

The Board at its January 28, 2014 meeting adopted the recommendation in the staff report, as follows:

It is recommended that the Board:

1. note that:

- it is feasible to convert the TTC's existing "continuous trip" transfer system to a "time-based transfer" system where transfers are valid for a set time limit after entering the system;
- There would be a net revenue loss to the TTC with a time-based transfer approach. Even though time-based transfers could be expected to attract some new customers to transit, many more customers who currently pay low fares within a short time period would no longer be required to do so;
- It is estimated that an "unrestricted use" time based-transfer that is valid for 120 minutes would result in \$20 million of lost revenue annually, and a 90 minute interval would result in \$12 million in lost revenue annually (99% of all transferring customers on the TTC do so within 90 minutes of their first boarding, and all transfers are made within 2 hours);
- With the exception of this revenue loss, all other aspects of a time-based transfer system would appear to be positive for both customers and employees.
- There are ways of restricting the use of a time-based transfer to reduce revenue losses. For example the transfer could be restricted such that customers are not allowed to use the transfer to re-board the route on which it was issued. This type of restriction would make the approach less attractive to customers and be more complex to explain and enforce than an "unrestricted" approach;
- The approach has been requested frequently by customers to aid them in making stop-over transit trips (for daycare, dry cleaning, etc.) and for short return trips (eg out and back to lunch) typically at off-peak times. A time-based transfer would undoubtedly increase the number of customer journeys. Depending upon the split between peak and off-peak journeys, this increase would both increase revenue but also require increased service. This increased service would likely require some degree of increased subsidy;
- Time-based transfers are used by most other transit properties both locally and internationally;
- All time-based transfer options create an enforcement/security issue at subway stations as transfer-issuing machines are unattended and the withdrawal of multiple transfers (particularly at unattended entrances) will be an enforcement issue. This risk can be mitigated by not accepting transfers that have been issued at that station or on connecting routes (as is done today);
- When the PRESTO Farecard system replaces the TTC other fare media, it will provide an opportunity to efficiently convert the TTC's transfer system to being time-based if desired. Until that time, implementation would require temporary arrangements that would be difficult to implement and confusing to customers and;
- Implementing a time-based transfer system will make the implementation of a transfer system easier for PRESTO and therefore save development costs and ease implementation.

2. Direct staff to:

- Further refine the business case for moving to a time-based transfer system;
- Consider the implementation of a time-based transfer system as part of the 2015 TTC operating budget options;
- End the trial of the time-based transfers on the 512 St. Clair route if the implementation of a time-based transfer across all of the TTC is not implemented as part of the 2015 TTC operating budget and;
- Define a policy for the use of time-based transfers during times of significant disruption as a result of new transit construction.