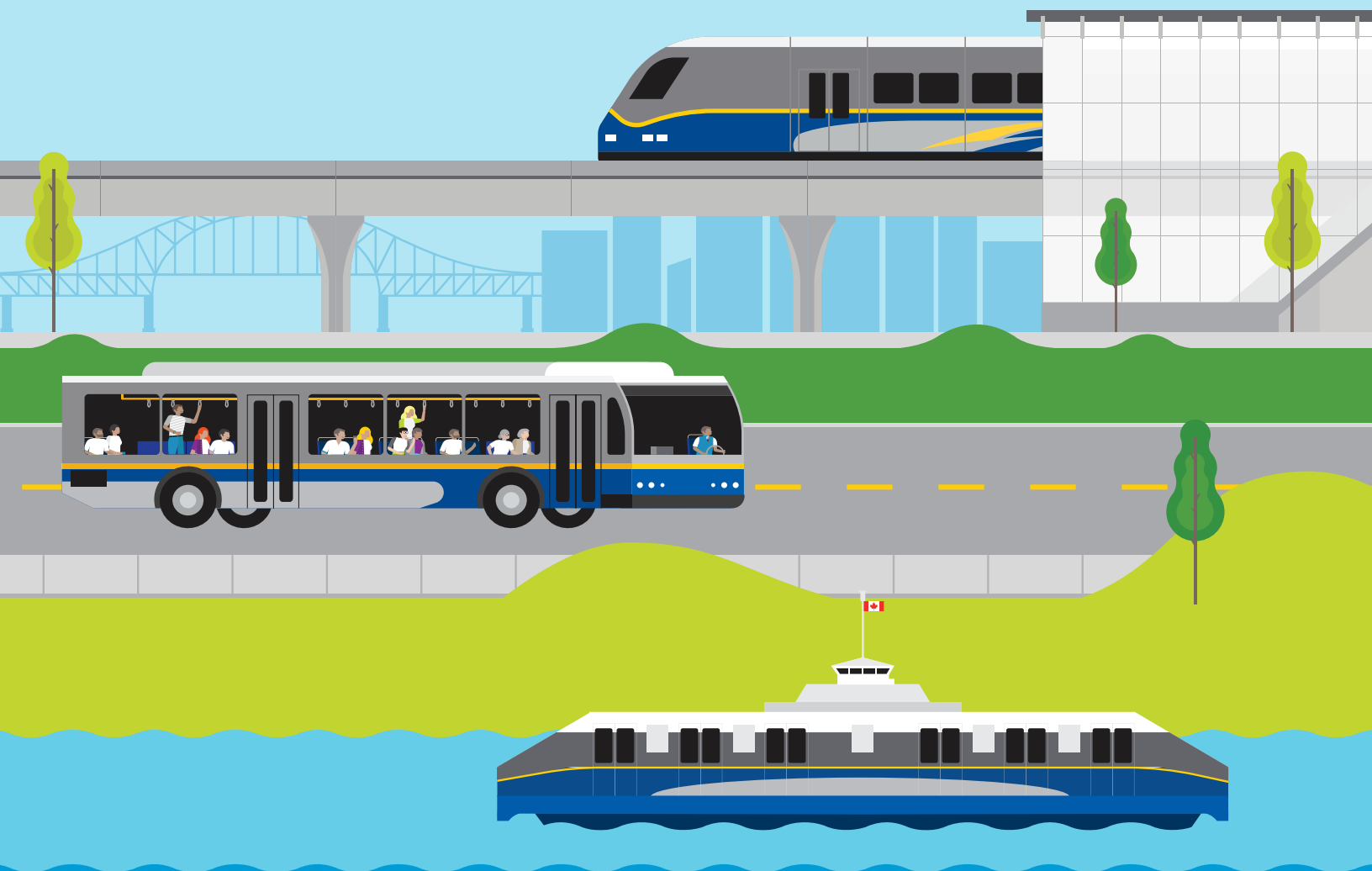


Transit Fare Review: Final Recommendations

July 2018



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Summary of Key Recommendations

The Transit Fare Review was a comprehensive review of the policies guiding how we price transit in Metro Vancouver. Over the course of four major phases, we undertook extensive public and stakeholder consultation, technical analysis, ridership and revenue modelling, best practice research, and prototyping. The result, captured in this report, is a series of recommended policy changes intended to improve the customer experience by making the fare system fairer for more people, while maintaining affordability and ease of understanding for transit riders and while maintaining the same level of fare revenue.

