



Board Report

File #: 2021-0364, **File Type:** Motion / Motion Response

Agenda Number: 46.

**REGULAR BOARD MEETING
MAY 27, 2021**

Motion by:

DIRECTORS HAHN, SOLIS, NAJARIAN, BUTTS, SANDOVAL, AND DUTRA

Fareless System Initiative

As Los Angeles emerges from the COVID-19 pandemic, economic activity and traffic congestion are returning to pre-pandemic levels. Transit ridership, however, which declined dramatically at the start of the pandemic, has not recovered as much or as quickly.

Most transit agencies in other cities saw much steeper ridership declines than Los Angeles, which indicates a higher share of “transit-dependent” riders in LA than other places in the country. This is also known based on the incomes of our region’s transit riders, the majority of whom come from low-income households.

Metro and municipal operators have worked hard to establish subsidies based on income, age, disability, school enrollment, provider, and City of residency. These discounts are offered on top of some of the lowest transit fares anywhere, and yet some of these programs - like the Low Income Fare is Easy (LIFE) Program - see participation rates much lower than the estimated number of eligible riders.

Metro staff propose a 23-month pilot Fareless System Initiative, which would be available to eligible Metro transit riders who provide proof of qualification. This initiative potentially places Metro in a financially perilous position, risking the agency’s ability to construct its capital program or to even operate the very transit service it seeks to offer free of fare to hundreds of thousands of Angelenos.

This Board supports pilot Fareless System Initiative. However, proceeding with such an endeavor is best done as a scalable pilot. Once fareless service has been introduced, it would be difficult to reverse, so any steps toward that approach must be carefully considered and taken with a clear and complete agreement to the terms.

SUBJECT: FARELESS SYSTEM INITIATIVE

RECOMMENDATION

APPROVE Motion by Directors Hahn, Solis, Najarian, Butts, Sandoval, and Dutra that the Board

direct the Chief Executive Officer to:

Postpone the implementation of any Fareless System Initiative until the conditions provided below have been met to the Board's satisfaction:

1. Municipal operators that choose to participate will be fully included and provided the same type of fare subsidy as Metro transit operations, in order to ensure a seamless rider experience regardless of geographic location or transit provider;
2. The initiative is funded without reducing existing transit operations or state of good repair expenditures or by using regional funding typically committed to bus and rail transit operations or intended for the capital program;
3. Opportunities to expand or adjust existing fare subsidy programs to maximize community benefit have been studied and presented to the Board; and,
4. An 18-month initiative can be scaled and/or targeted in a manner that best aligns with Metro's Equity Platform, adopted by the Board in March 2018.