



SFMTA

# What is Public Transit's Business Model?

SPUR Oakland

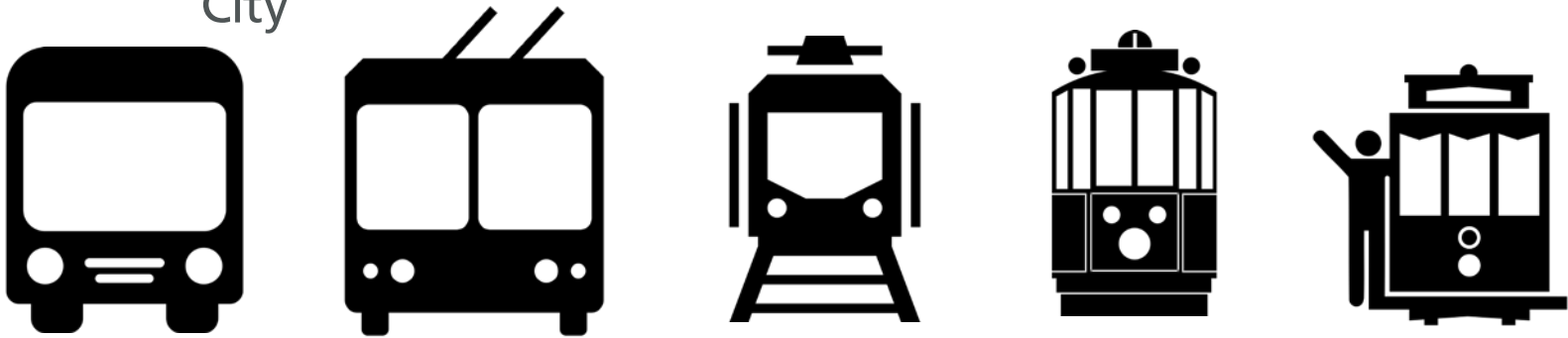
July 31, 2018

# A quick introduction

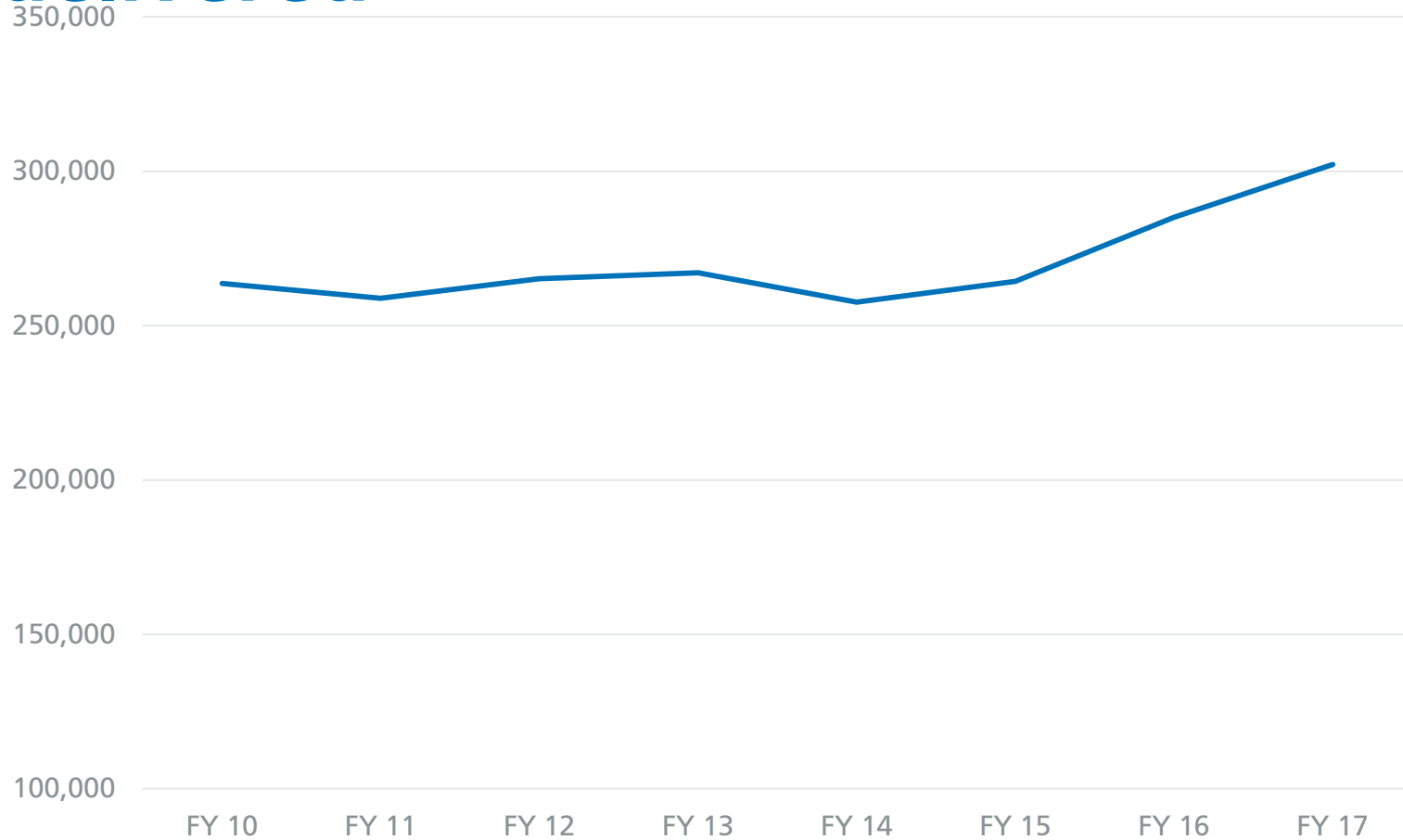
- The SFMTA has oversight over the Municipal Railway (Muni) public transit as well bicycling, paratransit, parking, traffic, walking, and taxis
- We're well-positioned to influence most ground transportation modes in the City in an effort to advance the Agency's goals
- Given the panel subject, I'll focus primarily on Muni specifically for today's panel
- The opinions expressed today are those of the presenter and do not necessarily reflect...

# Our de facto business model to date

- In the past, outside of private autos, we faced minimal competition from less sustainable modes of transportation
- While operating without much competition for core customers we were (and still are) focused on delivering transit service that is constant, practical, economical, and everywhere
  - Fairly priced and ubiquitous - riders can get anywhere in the City



