



# Overview of the 5-Year Fare Policy & 10-Year Fare Collection Outlook

May 12, 2021

# Agenda

- **Overview**
  - Problem Statement & Objectives
  - Project Timeline and Phasing
- **5-Year Fare Policy: Emerging Insights**
  - Emerging Insights
  - Current State
  - Customer Profiles and Feedback
- **10-Year Fare Collection Outlook: Emerging Insights**
  - Peer Review
  - Request for Information
- **Next Steps**



# Project Timeline



## 5- Year Fare Policy

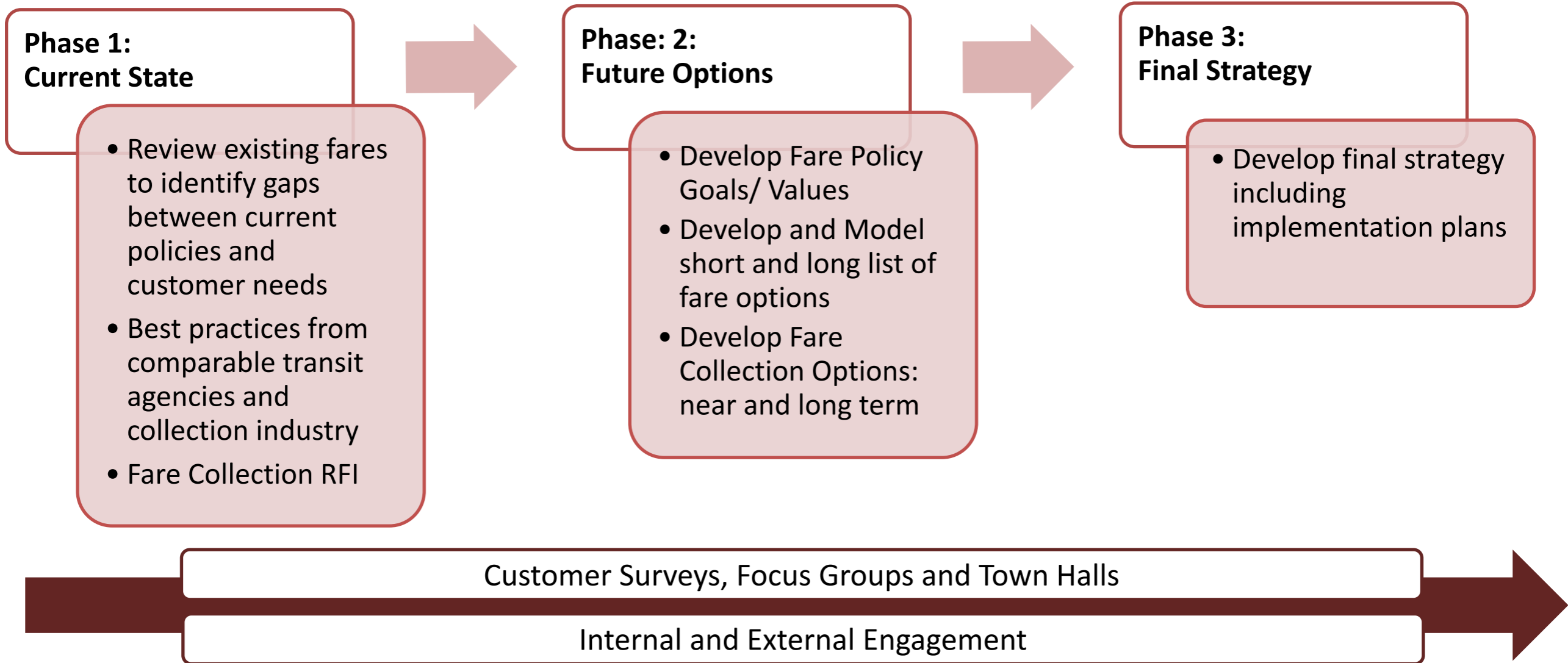
- A fare policy that considers all fare options, ranging from zero-fare to full-cost recovery
- Identify policy goals such as equity, affordability, financial sustainability and ridership reacquisition and growth

