



## Board Report

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**File #:** 2023-0729, **File Type:** Fare / Tariff / Service Change

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**REVISED**  
**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE**  
**JANUARY 18, 2024**

**SUBJECT: METRO MICROTRANSIT FARE CHANGE**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. IMPLEMENT the approved base fare of \$2.50 for Metro's MicroTransit program, Metro Micro;
- B. INTEGRATE transfers with bus and rail services into the MicroTransit service; and
- C. INCORPORATE the Low Income Fare is Easy (LIFE) program and other Metro discount programs into the Metro Micro fare structure.

**ISSUE**

The pilot MicroTransit service began in late 2020 with a \$1.00 introductory fare, which was intended to be a short-term promotion for the new service. However, since it launched during the height of the pandemic, the introductory promotional fare has been in place for more than three years. Now that the pandemic has ended, it is time to implement the previously approved regular base fare of \$2.50.

Per the October 2020 Metro Board Motion #23 by Director Bonin (Attachment A), this action satisfies the requirement for staff to return to the Board prior to ending the Metro Micro introductory fare.

**BACKGROUND**

At its October 2020 meeting, the Board approved the Pilot MicroTransit program with a \$2.50 permanent base fare and a promotional introductory fare of \$1.00. Metro Micro was launched in December 2020 as a three-year pilot program to test use cases for on demand MicroTransit services. At its May 2021 meeting, the Board authorized the extension of the introductory fare through the end of 2021 in response to the COVID-19 pandemic (Attachment B). The introductory fare was scheduled to end by January 2023, and per Motion 23 by Director Bonin (Attachment A) staff was to return to the Board prior to ending the \$1.00 promotional fare.

**DISCUSSION**

The cost per trip on Metro Micro is currently \$43. At its September 2023 meeting, the Board approved extending the pilot program contingent upon operational changes to approve the overall performance and support a more sustainable on demand transit service program of \$20-\$25 per trip. One of the operational changes identified is implementation of the approved permanent base fare of \$2.50. Implementing the base fare is the first step in improving the cost efficiency of the service while staff continue to work on other strategies to reduce operating costs and optimize the service design. This base fare recognizes the added value of the extra flexibility and semi customized trip offered by Metro Micro. In addition, fares are an important tool for moderating demand in the face of finite service supply, and a fare that reflects the increased cost and benefit of the MicroTransit service will help align Metro customers with the most cost-effective mode that is most appropriate for their individual trip.

Incorporating Metro Micro into Metro’s discount fare programs is an important step to enable vulnerable populations who rely on this service to receive discounted fare, ensuring that this change maintains Metro’s commitment to equity. There is also an important opportunity to provide a more seamless transfer experience between Metro Micro and other public transit that has not been previously available.

Consistent with the Board’s direction, a proposed framework for a revised Metro Micro fare structure is summarized in the following table:

<b>Base Fare</b>	<b>\$2.50</b>
Transfers to Metro Bus and Rail	Free
Transfers from Metro Bus and Rail	75¢ upcharge
LIFE Program free rides (90-day & 20/month)	Accepted on Micro
Senior/Disabled Fare Program Base Fare	\$1.00
GoPass & Student Reduced Fare Program Base Fare	\$1.00
E-Z Transit Pass Zone 0 Base Fare	75¢ upcharge
E-Z Transit Pass Zone 1+	Free
Transfers from Municipal Bus Lines	\$1.25 (50¢ transfer charge + 75¢ upcharge)

More detail on the proposed framework is described below:

- Allow LIFE participants the option to use their benefits on Metro Micro with no upcharge, and once exhausted, pay the base fare of \$2.50
- Allow GoPass and Reduced Fare (Student, Senior/Disabled, and Access Services) cardholders to continue to ride Metro Micro at the \$1.00 rate per boarding
- Offer free transfers to Metro Bus and Rail from Metro Micro, with transfers to Metro Micro from Metro Bus and Rail available for a 75¢ upcharge (for a total base fare of \$2.50)
- LIFE riders will also be offered free transfers between Metro Bus/Rail and Metro Micro.

