



Washington Metropolitan Area Transit Authority

# Fare Policy Principle Review

Riders' Advisory Council

September 1, 2010



# Review of Fare Policy Principles

- Fare Policy (#2007-47): Next biennial fare adjustment tied to the Consumer Price Index will be FY2013
- Metro's Fare Policy Principles were last reviewed in January as part of the FY2011 budget preparation
  - Purpose of Fare Policy Principles is to evaluate possible future adjustments
  - The principles are being reviewed now to ensure Metro has adopted appropriate principles



# Calendar of Fare Policy Principles

- January 14, 2010 – Fare Policy Principles presented to the Board
- May – F&A Committee utilized the principles to evaluate fare changes
- July & August – Staff work-group evaluated fare policy principles for possible changes
- August & September – Staff discussion of fare policy principles with JCC and RAC
- October – F&A Committee presented a review of current principles, Board will be asked to adopt new fare policy principles



# Fare Policy Principles presented January 2010

- Charge rail fares based on distance traveled
- Charge more for premium service
  - Examples: Express bus and travel after midnight
- Maximize the use of existing capacity
  - Examples: Peak-of-the-Peak surcharge
- Facilitate movement between modes and also between Metro and jurisdictional bus and commuter rail systems
- Provide discounted fares for some riders
  - Examples: Elderly and disabled fares
- Collect revenue in a cost-effective manner
- Reduce (or slow) the growth of MetroAccess ridership



# Peer Agencies

- BART Fare Policy Goals
  - Ensure and enhance customer satisfaction
  - Increase ridership while meeting goals of the Financial Stability Policy
  - Promote seamless interagency travel
  - Maintain and improve the financial health
  - Optimize system usage and asset management
- MBTA Fare Policy Objectives
  - Increase ridership utilization and occupancy
  - Establish equitable fares
  - Enhance mobility and access
  - Maintain/increase fare revenue stream
  - Maximize fare revenue collection
  - Respect customer privacy
- New York MTA Fare Policy
  - Raise necessary revenue while maintaining ridership as much as possible
  - Minimize impacts to lower-income customers
  - Increase efficiencies of fare collection



# Possible Changes to Fare Policy Principles

## Current Fare Policy Principles

- Charge rail fares based on distance traveled
- Charge more for premium service

- Maximize the use of existing capacity

- Facilitate movement between modes and jurisdictional systems

- Collect revenue in a cost-effective manner

- Provide discounted fares for some riders
- Reduce (or slow) the growth of MetroAccess

## Possible New Fare Policy Principles

1. Fares are easily understandable
2. Charge fares relative to level of service
3. Optimize use of existing system capacity
4. Maintain adequate cost recovery while maximizing ridership
5. Facilitate movement between modes and operators throughout the region
6. Encourage use of cost-effective and efficient fare media
7. Ensure a fair and equitable impact on disadvantaged rider groups



## Next Steps

- September – Staff will review comments and suggestions of JCC and RAC
- October – Present revised Fare Policy Principles for Board approval