## 10-Year Collection Outlook

- A concept of operations based on customer experience, implementation plan and actions for a preferred fare collection model
- A 10-year outlook on the future modernization of fare collection



# Project Structure



# Emerging Insights

## CUSTOMER EXPERIENCE

TTC and YRT are committed to the concept of transit that is accessible to everyone and customer-centric fare policy

## FARE EQUITY

Opportunity and interest in shifting to ability-to-pay as the basis for fare equity

## COST RECOVERY

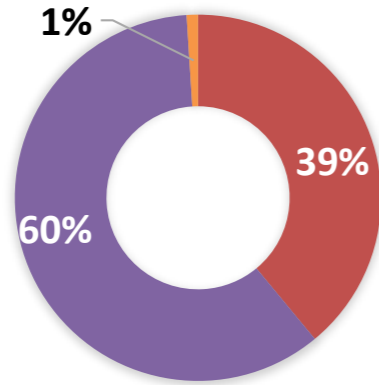
TTC and YRT rely on fare revenue to cover a large portion of our operating budgets, focusing fare reviews on cost recovery and leaving little room to achieve other strategic objectives



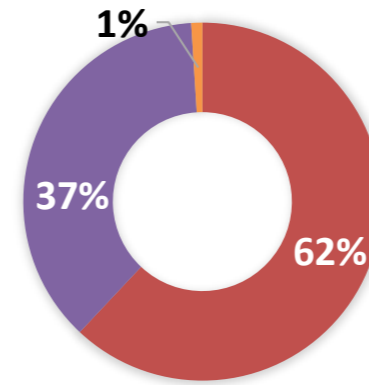
# Transit Funding Models

- Fare Box Revenue
- Government Funding
- Other  
Non-fare revenues  
Congestion charges etc.