A key policy recommendation from this Review is to eliminate zones and move to station-to-station pricing for rapid transit (e.g. SkyTrain and SeaBus). Pre-paid passes would be updated to reflect this change. Buses would remain a flat fare.

While not within the transportation-focused mandate of TransLink, the Review finds that expanding discounts for low-income residents is a worthwhile social policy objective. The Review recommends that TransLink and BC Transit work under the leadership of the Provincial Government in the context of the BC Poverty Reduction Strategy to explore available funding, priorities, and opportunities to expand discounts for low-income transit riders, as well as children and youth, across British Columbia.

Finally, the Review finds that expanded off-peak discounts have merit and can meaningfully help reduce overcrowding on the system. However, to be most effective these should be targeted to times and locations where overcrowding is most acute. This change would result in lost fare revenue and so would require new funding to implement. Accordingly, the Review recommends launching pilots to study where, when, and how to best implement this change and then to develop a costed business case for approval in a future Investment Plan.

Should the Mayors' Council on Regional Transportation and the TransLink Board endorse these policy recommendations, the project will move into the implementation planning phase. In this phase, TransLink will figure out how best to implement these changes in a way that is cost effective and effectively manages risk. This step includes additional technical work, pilot studies, scoping detailed Compass requirements, and developing a timeline that seeks to introduce any fare policy changes in ways that leverage and build on other concurrent initiatives.

Detailed List of Recommendations

		Current	Recommendation
Distance	Rapid Transit	3 Zones	Station to station pricing (based on km)
	Bus	Flat	No change
	HandyDART	Flat	No change
	West Coast Express	5 Zones	Station to station pricing
Fare Products	Single Tickets	Cash fares and discounted Stored Value fares	No change
	Fare products for frequent Users	Prepaid monthly pass by zone	Prepaid monthly pass by km and explore introducing new flexible products
Transfer Time	Conventional system	Travel for 90 minutes on a single fare	No change
Service Type	West Coast Express	Premium fares distinct from conventional system	No change
	HandyDART	Regular adult fare applies to all passengers	Accept concession fares for eligible customers
Time of Day	Off-peak discounts	Discounted fares after 6:30pm on weekdays and all day on weekends	Develop a business case for targeted discounts to help reduce overcrowding
User Discounts	Children (age 0-4)	Free	No change
	Youth (age 5-18)	Concession Discount	Explore expanded discounts through discussion with Provincial Government
	Seniors (age 65+)	Concession Discount	No change
	Low-Income	No discount	Explore expanded discounts through discussion with Provincial Government

Introduction

About the Transit Fare Review

In 2016 TransLink launched a comprehensive four phase review of the way we price transit. We heard that the majority of residents from Metro Vancouver think the current fare system does not work well. This desire for change combined with new technological capabilities offered by Compass set the stage for this comprehensive review of the way we price transit in Metro Vancouver to improve the overall customer experience.

What do we want to achieve?

The goal of the Transit Fare Review is to recommend changes to the fare structure that promote an exceptional customer experience where paying for transit:

- Is simple
- Is fair
- Is affordable
- Helps grow ridership
- Helps improve service by reducing overcrowding

As a result of the recommendations identified through the Transit Fare Review, fares for some trips will go up and fares for other trips will go down. However, the goal is not to increase or decrease TransLink's revenue. Rather, the approach is that any changes would be revenue neutral for TransLink.

How did we get here?