Upcharges will only be applied after their benefits are exhausted

- Allow EZ Transit Pass Base riders to ride Metro Micro with a 75¢ upcharge, with EZ Transit Pass Zone 1 or higher riders able to ride Metro Micro at no additional charge
- Passengers transferring from partner agencies to Metro Micro (interagency transfers) would pay \$1.25 (50¢ transfer fee plus 75¢ upcharge)
- Recognize interagency transfers from Metro Micro based on each carrier’s existing interagency transfer agreements and the fees applicable for transfers with existing Metro bus and rail services

As shown above, this recommendation is also responsive to the September 2023 Board Motion from Directors Najarian, Butts, Dutra, Hahn, and Barger (Attachment C) as follows:

- Incorporating Micro Transit services into the existing discount programs, including, but not limited to, Low Income Fare is Easy (LIFE), GoPass, Seniors, etc. prior to raising fare to \$2.50. The recommended fare structure incorporates Metro’s discount fare programs.
- The proposed permanent fare structure framework achieves transfers with other modes through a top-up fare that brings the total paid by the rider from the \$1.75 base fare for bus and rail to the \$2.50 base fare proposed for MicroTransit.

Throughout the process of determining a permanent fare structure, staff remained committed to understanding and equitably mitigating the impacts on vulnerable populations. Customer survey data informed the team’s approach and proposed fare structure, recognizing that a single base fare required a range of fare discounts consistent with Metro’s efforts with such programs already established with the fixed route transit network.

Metro Micro surveyed customer experience and behavior in the Spring of 2023, results from which have previously been presented to the Metro Board. This survey, conducted online, onboard, and via phone in both English and Spanish, also asked riders what their response to a \$2.50 fare would be.

Of the 2,671 Metro Micro passengers who responded to this question, 15.3% said they would not ride Metro Micro anymore if the fare went to \$2.50, and another 40.7% answered that they would ride less often. The demographic trends in the data of those who said they would no longer ride the service demonstrated the importance of ensuring affordable access for Metro Micro riders from various target populations and Equity Focus Communities. This is especially important in cases where Metro Micro replaced fixed route bus services.

Population	All Respondents	Would Not Ride	Would Ride Less
Female	52.7%	56.0%	40.7%
Income under \$15k	19.2%	27.4%	22.7%
Disabled	10.6%	13.2%	10.1%
Latinx/Hispanic	42.4%	50.6%	45.7%
Under 25	23.3%	30.3%	31.4%
Over 65	5.0%	5.6%	4.9%

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Less than one quarter of respondents indicated that they participate in a fare program (LIFE, Senior/Disabled, GoPass, E-Pass, etc.), while a third had household incomes under \$25k (some of this group may be enrolled in LIFE). Data for FY23 indicates that only 5.3% of Metro Micro riders using TAP payments also had a LIFE transaction during the period. This indicates that at least some Metro Micro riders are LIFE-eligible but not currently enrolled. The proposed Metro Micro fare structure will hopefully further incentivize riders to enroll in the LIFE program.

Respondents who are part- or full-time students account for 21.2% of the sample, and most would be eligible for GoPass or Student Reduced Fare programs; however, only 5.1% of sampled TAP transactions on Micro were with any sort of Student fare card. This data implies that while fare program inclusion can mitigate the price sensitivity of vulnerable populations, outreach about the permanent fare structure to Metro Micro riders can also include information about reduced-fare programs that riders may qualify for. Once approved, messaging to customers regarding the fare increase (via email, in-app messaging, literature distribution, and verbal notification to users who book by phone) will include information on applying to LIFE and other discount fare programs.

Operations assembled an internal working group to determine a path toward implementing the base fare and incorporating transfers and discount fare programs that advance equity. The proposal presented in this report is a direct result of this team's work. Participants represented the following departments and business units:

- Office of Civil Rights, Racial Equity and Inclusion
- Customer Experience Office
- Transit Access Pass (TAP) (Both for technical and programmatic expertise)
- System Security and Law Enforcement

In addition, feedback was solicited from the Metro Youth Council (MYC), and the Office of Management and Budget (OMB) reviewed this proposed framework prior to its presentation to the public. MYC representatives generally advocated for the inclusion of GoPass in Metro Micro as a free or discounted fare, while some felt that the inclusion of LIFE was a higher priority from an equity standpoint.

Staff also consulted Metro's Office of Civil Rights, Racial Equity, and Inclusion to determine the requirements to meet Title VI requirements. Metro Micro is considered a Demand Response service and thus is exempt from Chapter 4 Requirements of FTA's Title VI Circular for Service and Fare Equity Analysis. As such, Title VI does not require a formal public hearing process to adopt the proposed permanent fare structure. Nevertheless, Staff conducted an extensive outreach campaign to inform Metro customers who would be affected to provide the public with multiple opportunities to review and comment on this fare structure.