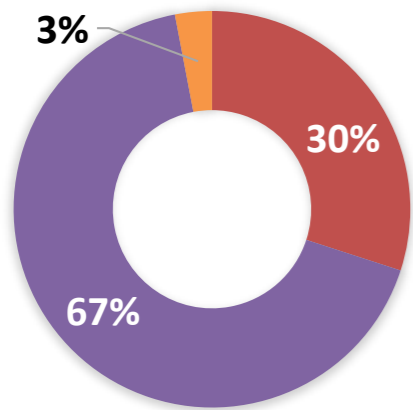
### YORK REGION



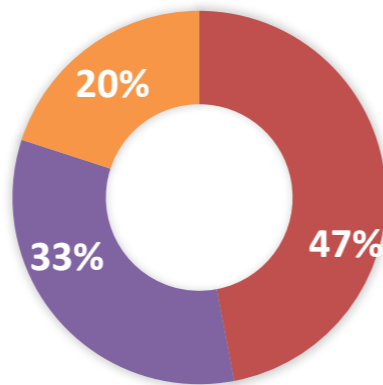
### TORONTO



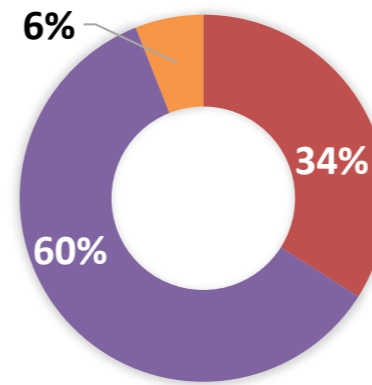
### MONTREAL



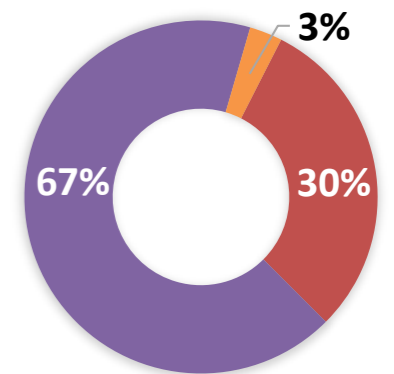
### LONDON, UK



### CHICAGO, USA



### VANCOUVER














# A goal of this work is to tailor our Fare Policy to our specific customer needs.

- This is an opportunity to understand TTC and YRT customer demographics, trip patterns and develop equitable fare policies that are customer focused
- Develop policies guided by equity and access, choice and flexibility, and affordability
- Modernize the fare collection system and fare media offerings, and improve overall customer experience
- Maximize efficiencies and provide a consistent fare experience, while optimizing TTC/YRT fare revenue










# Customer Profile Summary: TTC

Customer Profile		Primary form of transit use				Frequency
		Employment	Education	Service (Shopping, childcare, medical)	Social & recreation	
TTC	 Young Professional	✓			✓	✓ ✓
TTC	 Adult No Dependents (<18)	✓		✓		✓ ✓
TTC	 Retired			✓		✓
TTC	 Family Low Income	✓		✓	✓	✓ ✓
TTC	 Low Income / Single Parent	✓		✓	✓	✓ ✓
TTC	 Family Mid Income	✓			✓	✓ ✓
TTC	 Family High Income	✓			✓	✓ ✓
TTC	 Student High School		✓			✓ ✓
TTC	 Student Post Secondary		✓		✓	✓ ✓
TTC	 Accessibility Needs			✓	✓	✓
TTC	 Unemployed			✓	✓	✓ ✓



# Customer Profile Summary: Cross Boundary & YRT

Customer Profile		Primary form of transit use				Frequency
		Employment	Education	Service (Shopping, childcare, medical)	Social & recreation	
CB	 Employed	✓		✓		✓ ✓
CB	 Student		✓			✓ ✓
YRT	 Employed	✓		✓		✓ ✓
YRT	 Student High School		✓		✓	✓ ✓
YRT	 Student Post-Secondary	✓	✓			✓ ✓
YRT	 Retired			✓		✓
All	 Underhoused			✓	✓	

## What we heard from our customers

- The **current flat fare** is equitable and inclusive of all customers who make long trips across the city; however **distance-based** pricing would be beneficial for short trips
- The **2-hour free transfer** helps make trip chaining more affordable
- More customers should be **eligible for fare discounts** for equity reasons
- **Frequent customers** chose transit as their primary choice of travel because it was the **most cost effective on fares, travel time and service frequency**
- **Less frequent riders** thought they would take transit more if **fares were lower and service frequency increased**



# Fare Policy Goals

## CUSTOMER

### Affordability & Equity

The cost of public transit should reflect customers' ability to pay, minimizing cost as a barrier to travel wherever possible.

### Simplicity & Accessibility

The customer proposition should be easily understood by all users. Customers should be confident that they will be charged an appropriate fare for their journey. Advancements in technology should not leave customers behind.

### Integration

Travel around the Toronto and York regions should be as intuitive as possible, regardless of the operator of the services that customers decide to use.

### Mode of Choice

Public transit is a key part of a livable city and should be the favoured mode for a variety of journeys. Encourage existing customer loyalty and new markets to use public transportation.

## COMMUNITY

### Maximizing Benefits

Fares should stimulate growth in demand where and when there is sufficient capacity to accommodate it and enable greater access to destinations.

### Collaboration & Transparency

The process of establishing fares will be conducted publicly to ensure agency accountability and enhance public trust. Rationale for policy should be clear to customers. Data will be publicly owned and used for planning, monitoring and reporting.

## FINANCIAL

### Financial Sustainability

The Fare Policy and all aspects of its implementation should ensure fiscal sustainability and improve resiliency so that customers and the public may maximize the service benefits they receive.