The Transit Fare Review focused on investigating six core components of the regional transit fare structure:

1. **Distance Travelled:** the price you pay depending on how far you travel
2. **Fare Products:** the type of ticket or pass you purchase based on frequency of travel
3. **Transfer Time:** how many minutes you can travel on a single fare
4. **Service Type:** the price you pay depending on what mode of transit you use
5. **Time of Day:** the price you pay depending on what time of day you travel
6. **Discounts:** the reduced fares available to riders based on defined eligibility criteria

Our work was informed by technical analysis, modelling, best practices research, and prototyping of different options, along with extensive consultation with the public, stakeholders, and elected officials through in-person workshops, on-line surveys, and on-line discussion forums. Throughout the process, we received over 66,000 responses from people across Metro Vancouver.

- **In Phase 1**, we heard about concerns, issues and ideas for ways to make the fare structure easier to use, fairer and more affordable.
- **In Phase 2**, we developed broad concepts and asked for input on how fares should vary by distance, time and service type.
- **In Phase 3**, we refined the options and asked about specific proposals for how to price by distance, which types of fare products to offer, and if changes should be made to customer discounts
- **In Phase 4**, we shared our proposed recommendations with the public for input and feedback.

A full record of the public engagement activities of the Fare Review can be found at www.translink.ca/farereview

Timeline



Fares by Distance

Current System

The current zone system was adopted in 1984 to roughly approximate distance travelled in a way that was simple to understand and manage without the assistance of a smart card. This three-zone fare structure has been a long-standing source of complaints from residents of Metro Vancouver. Today, about 20% of daily weekday trips pay an arbitrarily higher fare than trips of a similar distance just because they cross a zone boundary. In 2015, zones were eliminated for buses so that all bus trips are charged a one-zone fare regardless of the distance travelled.



Current fare zone system for SkyTrain and SeaBus

Recommendations

1.1 Eliminate zones and shift to pricing by distance between stations on SkyTrain, SeaBus, and future rapid transit. Maintain flat fare on bus.

How would it work?

Under this system, bus fares would continue to be charged a flat rate regardless of the distance or number of transfers made within 90 minutes, the same as today. For SkyTrain and SeaBus trips, fares would be based on how many kilometres you travel. A base fare would cover travel up to five kilometres – or approximately three to four stations. After this base distance, the fare would increase in small increments until a maximum fare is reached, which would occur at around 22 kilometres or 13 to 15 stations.

What's the same as today?

- **Minimum fare:** About the same as a 1-zone fare.
- **Maximum fare:** About the same as a 3-zone fare. People travelling the longest distance on SkyTrain would continue to pay about the same price as they do under the current system.
- **Tapping:** Same as today – tap in and out on SkyTrain and SeaBus, tap in only on bus.
- **Transfers:** No additional fee to transfer between bus, SkyTrain and SeaBus.
- **Bus only fares:** Flat fare similar to today's 1-zone fare for unlimited travel within the 90 minute transfer window.
- **Evening and weekend travel:** Similar to today - off-peak trips pay the equivalent of a 1-zone fare for travel system-wide.

What's different from today?

- **No more zones:** Rapid transit fares are based on the number of kilometres you travel, instead of how many zones you travel through.
- **More gradual price increments:** Prices vary for each pair of stations depending on the distance between them.

Why not price by distance on the bus, too?

Distance-based pricing on bus was considered through the Transit Fare Review but is not currently recommended. We heard that many residents think distance-based fares on buses would make it difficult to predict and calculate fares and might require tapping out, which could discourage bus use. Both of these concerns could be addressed with new technologies currently being tested and deployed in cities around the world. Should the transit network evolve in the future to include more on-demand or flexible bus services, our approach to pricing bus services could be re-evaluated.

Which trips would pay more than today?

- 1-zone trips on SkyTrain that travel long distances within a single zone, for example: trips between Marine Drive and Waterfront or between Sapperton and Gilmore.
- 2-zone trips on SkyTrain that travel long distances across two zones, for example: trips between New Westminster and Waterfront.