Take-one brochures were distributed to Metro Customer Service Centers and provided to Metro Micro operators to share with customers. The take-one brochures included information on the proposed Metro Micro fare structure, an email address to submit comments and questions, information on the five Metro Service Council meetings where an overview presentation would be provided, and public comments gathered. A copy of the take-one brochure is provided in Attachment D. This information was disseminated via e-blasts to registered TAP accounts, the Metro Micro app,

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and Metro's social media channels. Those channels included Metro's blogs, The Source and El Pasajero, and Metro's Nextdoor, Facebook, and Instagram accounts.

An update on the Metro Micro Pilot and the proposed Metro Micro fare structure was shared at the following January 2024 Service Council meetings:

- Wednesday, January 3, 2024, 6:30 p.m.: San Fernando Valley Service Council
- Monday, January 8, 2024, 5:00 p.m.: San Gabriel Valley Service Council
- Wednesday, January 10, 2024, 6:00 p.m.: Westside Central Service Council
- Thursday, January 11, 2024, 5:00 p.m.: Gateway Cities Service Council
- Friday, January 12, 2024, 9:30 a.m.: South Bay Cities Service Council

A log of comments received during this process is provided in Attachment F. Of 147 commenters, 138 addressed Metro Micro in some way (the remainder were about other Metro services or actions). Of the remaining, nearly half of the comments were questions about the proposal or more generally about Metro Micro and did not provide an opinion on the fare proposal. Of those who commented on the fare proposal, 66% were in favor of the change, and several stated that they would approve of an even higher fare than \$2.50. Some of the comments opposing the fare proposal expressed support for a smaller increase in fare. Of the 33% who opposed the fare change, many expressed concerns for target groups such as people with low incomes or seniors and students.

## **FINANCIAL IMPACT**

Implementation of the approved base fare is one of a range of strategies intended to make the Metro Micro program more sustainable through both improving revenues and other changes intended to reduce the cost of delivering the Metro Micro service. The recommended discount fare program participants are expected to have a low impact on fare revenues while promoting utilization of this service for improved mobility for vulnerable populations.

## **EQUITY PLATFORM**

The proposed new fare structure for Metro Micro incorporates a range of discounts applicable to existing Metro discount fare program participants, such as LIFE, GoPass, seniors, people with disabilities, and students. The proposed discounted Metro Micro fares for higher need populations will be very beneficial, as many are transit-dependent riders who, in some cases, lack alternative transit services. The survey results discussed in this report help support the decision to incorporate Metro's discount fare programs, as they address the needs of the most price-sensitive riders. The new fare structure will result in lower total journey prices for all customers using Metro Micro in combination with Metro Bus and Rail, and the incorporation of the discounts ensures that transit-dependent riders who rely on Metro Micro to get where they need to go continue to find it within their means. More details on the responses to this survey are provided in Attachment E.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The MTP supports strategic plan goals #1.2 and 2.3: Metro Micro is an investment in a world-class

transportation system that is reliable, convenient, and attractive to more customers for more trips. Metro Micro was designed to improve customer satisfaction at customer touchpoints by offering an accessible, flexible service that better adapts to customer demand and needs. The achievement of these goals will be enhanced through the framework for a permanent Metro Micro fare structure.

### **NEXT STEPS**

Should the Board approve the permanent Metro Micro fare structure, staff will implement the new fare structure in the first quarter of CY2024. The implementation plan will include a marketing campaign to notify riders electronically, through printed information distributed to Metro Micro riders by Metro Micro operators, and verbally through the Metro Call Center which makes Metro Micro reservations for some riders. Care will be taken to reach out to populations that benefit from the inclusion of various discount programs, leveraging Metro's existing partnerships with schools, other public agencies, and CBOs. Outreach will include specifically outreaching to riders to ensure they are aware of LIFE and GoPass options for fare discounts. A study of zone footprint and operating hours will follow the fare implementation and staff will return to the Board to share any recommendations for changes.

### **ATTACHMENTS**

Attachment A - October 2020 Director Bonin Motion on Item 23

Attachment B - May 2021 Item 41 MicroTransit Operations Fare Structure and Service Zones

Attachment C - September 2023 Directors Najarian, Butts, Dutra, Hahn, and Barger Motion on Item 42

Attachment D - Metro Micro Fare Restructuring Take One

Attachment E - 2023 Metro Micro Rider Survey Results

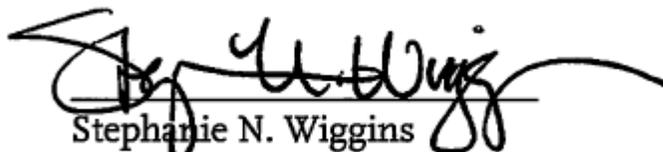
Attachment F - Public Comment Log

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