# Roadmap and next steps

## Customer Engagement

May 12- June 2	Online Customer Survey
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May 19	Virtual Town Hall
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## Board Reporting

TBC	RFI: Vendor Demonstrations
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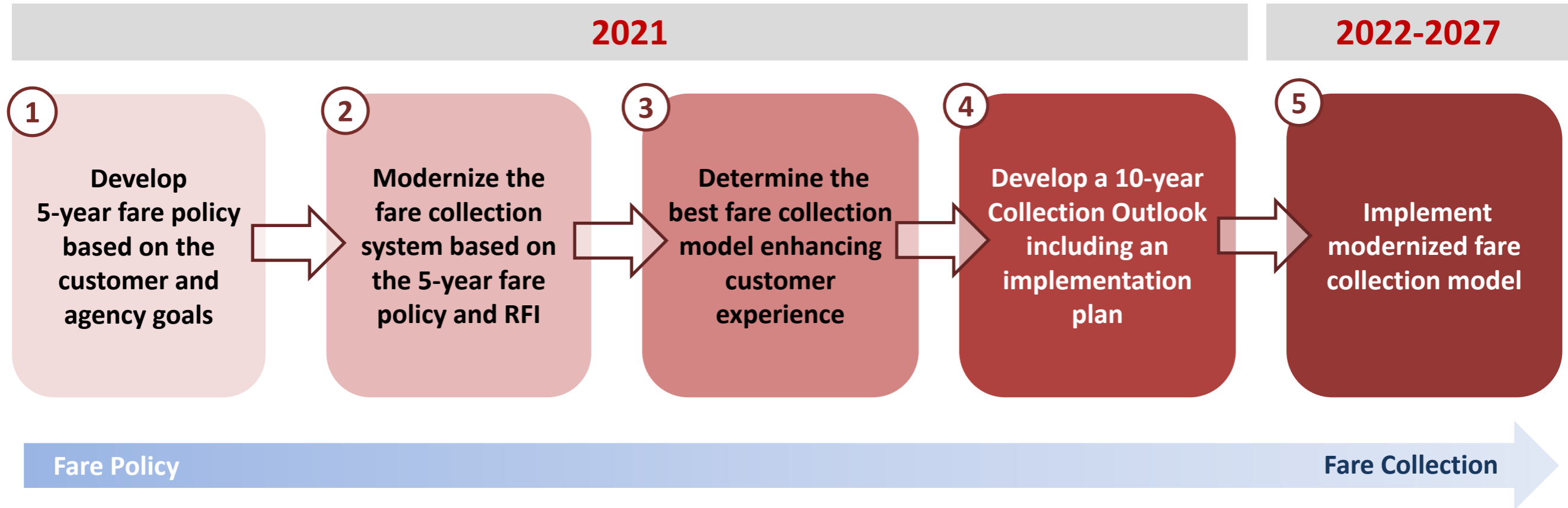
July 7	Phase 2 Report: Draft Future Direction <ul style="list-style-type: none"><li>• Potential fare structures</li><li>• Viable fare collection options and impacts</li></ul>
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Sept 15	Phase 2 Report: Final Future Direction <ul style="list-style-type: none"><li>• Refinement of future direction base on Board feedback</li></ul>
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Nov 17	Final Report
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# 10- Year Collection Outlook