# Trends – Muni service hours delivered



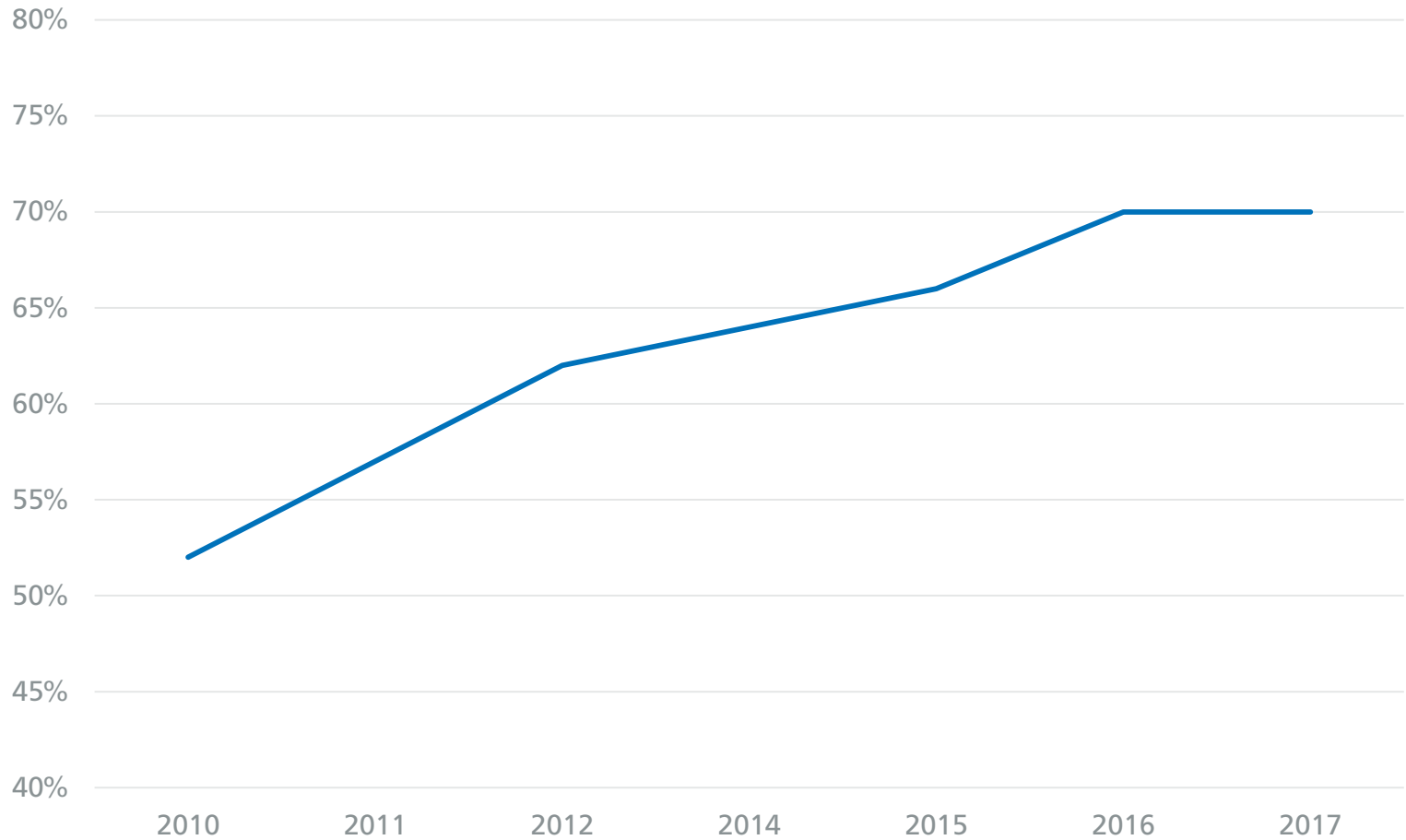
# Trends – Muni customer survey

*Low rating / high impact opportunities for improvement*

