



# Fare Capping and Fare Proposal

*Board Meeting*

*December 1, 2022*

**Item #50**



**Metro**



# Public Comments >700



**PUBLIC HEARING**  
November 14, 2002

102 attended  
77 testimony



630 comments



Service Councils, Advocacy  
Groups, Advisory Groups and  
stakeholders



**Metro**

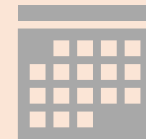
**2-hr Transfers**



**25¢**

**Free  
Fares**

**Rolling  
Weekly cap**



# Modified Fare Restructuring Recommendation

Rider Category & Fare Product	Adopted Pricing	Public Hearing	Option 1: Same Base Fare (w/transfers)
<b>Regular Fare</b>			
Base Fare	\$1.75	\$2.00	\$1.75
Day Pass / Daily Cap	\$7.00	\$6.00	\$5.00
7-Day Pass / Weekly Cap	\$25.00	\$20.00	\$18.00
30-Day Pass	\$100.00	Not Offered	Not Offered
30-Day Pass Zone Upcharge	\$22.00	\$0.00	\$0.00
<b>Senior/Disabled</b>			
Base Fare	\$0.75 / \$0.35	\$1.00	\$0.75
Day Pass / Daily Cap	\$2.50	\$3.00	\$2.50
7-Day Pass / Weekly Cap	Not Offered	\$8.00	\$6.00
30-Day Pass	\$20.00	Not Offered	Not Offered
<b>K-12 Student &amp; College/Vocational</b>			
K-12 Base Fare	\$1.00	\$1.00	\$0.75
College/Vocational Base Fare	\$1.75	\$1.00	\$0.75
Day Pass / Daily Cap	Not Offered	\$3.00	\$2.50
7-Day Pass / Weekly Cap	Not Offered	\$8.00	\$6.00
K-12 Student 30-Day Pass	\$24.00	Not Offered	Not Offered
College/Vocational 30-Day Pass	\$43.00		
<b>LIFE FREE Trips</b>	<b>20 FREE</b>	<b>30 FREE</b>	<b>20 FREE</b>
<i>Projected Revenues (\$ in millions)</i>		<b>\$ 174.1</b>	<b>\$ 145.4</b>
<i>Est. Projected Revenues @ full ridership (\$ in millions)</i>		<b>\$ 217.6</b>	<b>\$ 181.8</b>

**Based on Public Comment**  
Final Recommendation:

- Keep Base fare
- Transfers
- 7 Day Rolling Cap

# Senior/Disabled Fares

## Fare based on time at boarding adds complexity

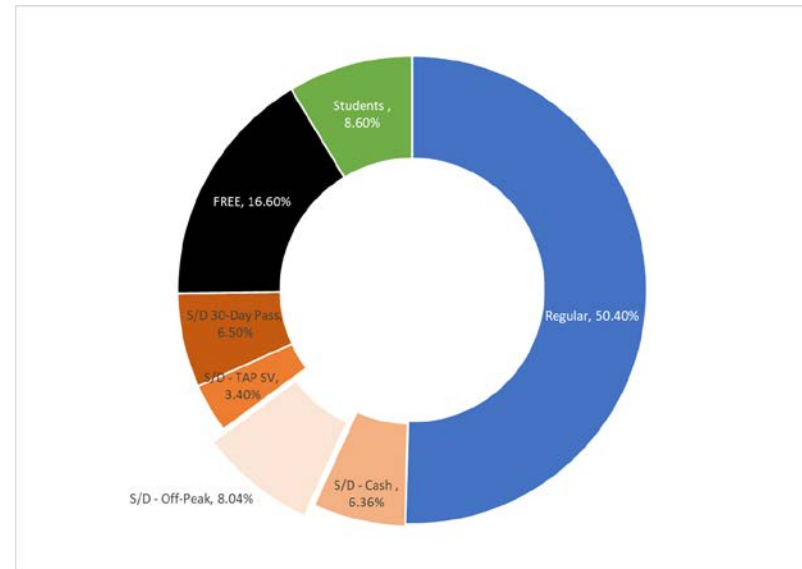
- Riders must be aware of the time to pay correct fare
- Operator conflicts with riders regarding time of day

