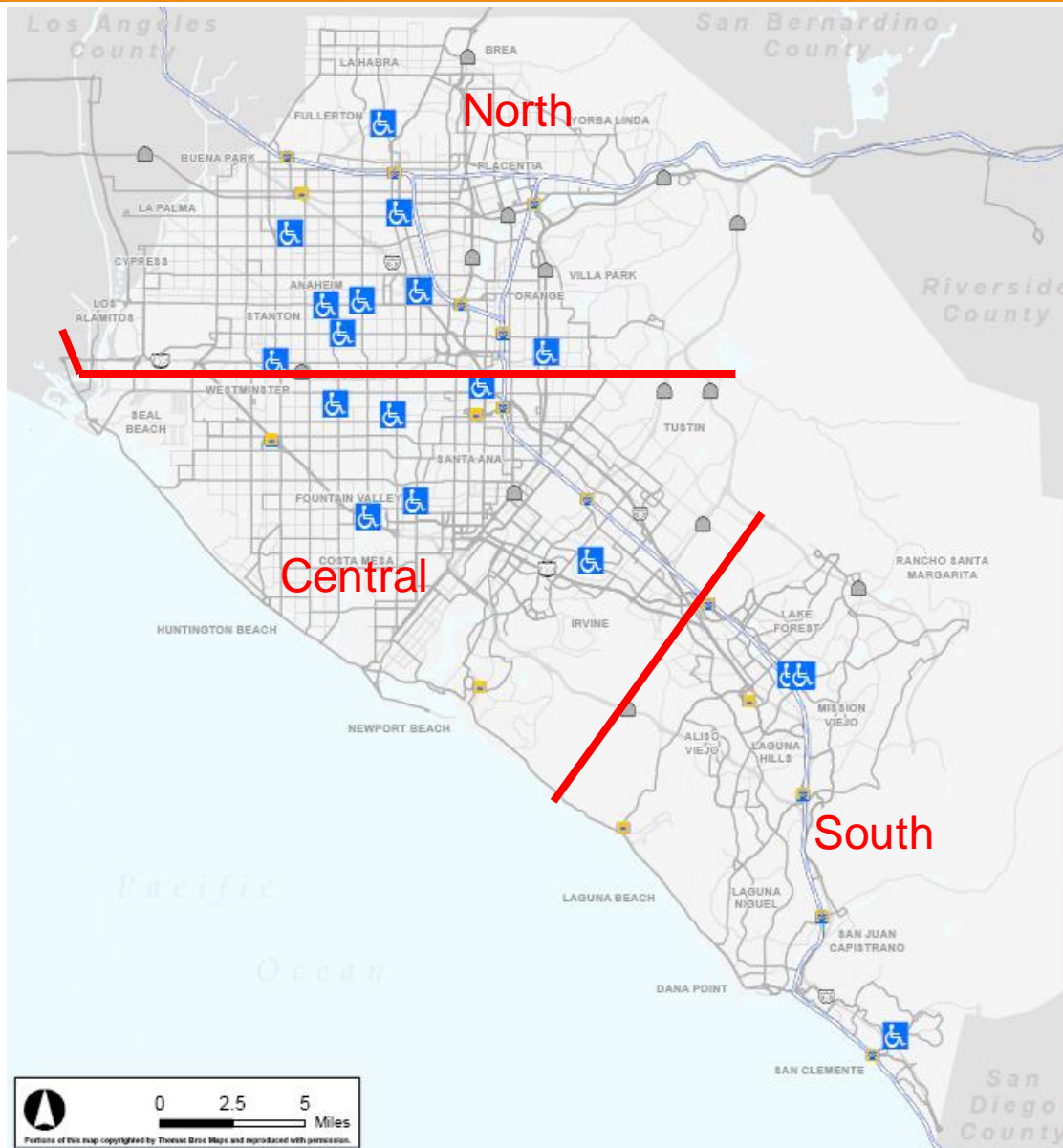
- Recategorize Express Services
 - Provides more intuitive and consistent descriptions of Express routes
 - Brand all intercountry routes (700s) as Express
 - Convert 5 fixed-routes (200s) that behave as intracounty routes and brand as OC Express
 - Align fares with trip distance

Express Service	Current Fare	Recommended Fare	Average Trip Length
Intercounty (700 routes)	\$4.00 - \$6.00	\$7.00	36 miles
Intracounty (200 routes)	\$2.00	\$4.00	14 miles

Fare Study Recommendations

- Implement ACCESS Zone Fares
 - Establishes three zones within the county: north, central, south
 - Fares for staying within a zone or traversing two zones would not be impacted
 - 97% of trips would not be impacted
 - Only trips that traverse three zones (north to south or vice-versa) are impacted
 - Fare for traversing three zones would increase from \$3.60 to \$7.20
 - Makes fares more equitable and reduces cost/service disparity
 - Helps mitigate disproportionately high ACCESS operating costs
 - Consistent with other Southern California ACCESS fare structures
 - San Diego, Riverside and San Bernardino have zone-based fares
 - Los Angeles has distanced based fares
 - Maximum fare per trip ranges from \$6.25 to \$9.00
 - Exception is San Diego which charges a flat fare but may require transfers between zones

Fare Study Recommendations



- 69% of trips stay within 1 zone
- 28% traverse 2 zones
- 97% of trips not impacted
- 3% of trips traverse 3 zones and would be impacted

Fare Study Recommendations

- Enforce Reduced Fare Eligibility Requirements
 - OCTA would require verification of eligibility for reduced fare media at the point of sale
 - Enforcing reduced fare eligibility at the point of sale should help reduce fraudulent use of reduced fare media and will enhance equity for riders
 - Common practice at most U.S. transit agencies
- Review Interagency Agreements
 - Review transfer agreements with other regional agencies to incorporate changes in fare media, routes and to reduce potential for transfer abuse

Next Steps

- Incorporate Board feedback
- Continue to gather and incorporate feedback from external stakeholders
- Hold a public hearing at the September 26, 2016 Board meeting
- Final recommendations at the October 24, 2016 Board meeting