# Peer agency trends

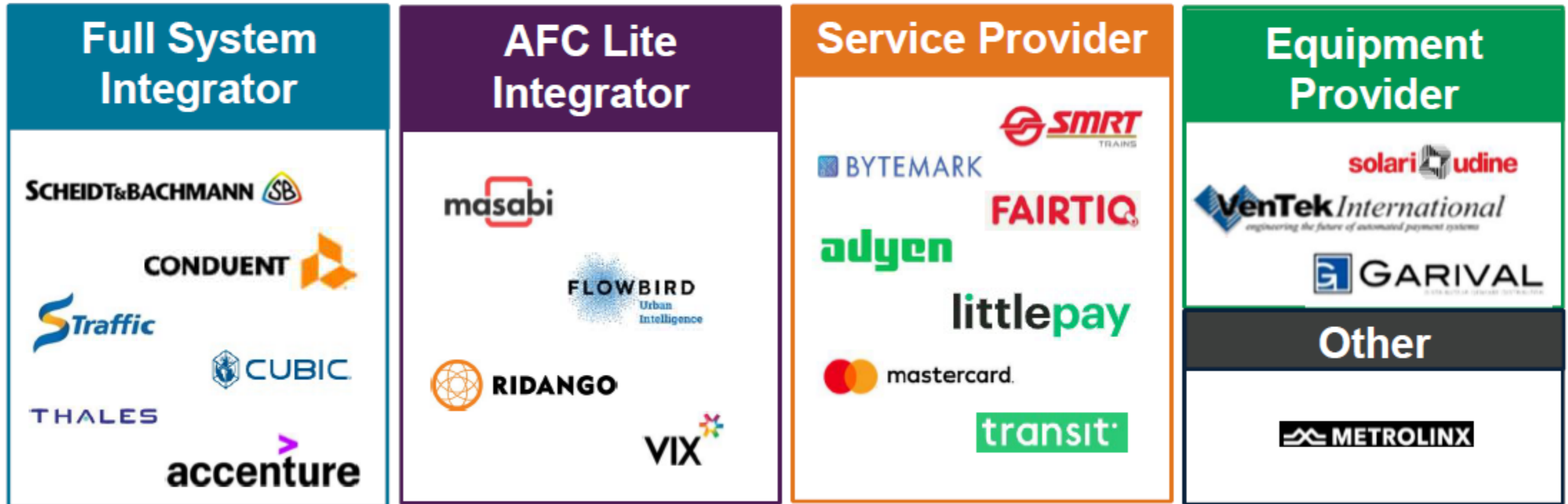
		CTA	TRANSLINK	MBTA	WMATA	LA METRO	TRIMET
PRODUCT TYPES	STORED VALUE	✓	✓	✓	✓	✓	✓
	ROLLING PASSES	✓			✓	✓	
	PERIOD PASSES	✓	✓	✓	✓		✓
	FARE CAPPING						✓
FARE MEDIA	PHYSICAL CARD	✓	✓	✓	✓	✓	✓
	MOBILE NFC CARDS	✓	✓		✓	✓	✓
	CONTACTLESS EMV CARDS		✓				✓
AFC FEATURES	ACCOUNT-BASED	✓		🕒			✓
	OPEN ARCHITECTURE	🕒	✓	🕒	✓	✓	✓
	MOBILE APP	✓	✓	🕒	✓	✓	✓
	RETAIL PARTNERSHIPS					✓	✓
	3RD PARTY INTEGRATIONS	🕒	✓	🕒		✓	🕒

✓ Implemented

🕒 Planned (Contract/Development underway)



# Fare Collection RFI Respondents



# 10-Year Collection Outlook

## RFI Respondents Features and Functions

Key	
✓	Yes
-	Limited

	Accenture	Conduent	Cubic	S&B	STraffic	Thales	Flowbird	masabi	Ridango	Vix	Adyen	Bytemark	Fairtiq	LittlePay	mastercard	SMRT	Transit	Genfare	Solari	VenTek
ABT/AFC Backend	-	✓	✓	✓	✓	✓	✓	-	-	✓		-	-					-		
Open Architecture	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓			-	-	✓
Open Payments	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-		✓	✓			-		
Inspection Solution	-	-	✓	✓	✓	✓	✓	-		✓		-		✓				-	-	
Fare Equipment	-	✓	✓	✓	✓	✓	✓	-	-	-								-		-
Customer Mobile App	-	-	✓	-	✓	✓	-	✓	✓	-		✓	✓	✓			✓	-	-	
Full Service O&M	-	✓	✓	✓	✓	✓	-	-	-	✓		-				✓		-	-	
	Full System Integrators					AFC Lite Integrators					Service Providers					Equipment Providers				