Which trips would pay less than today?

- 2-zone trips on SkyTrain that travel just a few stations but that happen to cross a zone boundary, for example: trips between Joyce-Collingwood and Metrotown, Surrey Central and Columbia, or Production Way-University and Burquitlam.
- 3-zone trips on SkyTrain that travel into zones 1 and 3 by only a few stations, for example: trips between Burquitlam and Commercial-Broadway or between Scott Road and Joyce-Collingwood.
- SeaBus trips.

Why are we recommending this?

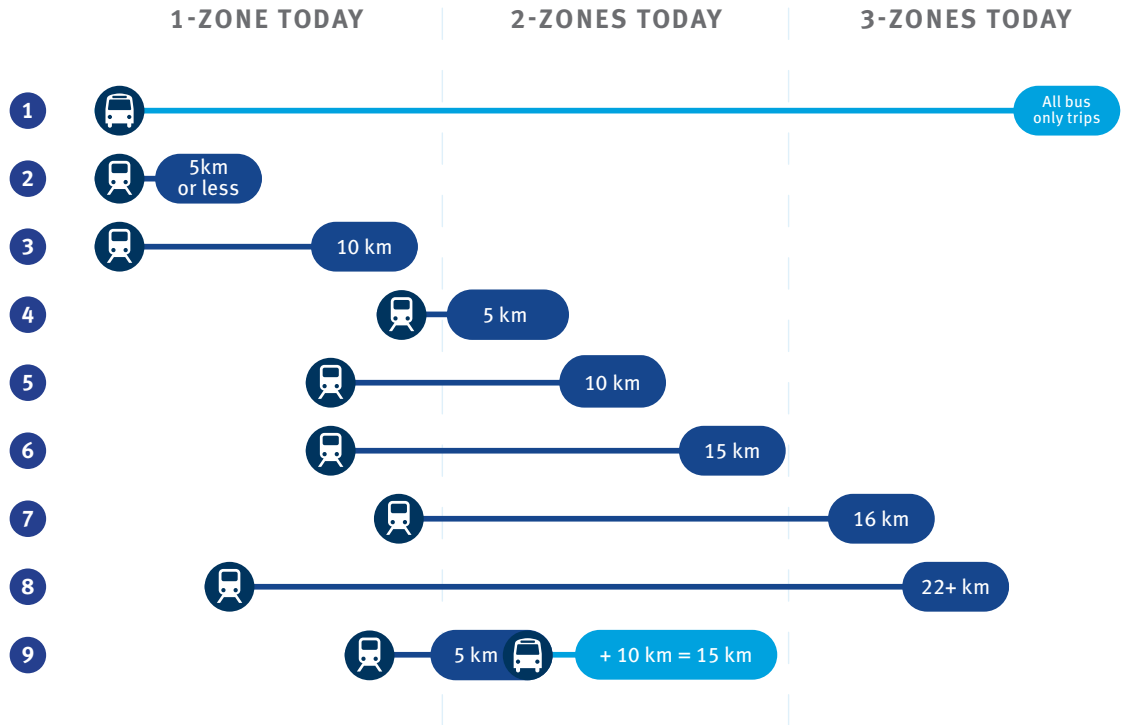
We heard during each phase of the Transit Fare Review that people find the current system unfair, with 73% of respondents saying they would prefer to see a system priced by distance travelled. A structure that prices trips more closely to the actual distance travelled helps address the most common complaints, including the high price of short trips across a zone boundary, steep price jumps across a zone boundary, and the arbitrariness of the zone boundaries.

Compared to the current system, pricing fares by kilometres travelled between stations on SkyTrain and SeaBus:

- Better reflects actual use: trips of the same length on the same mode of transit would pay the same price.
- Allows for more gradual pricing increments: steep jumps in fares across zone boundaries would be replaced by smaller station-by-station increases.

Impact of the distance-based fare structure on different trips

The table below illustrates how the price for various trips would change under the pricing by distance structure. Most fares will stay about the same, while some will increase and some will decrease. The illustrative prices below are for Adult Stored Value fares, and exact prices will be determined at the time of implementation.



