Transit Fare Integration: Lessons for Toronto from Around the World

IMFG Graduate Fellow Presentation

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Presentation Outline

• Transit in Toronto
• Defining Transit Fare Integration
• Objectives
• Case Studies
• Lessons Learned
• Key Challenges
• Concluding Remarks
Taking Transit in the GTHA
What is transit fare integration?

Transferability
Fare Structure
Transit Modes
Payment Methods
What is transit fare integration?

Transferability

Passengers’ ability to transfer between different transit routes and/or methods:

- Time-based
- Distance-based
- Unlimited
- Discounted Fares
What is transit fare integration?

Variation in price according to consumer travel patterns:

- Zones
- Time-based
- Distance-based
- Peak Pricing

At what price does marginal cost = marginal revenue?
What is transit fare integration?

Ability to access available modes of transit:

- Buses
- Subways
- Light rapid-transit
- Cable cars?!
What is transit fare integration?

How customers are able to pay for their transit use:

- Cash
- Tokens or tickets
- Smart Cards
- “Tap and pay”
Why transit fare integration?

- Increased ridership
- Reduced barriers to transit
- Enhanced customer experience
- Consistency across regions
- “Fair” fares: value of trips
- Fiscal sustainability
How successful is transit fare integration?

- E.g. Haifa, Israel
- Introduced new integrated fare policy, 2008
- Aim: to prevent declining ridership rates
- Fare-box data, surveys and modelling
- 25% increase in single-ticket sales within 1 year
- Overall increase of 7.7% in annual ridership
Case Study: London, UK

**Population:** 8.67 million  
**Annual Ridership:** 3.96 billion  
**Transit Agency:** TfL  
**Transferability:** no transfers, but capped fares to limit daily costs  
**Fare Structure:** zone-based (6 zones) and flat fares for buses/trams  
**Transit Methods:** bus, underground, over ground, trams, riverboats, cable car  
**Payment:** Oyster card or Tap and Pay
Case Study: Barcelona, ES

Population: 5.52 million
Annual Ridership: 625 million
Transit Agency: ATM
Transferability: can transfer to 3 additional rides within zones for free, if within 75 minutes+
Fare Structure: both zone system (6 zones) & time-based services
Transit Methods: buses, metro, funiculars, trams
Payment: No smart card – tickets based on customer needs

2015*
Case Study: San Francisco, US

Population: 852,000
Annual Ridership: 225 million
Transit Agency: SFMTA
Transferability: unlimited transfers for 90 minutes, excluding cable car
Fare Structure: no variation based on distance or zone, only time-based
Transit Methods: buses, light-rail, streetcar & cable car
Payment: Clipper card with additional ticket options on all transit methods

2015*
Case Study: Chicago, US

**Population:** 5.25 million

**Annual Ridership:** 516 million

**Transferability:** can transfer, but must pay additional 25 cents

**Transit Agency:** CTA

**Fare Structure:** none, but difference in fares for buses and subways

**Transit Methods:** buses & subways

**Payment:** Ventra card on all transit methods 2015*
<table>
<thead>
<tr>
<th>Objectives of Fare Integration</th>
<th>London</th>
<th>Barcelona</th>
<th>San Francisco</th>
<th>Chicago</th>
<th>Toronto</th>
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<tr>
<td></td>
<td>Speed boarding times &amp; reduce congestion</td>
<td>Maximize fare-based revenues</td>
<td>Create a “truly seamless network”</td>
<td>Prevent declining ridership</td>
<td>Address the Toronto/905 double fares</td>
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<tr>
<td>Transferability</td>
<td>Low</td>
<td>Medium</td>
<td>High</td>
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<td>Fare Structure</td>
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<td>Transit Modes</td>
<td>High</td>
<td>Medium</td>
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<tr>
<td>Overall Level of Fare Integration</td>
<td>High</td>
<td>Medium-High</td>
<td>Medium</td>
<td>Medium-Low</td>
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</tbody>
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Legend:
- Green: High
- Orange: Low
- Yellow: Medium
- Medium-Low: Medium
- Medium-High: Medium
- Blue: High

Transit Modes:
- High
- Medium
- Low

Payment Methods:
- High
- Low
- Medium

Fare Structure:
- High
- Medium
- Low

Transferability:
- Low
- Medium
- High
- Low

Objectives of Fare Integration:
- Speed boarding times & reduce congestion
- Maximize fare-based revenues
- Create a “truly seamless network”
- Prevent declining ridership
- Address the Toronto/905 double fares

Overall Level of Fare Integration:
- High
- Medium-High
- Medium
- Medium-Low
- Low
Lessons Learned

- Outcomes-focused approach: measurable goals are important
- Clearly defined geographies
- Strong leadership and governance
- Leverage existing technology
- Communications and marketing
Toronto’s Challenges to Fare Integration: Governance

- 10 transit operators within the GTHA
- Division of roles/responsibilities
- Defined objectives among stakeholders
- How can fare integration be implemented without other components of transit integration?
Toronto’s Challenges to Fare Integration: Finance

Even if governance is struggling, this can perhaps be overcome if the funding is there

However:

• Who is the fare policy impacting?
• Which operator is subsidizing cross-boundary travel?
• Need to consider ridership and revenue impacts
Toronto’s Challenges to Fare Integration: Technology

Presto provides opportunity to implement a new fare policy, however:

• Can it keep up with the latest trends?
• Is Presto the best tool for fare integration?

Additionally, how will the City be using data collected?
Key Takeaways

- Transit fare integration is challenging, particularly in a geographic area with multiple transit agencies/operators.

- While transit fare integration tends to have 4 main components, integration does not have to involve all of them. Incremental or custom policies like peak-pricing may also be an option.

- Fare integration can positively impact ridership, enhance the customer’s experience and have additional spillover effects such as reduced congestion and positive environmental impacts.
Thank you! Questions?

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