## FTA requires: 50% S/D discount during off-peak

- Metro Peak Fare **57%** off (\$0.75)
- Metro Off-Peak Fare **80%** off (\$0.35)
  - 7pm-6am & 9am-3pm weekdays, weekends, holidays
- \$0.35 OWL (late night fare) since 1995 – **27 years**

## Mitigation Strategies

- Fare capping is a mitigation factor for affordability
- Expand outreach/marketing of reduced fare programs to Senior/Disabled communities
  - Access Services - Ride Metro Free
  - LIFE Program – Free 20 trips each month and fare capping
    - Currently, 13.3% of LIFE participants are Senior/Disabled riders
    - About 6.5% of new enrollees are Senior/Disabled riders



# Policy Change Elements (A-G)

- A. Implement Fare Capping
- B. Transition Metro Passes to Fare Capping
  - *No upfront payment for passes*
- C. Modified Fare Restructuring
  - *Day/Weekly pricing based on industry standard “multipliers”*
- D. LIFE Program
  - *Free 20-trips every month & fare capping*
- E. Lower Fares on Metro J Line (Silver) and Express Bus
  - *One fare for all Metro services*
- F. Increase life of the TAP card and Continue Free cards for Reduced fares, TAP app and Apple Wallet
- G. Adopt comprehensive fare policy
  - *Consider during budget process, recalculating fares every 4 years based on CPI*

# Efforts to convert Cash Paying Riders to TAP

## Cash to TAP Conversion Campaign

- Timing: November 2022 – October 2023
- GOAL: Convert cash-paying riders to TAP
- Messaging:
  - The benefits and savings of using a TAP card to ride transit
  - How easy it is to find TAP near you (Ralph's, LA Public Libraries, Continental Currency locations)
- Messages will be updated as research results unfold

## Market Research to understand how to convert cash paying riders to TAP

- Timing: September 2022 – March 2023
- GOAL: Understand what would motivate cash paying riders to switch to TAP
  - Understand rider fare payment habits, awareness of LIFE and Reduced Fare Programs, and test fare capping marketing message for seamless transition
- Strategy:
  - Mix of focus groups, in-depth interviews and surveys (online & at high cash paying bus stops)
  - Target: Cash Riders, TAP Riders, Non-English Speakers
  - Meetings & Focus Groups with Bus Operators to gain insight on cash riders



**Metro**

# Phased Marketing Campaigns

## Phase 1

Oct

- In-depth research to understand how to convert cash paying riders to TAP starts

## Phase 2

Nov- Dec

- TAP Regional Campaign to convert cash payers to TAP begins (update per research results)
- Public Outreach and Presentations to Advocacy & Advisory Groups
- Public Hearing on Proposed Fare Changes on November 14, 2022
- In-Person Surveys & Focus Groups with riders on fare payment habits and test of initial launch messages

## Phase 3

Spring 2023

- Extensive outreach to explain benefits of fare capping and how it works to riders
- Reduced fare programs campaign
- Free TAP Card distribution (high cash paying bus stops)

## Phase 4:

Summer 2023-  
ongoing

- Ongoing fare capping campaign, Reduced Fare programs, and continuing of efforts to convert cash paying riders to TAP

# Recommendations

- A. RECEIVE & FILE comments from the public hearing conducted by the Board of Directors on Monday, November 14, 2022 (Attachment A & A1);
- B. ADOPT Option 1 - a modified fare restructuring plan including fare capping, new fare pricing, and fare policy changes – Requires 2/3 majority (Attachment B);
- C. APPROVE the results of the fare equity analysis for the modified fare restructuring plan (Attachment C);
- D. ADOPT resolution in accordance with the California Environmental Quality Act (CEQA) finding that the purpose of the modified fare restructuring plan is to pay operating expenses (Attachment D);
- E. APPROVE the finding that the proposed fare restructuring plan is statutorily exempt from CEQA under Sections 21080(b)(8);
- F. AUTHORIZE the Chief Executive Officer to file a CEQA Notice of Exemption (NOE) for the fare restructuring plan with the Los Angeles County Clerk; and
- G. AUTHORIZE the Chief Executive Officer to extend the sale of promotional passes at 50% of the cost of full price passes through June 30, 2023, as a continuation of Motion 36: Emergency Relief (Attachment E), or until fare capping is launched, whichever is earlier.



Thank you!