SeaBus is considered rapid transit and fares are the same as SkyTrain

	Current Fare	Proposed fare structure change
1	\$2.30	About the same
2	\$2.30	About the same
3	\$2.30	▲ +\$0.75 to +\$1.00
4	\$3.35	▼ -\$1.00 to -\$1.25
5	\$3.35	▼ -\$0.10 to -\$0.25
6	\$3.35	▲ +\$0.25 to +\$0.50
7	\$4.40	▼ -\$0.25 to -\$0.50
8	\$4.40	About the same
9	\$3.35	▼ -\$1.00 to -\$1.25

▼ Decrease in price ▲ Increase in price

1.2 Eliminate zones and shift to pricing by distance between stations on West Coast Express.

Today, fare prices on the West Coast Express are determined by a complex 5-zone fare structure that differs from the rest of the system. We heard from riders and stakeholders, that many find this structure confusing and that we should explore ways to align the way we price West Coast Express with other services.

In order to improve the simplicity of this structure, we recommend starting with communicating fares as station-to-station prices, instead of zones. Under this recommendation, prices for travel between stations would remain the same as today. We then recommend working with West Coast Express riders, stakeholders and partners to explore opportunities to refine this structure to align prices more closely with distance travelled, while ensuring fares remain affordable, help to grow ridership and effectively manage demand.

1.3 Maintain flat fare on HandyDART.

HandyDART fares would continue to be charged a flat fare regardless of distance travelled, the same as it is today.

Fare Products

Current System

Today, there are four ways to pay for single-trip fares which allow unlimited transfers for up to 90 minutes:

- You can pay cash on a bus;
- You can tap a contactless credit card or mobile wallet on card readers;
- You can buy a Compass Ticket from a Compass Vending Machine; or
- You can load Stored Value onto your Compass Card so you can pay-as-you-go at a discounted rate.

In addition to single fares, we also offer Day Passes and Monthly Passes: pre-paid passes that grant unlimited travel within the specified number of zones for a flat fee.

Additional products and passes with specific and limited eligibility that are delivered as partnership programs between TransLink, the Province of BC, and/or other agencies are outside the scope of the Transit Fare Review¹.

Recommendations

2.1 Update pre-paid monthly passes to reflect distance-based pricing structure.

How would it work?

Under a fare by distance structure, monthly passes would continue to offer an unlimited number of trips just like today. Instead of being priced based on the number of zones you can travel, monthly passes would be priced based on trip distance.

For example, a 10km monthly pass would allow an unlimited number of trips that are each 10km in length or less. The passes can be used for trips up to the specified distance anywhere on the system, and are not specific to any particular stations or route. For the occasional trip that exceeds the distance covered by the pass, you would pay the difference for that individual trip using the Stored Value on your Compass Card, similar to today's AddFare for extra zones travelled. Unlimited bus travel is included in all passes.

Similar to today, if you are a frequent transit user you would choose the two rapid transit stations between which you most commonly travel and buy a Monthly Pass to cover that distance. Those who take many different trips during the month would have the option of buying a shorter distance pass and pay add fares for each longer trip taken on SkyTrain, or purchase a long distance pass that covers all their travel if they prefer the convenience and value of an unlimited use pass.

What's the same as today?

- Unlimited SkyTrain and SeaBus trips: Passes continue to offer unlimited trips on SkyTrain and SeaBus based on the distance purchased.
- Unlimited bus trips: All passes continue to offer unlimited bus trips across the system.
- Pay in advance: Customers pay up front for monthly travel.
- Predictable transit costs: One monthly pass to cover all your most frequent transit needs.

¹ These partnership programs include the BC Bus Pass, U-Pass BC, and CNIB ID Pass.

What’s different from today?

- No more zones: Passes would be valid for all trips up to a certain distance rather than all trips within a specified zone. These distances between stations would be clearly marked on wayfinding maps at stations.
- More options: Choose from pass options that more closely match the distance you frequently travel.

