

**Regional Fare Policy:  
Process to Develop  
Recommendations**

Tom Randall, Senior Manager  
Revenue Operations



**Objectives**

- Address Transportation Committee work plan task to study fare policy
- Maximize value of Council investment in fare collection technology
- Position regional transit providers for future fare collection opportunities and challenges
- Explore equity considerations in regards to fare policy:  
Do we have the right balance?

 1 



## Participants in Fare Policy Process

- Metropolitan Council / Transportation Committee
  - Sets fare policy (state statute) and regional fares
- Regional Fare Committee
  - Provides transit provider perspective and recommends changes to fares and fare policy
- Staff Fare Policy Committee
  - Internal experts on fare policy, fare technology, opportunities and limitations
- Stakeholder Group (*New!*)
  - Diverse group representing different interests and perspectives on transit service and fare policy



2




## Stakeholders Representing...



- (2 – 3) Metropolitan Council
- (2) Metropass participants and/or employer fare distributors
- (2) Non English speakers/English language learners
- (2) Metro Mobility and Transit Link customers
- (3) U of MN, colleges, high schools
- (2) Social service organizations
- (3) City representatives
- (1) Counties Transit Improvement Board
- (2) Transit advocacy groups
- (3) Vehicle Operators from ATU
- (1) Transportation Accessibility Advisory Committee
- (1) Minneapolis Regional Chamber of Commerce



3

## Key Activities in 2012



Process Deliverables	Stakeholder Group	Regional Fare Committee	Transportation Committee, Metropolitan Council
Fare policy change process		Meeting A (June 21, 2012)	<b>Information item (June 11, 2012)</b>
Guiding principles for fare policy changes (set basis for evaluation criteria)	Meeting 1 (Jul 2012)	Meeting B, includes Meeting 1 debrief (Jul 2012)	Information item (late Jul 2012)
Policy alternatives and evaluation criteria	Meeting 2 (Aug 2012)	Meeting C, includes Meeting 2 debrief (Aug 2012)	
Evaluated policy alternatives and recommended approach	Meeting 3 (Oct 2012)	Meeting D, includes Meeting 3 debrief (Nov 2012)	<b>Council action (Dec 2012)</b>



4




## Fare Policy Guiding Principles



- Simplify fare system to reduce fare disputes and improve fare compliance
- Preserve and enhance the common regional approach to fare policy that provides seamless travel among providers and modes
- Promote ridership growth and increase customer use of Go-To Card technology that benefits providers and riders
- Mitigate negative impacts on those most reliant on transit and least able to afford fare increases
- Ensure compatibility with existing regional fare collections systems, processes and devices while supporting the need to integrate enhancements
- Maintain or increase revenue recovery rate



5




## Fare Policy Options



- Base fare level for all service types
- Transfers: availability, cost, duration, among service types
- Variable by time of day, type of route and/or distance, payment method (e.g. cash, Go-To Card)
- Special fare zones (free or reduced fares)
- Types of pre-paid fares including: period passes: daily, weekly, monthly, annual and denomination; stored rides vs. stored value
- Structure and design of pass programs developed for large target markets (e.g. Metropass, Student Pass)
- Discounts for prepaid fares at time of purchase or time of use
- Rewards based on ridership behavior and/or payment method
- Demonstration fares and fare products


6




## Evaluation Criteria

- Guiding Principles serve as a foundation or basis
- Requires revenue and ridership models that project effects of fare policies
- Major considerations
  - Revenue and ridership impacts
  - Equity, disparate impacts
  - Technical feasibility (and cost)
  - Simplicity, understandability
  - Stakeholder acceptance


7




## Next Steps

- Process
  - Convene Regional Fare Committee (**June 21**)
  - Establish Regional Fare Policy Stakeholder Group (**July**)
  
- Content
  - Review and revise guiding principles
  - Develop ideas for potential fare policy changes
  - Develop evaluation criteria
  - Prepare fare policy change alternatives