# 10-Year Collection Outlook

Recommendations from peer interviews and RFI responses



Establish regional agreements and a governance structure before soliciting a fare collection system



Let policy lead technology by defining and simplifying fare policy before selecting the technology solution



Establish a diverse cross-section of stakeholders to develop strong requirements



Consider a phased implementation when transitioning to a new fare collection solution

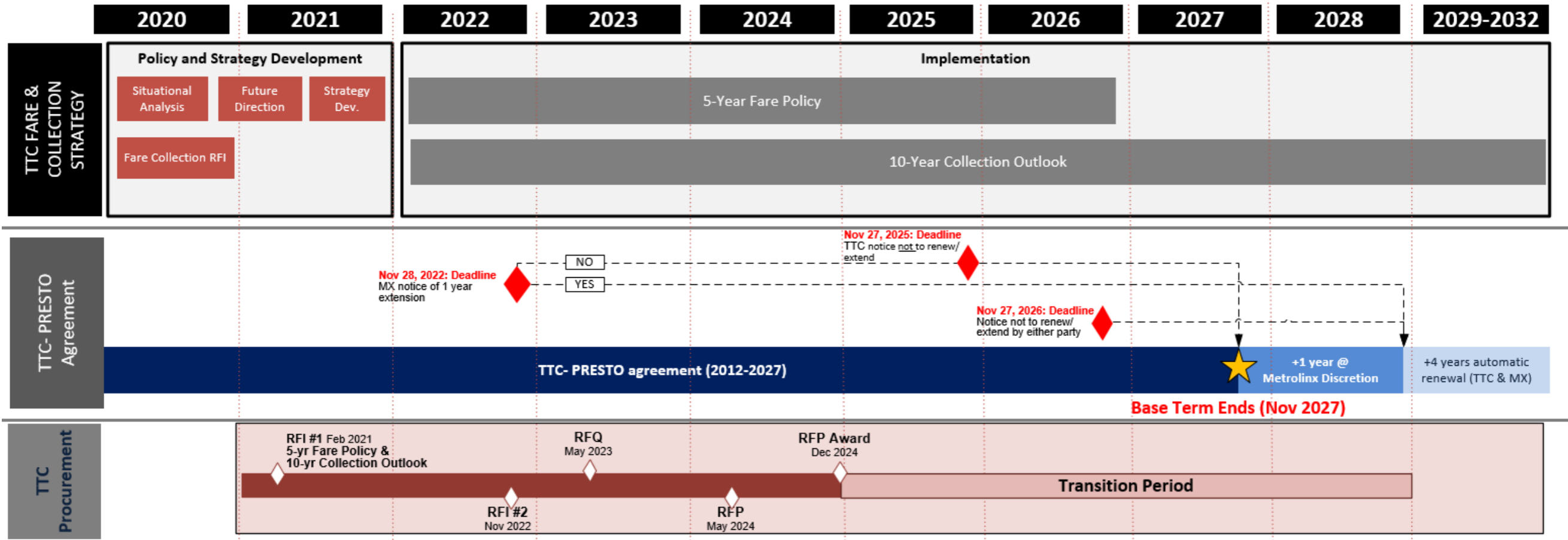


Deploy an open architecture solution to enable integration of best-in-class vendors and future innovations



Implement a customer focused solution that enables self-service and modern conveniences

# TTC Fare Collection – Critical Path



## **It is recommended that the TTC Board:**

1. Endorse the proposed fare policy goals and objectives in Table 1 of this report to inform the development of fare options to be presented to the Board in July 2021;
2. Receive the results of the RFI and peer agency reviews in Attachments 1 and 2 of this report to inform the development of viable fare collection models to be presented to the Board in July 2021 and;
3. Proceed with demonstrations from RFI respondents beginning with System Integrator vendors, to present their solutions to the TTC prior to the July board meeting.



