

Extend Sale of Promotional Half-Price Passes and Update on Fare Capping Timeline

Executive Management Committee
June 16, 2022

Background

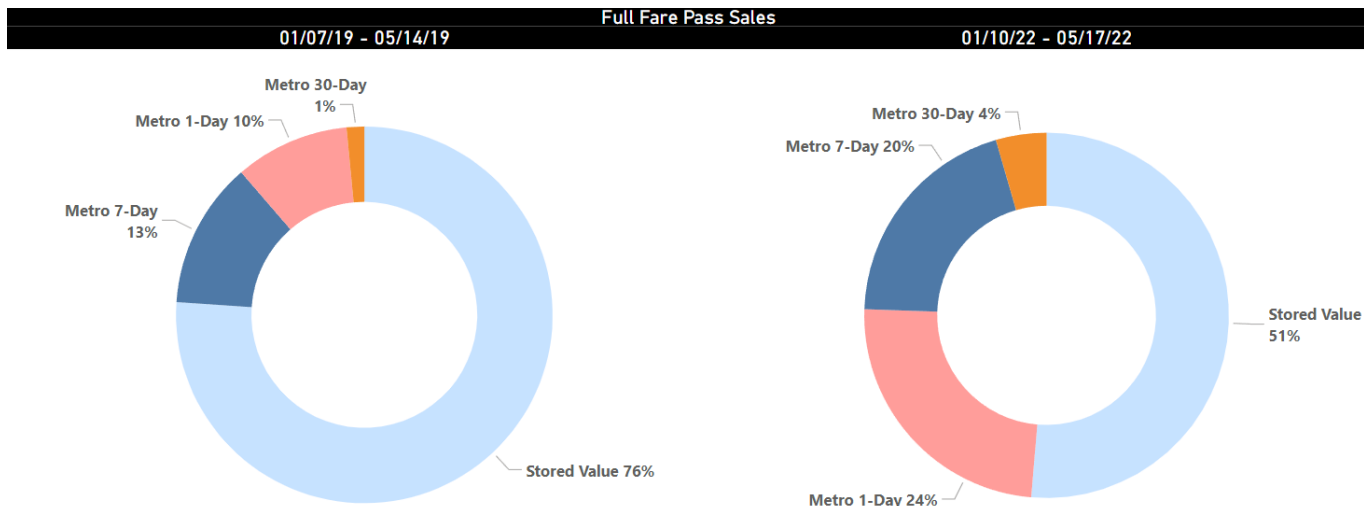
- Non-enforcement of fares and rear door boarding on buses began in 2020 due to COVID
- May 21, 2020 –Motion 36 “Emergency Relief”
 - Full-Price Day Pass, 7-Day Pass and 30-Day Pass reduced by 50% for six months after regular boarding resumes
- Extension required to assess impacts of various promotional prices, develop discounted pricing options and conduct required steps for adoption of permanent pricing

Recommendation: Extend the sale of promotional passes through December 2022 as a continuation of Motion 36: Emergency Relief

- Regular boarding and fare enforcement resumed in January 2022
- Six-month promotional fare prices would expire July 2022
- Metro received authorization from FTA to extend 50% promotional pricing

Preliminary Impacts of Promotional Price

- Sales of Metro passes have increased due to the promotional prices
- More Metro riders are using TAP and purchasing passes over Stored Value



- Recommendations for permanent reductions to full-price passes will include break-even points that are more in line with industry standards, and which are financially sustainable for current and future Metro Transit operations
 - With a \$100 30-day pass, customers must ride 57 times to break even
 - With a \$50 30-day pass, customers must ride 28 times to break even

Fare Capping

- Fare capping is an equitable fare payment option
 - “Pay as you go” system - does not require payment upfront for passes
 - Pay base fare for each ride until they reach the threshold for a pass. Each ride after that is free for remainder of the pass period
- Fare capping is complex and affects every part of TAP system
 - TAP cards, TAP fare collection equipment, and TAPforce (customer relationship management system) requires modification
- Fare capping status update
 - Fare capping software development is ongoing
 - Testing in progress for the following:
 - Pilot/field testing of daily capping software at select Metro Rail Stations
 - TAP lab testing of TAP reader and fare gate software
- TAP technical system will be ready by end of year

Next Steps

- Continue to assess impacts of promotional pricing
- Begin discussions of fare pricing options and estimated impacts with Metro management and Board staff
- Return before the end of the promotional period to request Board approval:
 - Schedule public hearing date
 - Fare options/fare capping released for public comment (prior to public hearing)
- Board approval of final staff recommendation that considers public hearing and comments received
- Extensive public outreach prior to launch

Coordinated Timeline