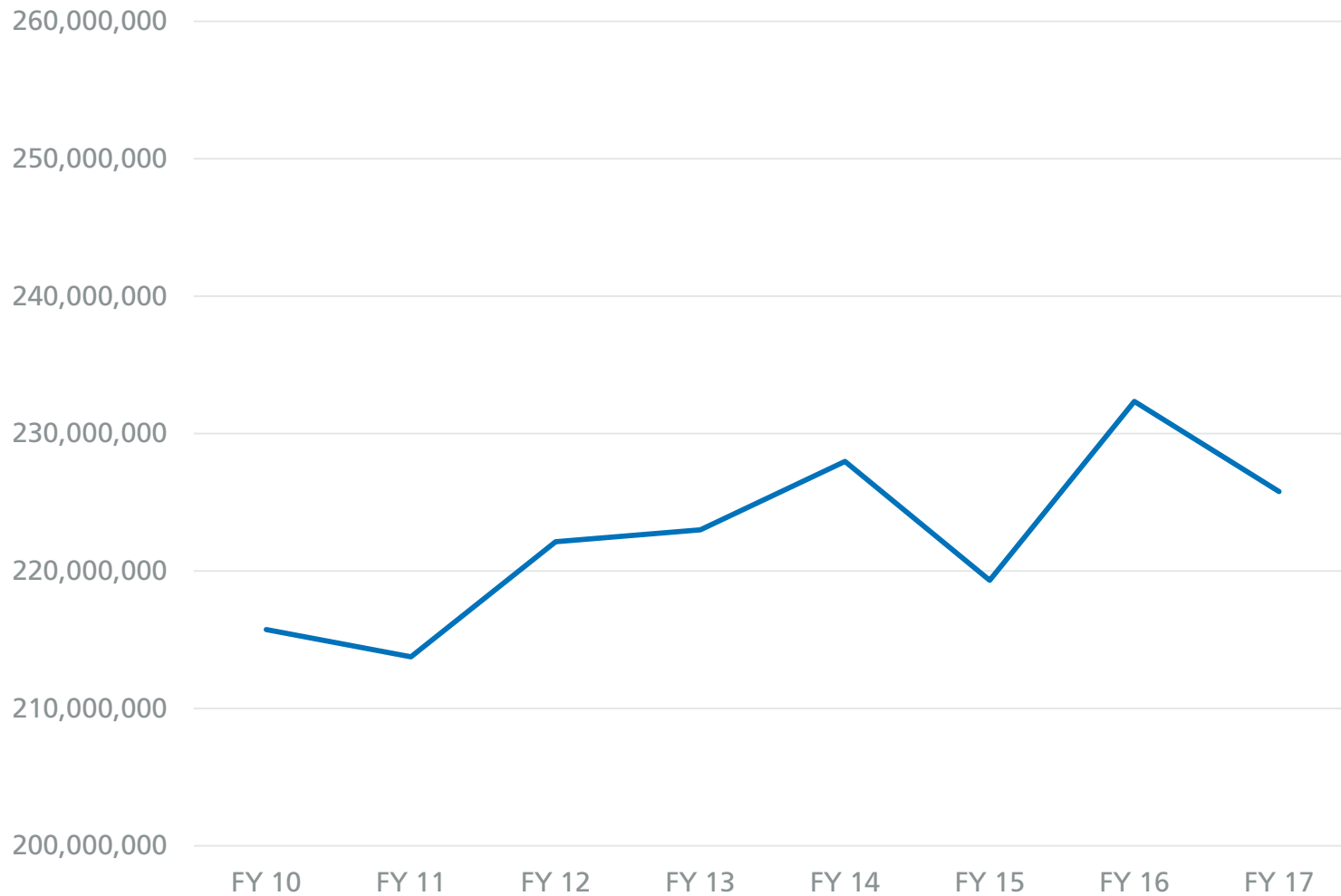
- Reliability / on-time performance
- Frequency of service
- Trips take a reasonable amount of time