Current Pre-paid Adult Monthly Pass System

Monthly Pass – Zones	1-zone	2-zone	3-zone
Unlimited SeaBus and SkyTrain trips within zone/s	\$95	\$128	\$174

Illustrative Pre-paid Adult Monthly Pass System under Proposed Distance-Based Pricing Structure*

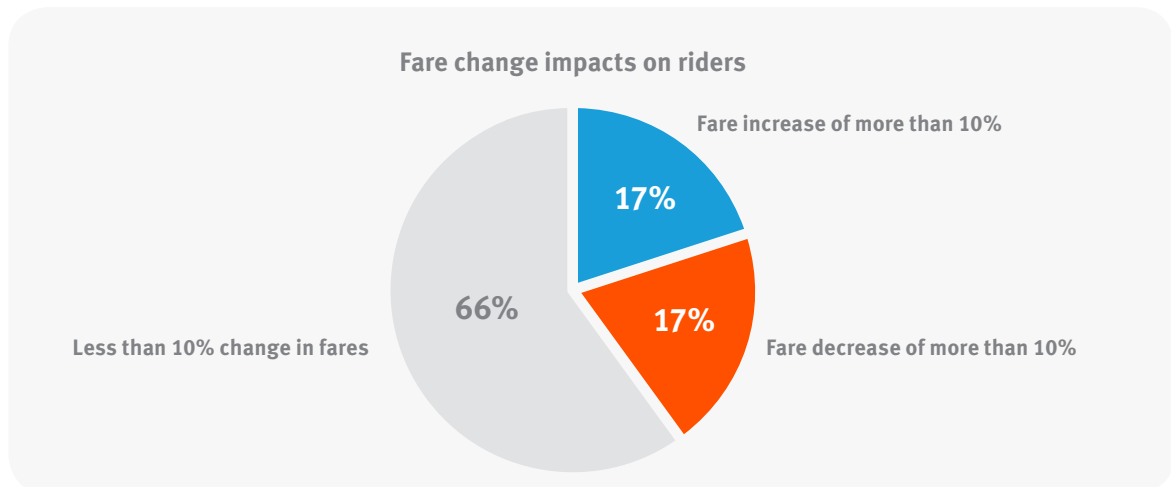
Monthly Pass – Distance	5 km	7 km	10 km	13 km	17 km	20 km or more
Unlimited SeaBus and SkyTrain trips up to the following distances	\$95	\$112	\$127	\$142	\$157	\$174

All passes include unlimited trips up to the specified number of kilometres on the SkyTrain and SeaBus, unlimited bus travel, and unlimited travel system wide on evenings and weekends.

* Pass distances and pricing are for illustration only and are subject to change. Further work will be done to determine the number of passes offered as well as the distance increments to ensure that they are convenient and provide good value to all customers.

How would monthly fare costs be impacted under the proposed structure?

Most riders take a variety of trips over the course of a month; some trips would cost more and some would cost less. Under the proposed system, we estimate that the majority of riders would spend about the same amount on fares overall. A minority of riders will see an increase or a decrease depending on which trips they do most often. Similar to today, frequent riders would choose their Monthly Pass based on their most common trip, which is the commute trip for the majority of riders. The change in price for this frequent trip would have the biggest impact on riders’ overall fare costs for a given month.



Why are we recommending this?

Adapting the current zone-based passes to the future fare by distance structure allows riders to continue using today's well-used and well-liked unlimited pre-paid passes. They offer unlimited travel, good value, predictability of monthly fare costs, and convenience.

What about fare capping?

Fare capping was considered through our review but is not currently being recommended. Fare capping offers a best price guarantee to all riders and does not require a decision to pre-purchase a pass at the beginning of a day or month. However, our analysis showed that the fare cap would need to be set at a higher price than today's pre-paid passes, effectively increasing costs for frequent riders. Given its potential benefits, we will continue to explore how fare capping could be introduced in a cost-effective way for both TransLink and our customers into the future, especially in the context of integrated, multi-modal payment platforms and the emergence of Mobility-as-a-Service (MaaS).

