



SPUR

San Francisco | San Jose | Oakland

September 16, 2019

Clipper Executive Board
C/O Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA 94105

Re: Item 3a: Fare Coordination and Integration Work Program

Dear Chair Mulligan and Executive Board members:

SPUR is a member-supported nonprofit organization that promotes good planning and good government in the Bay Area through research, education and advocacy. Improving public transportation and increasing transportation use in cities are core priorities for our organization.

SPUR commends and applauds MTC and transit operators for collaborating to develop the scope of work for the Bay Area Regional Fare Integration and Coordination Study. We appreciate that the project management structure includes MTC and transit operators, and that it encourages participation from staff representing various areas of subject matter expertise.

We support the focus on fare coordination and integration, welcome the emphasis on developing a customer-centric fare system that grows transit ridership, and appreciate that the scope is narrowly focused on fare policy given the tremendous opportunity the Clipper upgrade provides to streamline and simplify fares.

SPUR recommends the Clipper Executive Board approve the four items listed in the staff report. We offer the following suggestions to help strengthen the scope of work and project management process.

1. Include user research in the research and existing conditions analysis (Task 2).

Task 2 should include comprehensive user research that seeks to identify what customers, including individual riders and institutional customers such as employers and cities, perceive as issues with the current fare system and what should be the priorities for a future integrated and coordinated regional fare system.

The scope of work proposes to use existing transit agency studies to gather this data, but to date, no study has looked at fare policy from a regional perspective. We simply do not have this information and without it, we cannot expect to understand how fares are a barrier to transit use well enough to propose adequate remedies.

We appreciate that public outreach is included in Task 4 and commend staff for seeking customer feedback on the proposed options. But asking customers to vet solutions they did not help inform

is less likely to be productive; the best way to ensure the solutions are poised to meet customer needs to identify those needs first.

TransLink (Vancouver, BC's transit operator) recently completed a fare review process and it offers an excellent template for the Bay Area's study. (For more information, see: <https://www.translink.ca/Plans-and-Projects/Transit-Fare-Review.aspx>.) Their fare review process was divided into four phases and each included user research. In the first phase, which is akin to Task 2, they sought to uncover customers' fare policy concerns, ideas and issues by:

- Conducting a questionnaire with the broader public and a market research panel survey;
- Listening directly to transit customers through individual and group discussions as well as through intercept interviews out on the system;
- Hosting a series of workshops with stakeholders across multiple sectors, including labor, business, environment, people with disabilities, students, children, youth and seniors.

What TransLink heard and learned through this research provided the foundation for the fare policy options they then developed, which were further refined through additional customer input and feedback. Prioritizing user research not only helped ensure the viability of their recommendations, but it also helped TransLink build trust with their customers who felt confident the solutions would address their pain points.

We understand that the Fare Coordination and Integration study budget may not be sufficient to support robust user research. Nevertheless, we strongly encourage MTC and the transit operators to not skimp on user research; we firmly believe this is the most crucial part of the entire exercise.

As we've noted previously, Metrolinx (Toronto's regional rail transit operator and planning agency) identified as one of the main shortcomings of their Business Case for Fare Integration that it was not adequately anchored in the rider experience. The Bay Area would be wise to heed this lesson and note TransLink's success, and prioritize user research as part of the study.

2. Create a multi-stakeholder group to help guide and inform the study.

The study would benefit from a multi-stakeholder group to provide guidance and input about the study periodically during the project. This group can help ensure the study is meeting customer needs and is a way to build and grow support for the study and its outcomes. This is the approach many complex studies conducted in the Bay Area have used, such as the 101 Managed Lane Mobility Action Plan and the Caltrain Business Plan. For each, a broad set of stakeholders, including members of the business community, nonprofits and community groups, provided valuable insights that were helpful additions to what staff and the consultants proposed.

3. Conduct workshops with transit agency board members and MTC Commissioners to grow their support.

We are concerned that transit agency board members and MTC Commissioners are not being given a chance to be informed and brought along during the study process. Since board members

set fare policy, their interest and support are especially crucial. Furthermore, this effort may need additional investment that will require the buy-in and excitement of elected officials. Many board members and commissioners expressed their support for fare integration at MTC's Fare Integration Seminar. Nurturing and growing their interest by including them in the process and ensuring they understand the issues and trade-offs can help cultivate them as champions for the study and its implementation.

We recommend holding workshops with board members, similar to the Fare Integration Seminar, at key points in the study process. We believe workshops are the right approach as the format is engaging and encourages curiosity and collaborative learning.

4. Expand the definition of revenue neutrality to account for system-wide gains.

SPUR commits to supporting fare integration proposals that help keep transit operator income whole through increased revenues or subsidies. The scope of work states that the fare options should not adversely impact existing operator revenue. This formulation does not consider the potential of an integrated fare option to increase ridership overall and thus increase revenue for the *regional system*, which could then be distributed among operators through revenue sharing.¹ We encourage MTC and transit operators to adopt a definition of revenue neutrality that accounts for system-wide gains. Acknowledging and supporting the region's transit system *as a network* is going to be crucial to achieving a fare-system that is truly customer-centric.

Thank you for your leadership on this crucial issue. We look forward to working with you as the study progresses.

Sincerely,



Arielle Fleisher
Transportation Policy Director

¹ For example, using a simplified illustration: Let's say the Bay Area's transit system consisted of two operators (A and B), which earn a cumulative \$100,000 in fare revenue per year. Operator A earns \$60,000 and Operator B earns \$40,000 per year from fares. The two operators choose to study a regional pass product, which would likely shift the distribution of revenues so that Operator B would earn \$50,000 per year from fares, but Operator A would only earn \$55,000. Regionally, the transit system would see a 5 percent increase in fare revenue due to the regional fare product. The product, however, would not be considered "revenue neutral" to each individual operator in the region and thus would not meet the definition outlined in the scope of work even though the benefits to the region are substantial and a revenue-sharing formula would support the redistribution of funds from Operator B to Operator A.