# Trends – Muni customer satisfaction

*% rating Muni service as excellent or good*

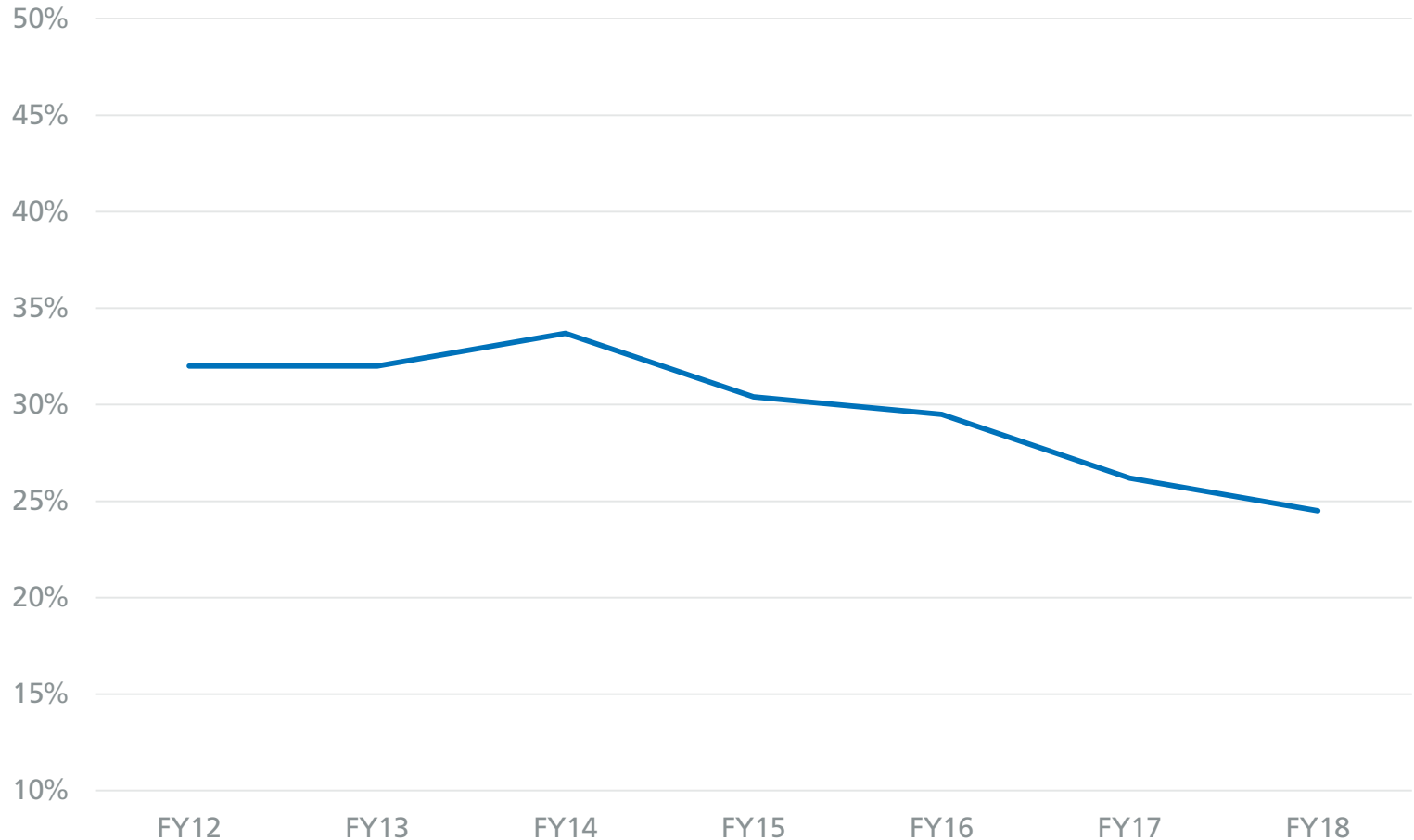


# Trends – Annual Muni ridership



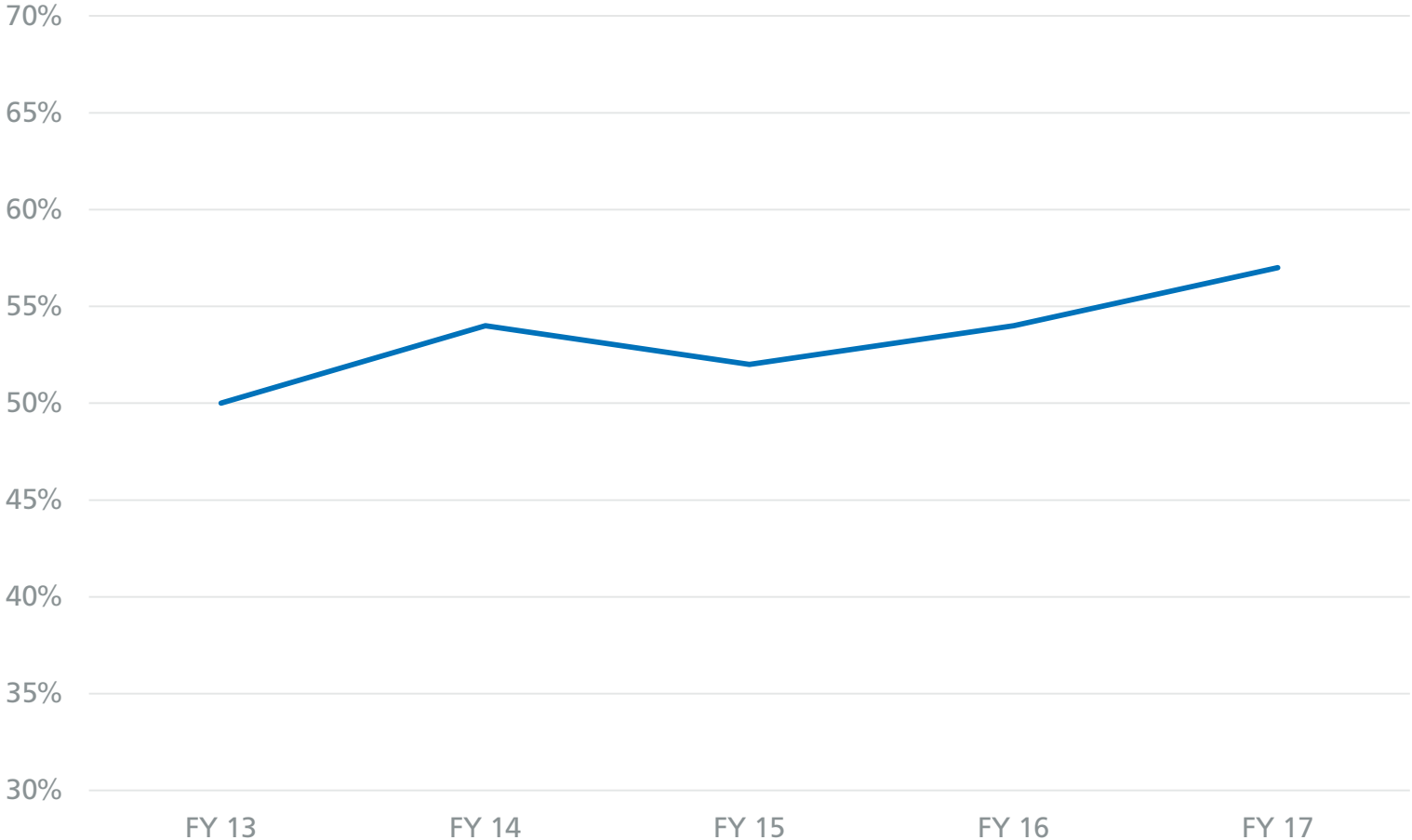
# Trends – Muni farebox recovery ratio

## *Operating expenses covered by fares*





# Trends – % of trips by non-private autos in SF



# The landscape has changed

- More on-demand options—both complementary and not complementary to our Agency's goals
- Increased telecommuting has had some impact on demand for transit services



# Mindful of these factors, we recently launched our new strategic plan

- **Vision:** Excellent transportation choices for San Francisco
  - *Prior vision: San Francisco: great city, excellent transportation choices*
- **Mission:** We connect San Francisco through a safe, equitable, and sustainable transportation system.
  - *Prior mission: We work together to plan, build, operate, regulate, and maintain the transportation network, with our partners, to connect communities.*

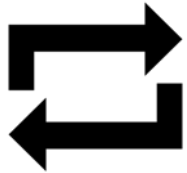
# So, what's our business model going forward?

- What do our customers value?
- Where can we lead?
- Where can we match our competitors?
- Where will we struggle or not compete?

# What do our customers value?



On-time and reliable



Frequent



Reasonable travel time

# Where can we lead?



Cost to customer



Equity



Safety



Environmental impact



Being “Uniquely San Francisco”

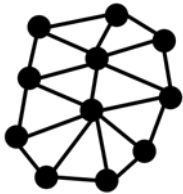
# Where can we match our competitors?



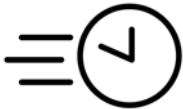
Frictionless payment



Real-time info



Coverage



Speed (sometimes)



Cleanliness

# Where we will struggle or not compete?



Door-to-door service / speed



Exclusivity / privacy



Free bottled water and Jolly Ranchers



# So, what is our business model looking forward?

- We have a duty to connect San Francisco through a safe, equitable, and sustainable transportation system
  - This includes our commitment to provide constant, practical, and economical transit service throughout the City, and also to implement policies such as Transit First
- We must recruit and retain more discretionary/choice riders to use Muni and complementary modes through improvements, innovations, and new products
  - Day passes
  - Mobile payment/trip planning/customer information
  - Speed/reliability improvements
  - Partnerships with sustainable transportation providers
  - Other areas?



SFMTA

**Thank you.**

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