2.2 Increase the flexibility of pre-paid passes.

Currently, TransLink only offers day and monthly pre-paid passes that are currently valid from the beginning to the end of a calendar day or month. In order to provide riders with more choice and convenience, we recommend exploring ways to increase flexibility of prepaid passes, including rolling passes and weekly pre-paid pass options. Rolling passes could start on any day of the month, and last until the same day the following month. This would provide customers with additional flexibility to purchase passes at any time and would help alleviate the crowds at Compass Vending Machines at the beginning of the month when many customers renew their monthly passes. Rolling monthly passes and weekly passes will require additional financial and technical analyses to determine appropriate rates and structure before implementation.

2.3 Align the Concession Monthly Pass structure with the distance-based pricing system.

Today, there is only one flat rate discounted Concession Monthly Passes that is valid for all zones, which means that all concession monthly pass holders are paying the same no matter how many zones they travel. This is a simple way to structure Concession Monthly Passes, but it does not fully capture the fairness benefits provided by the distance-based system. Moving forward, we propose exploring a pricing structure for Concession Monthly Passes that more closely reflect distance travelled, as we already do with Concession cash and Stored Value fares. More work is needed to identify specific discount rates and prices to ensure that affordability for Concession riders is maintained.

Transfer Time

Current System

Metro Vancouver's transit system was designed as an integrated, connected network to transport you from your origin to your destination in the most efficient way possible. This means that trips often involve a connection—or transfer—from one route to another to complete a journey. Transfers 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.

Today, TransLink's fares include a 90-minute transfer period, which allows you to transfer onto other transit services within 90 minutes from the time of first tap in, and allows 120 minutes to complete your journey. Select services, such as West Coast Express, are granted exceptions to the 90-minute transfer time due to the longer travel time and distance.

Recommendations

3.1 Keep the principle of the 90-minute transfer window so riders can continue to transfer for 90 minutes without paying a new base fare on rapid transit. The total fare cost will include the base fare plus distance travelled during the 90-minute period.

Our analysis suggests that 90 minutes is sufficient time to complete the vast majority of one-way trips made in the region and therefore, we are proposing to keep the 90-minute transfer window. However, it's important to note that it will function differently for some trips under a distance-based system than it does today.

Under a distance-based structure, a fare will include a base fare plus a charge for distance travelled. Customers will be able to transfer without having to pay a new base fare if they complete all transfers within a 90-minute window, but the distance portion of their fare will continue to increase as they travel. This is in keeping with the fairness principle that Transit Fare Review respondents told us they'd like to see: a system in which people pay for what they use.

The base fare includes 90 minutes of unlimited transfers on bus, which could include multiple bus journeys or return trips by bus.

Service Type

Current System

Today, there is one integrated fare structure for bus, SkyTrain, and SeaBus. The West Coast Express is a premium service with higher fares and unique zone structure. HandyDART, which provides door-to-door service for customers who are unable to use other service types without assistance, is a flat fare system and does not accept Concession discounts.

Recommendations

4.1 Maintain premium pricing rates on the West Coast Express.

The West Coast Express is a high-speed, limited-stop, commuter-rail service with patterns of use that are distinct from the rest of the transit system. Moving forward, we recommend maintaining premium pricing – including a higher base and maximum fare – on the West Coast Express, recognizing that it is sufficiently fast, convenient, direct, and travels far enough to justify premium pricing relative to the rest of the transit system.

4.2. Recognize Concession discounts on HandyDART as part of on-going efforts to improve the HandyDART experience.

Throughout the Transit Fare Review, stakeholders have told us that fares should be consistent between HandyDART and the conventional transit system. To further align HandyDART fares with the other service types, we would consider recognizing TransLink-offered age-based discounts on HandyDART while implementing other changes outlined in the Custom Transit Service Delivery Review including HandyDART eligibility criteria.

Time of Travel

Current System

Today, if you travel outside of peak times (after 6:30pm on weekdays and all day weekends and holidays) you receive an off-peak discount where you can make any trip for the price of a one-zone fare.

Recommendations

5.1 Expand targeted off-peak discounts and/or rewards to help manage overcrowding on the system, subject to a transportation business case and near-term field study to determine feasibility.

Off-peak discounts can encourage flexible riders to shift their time of travel and help to reduce overcrowding in peak periods. However, providing further discounts to all off-peak travellers results in decreased revenue that needs to be made up for through other funding.

In order to reduce crowding at peak times while having the least impact on peak fares, we recommend offering targeted off-peak discounts and/or rewards. These discounts would be specific to key times – like early morning and mid-day – in geographic areas where overcrowding is most acute.

To ensure that new targeted off-peak discounts are effective, efficient and fair, we require more information on how riders will shift their travel at different times, locations, and travel directions. Pilot projects and field studies should be launched to help build business case alternatives for expanded discounts, which would then be considered for inclusion in future investment plans based on their performance and efficacy.

TransLink is committed to maintaining our existing off-peak discounts until such time that expanded off-peak pricing can be implemented.

Discounts

Current System

Today, there are a range of discounts provided by TransLink and the Province, discussed in further detail in the Phase 3 Discussion Guide. Specific to this review, TransLink offers discounts for children and youth between the age of 5 and 18 and seniors over 65. These discounts were historically provided to customers who were outside traditional working years and assumed to have less ability to afford full-priced fares. Children under the age of 5 travel for free.

Recommendations

6.1 Maintain existing age-based discounts.

TransLink recommends maintaining existing age-based discounts at this time. Scaling back or revoking these discounts could have negative impacts on those who depend on them.

6.2 Create separate rider classes for children, youth and seniors

Today, the same Concession fare product is valid for travel by children (aged 5-12), youth (aged 13-18) and seniors (aged 65+). In recognition that these different age categories often have different travel patterns, behaviours, and transit needs, we are proposing to ultimately move towards the creation of separate rider classes with distinct products to more directly target these different groups. This will allow greater flexibility to offer targeted discounts in the future.

6.3 Work with the Provincial Government to explore expanded discounts for low-income residents, children and youth.

TransLink acknowledges the societal benefits that these discounts would provide. However, social assistance is not within TransLink's mandate, which is to provide an efficient transportation system that is largely self-funded.

To support these benefits through discounts without raising fares for other riders and remaining revenue neutral, additional funding would be required. Recognizing that resources are limited at all levels of government, additional discussions with the Province in the context of the BC Poverty Reduction Strategy will help identify available funding and priorities.

Implementation Approach

Should the Mayors' Council on Regional Transportation and the TransLink Board endorse these policy recommendations, the project will move into the implementation planning phase. In this phase, TransLink will determine how best to implement these changes in a way that is cost effective and effectively manages risk. This step includes additional technical work, pilot studies, scoping detailed Compass requirements, and developing a timeline that seeks to introduce any fare policy changes in ways that leverage and build on other concurrent initiatives. Once this implementation planning phase is complete, we would begin to implement the recommendations according to the timeline that is developed.

The following components will be considered as part of the approach to implementing the recommendations contained in this report:

1. **Work with the Compass Card vendor** to find cost efficiencies for implementation, including coordination with other organizational initiatives and technological changes to maintain an excellent customer experience and minimize complexity.
2. **Prioritize implementing changes** that can be delivered without impacting overall fare revenue. Many of the key recommendations identified through this review can be delivered without impacts to existing fare revenue, including transitioning to distance-based pricing on rapid transit.
3. **Initiate research and pilot studies** for recommendations that require further analysis and/or funding, including expanded off-peak price incentives, and work with the Board and Mayors' Council for inclusion in future investment plans.
4. **Work with the Provincial Government** to identify potential funding and priorities for potential expansion of discounts for low income residents, children and youth.