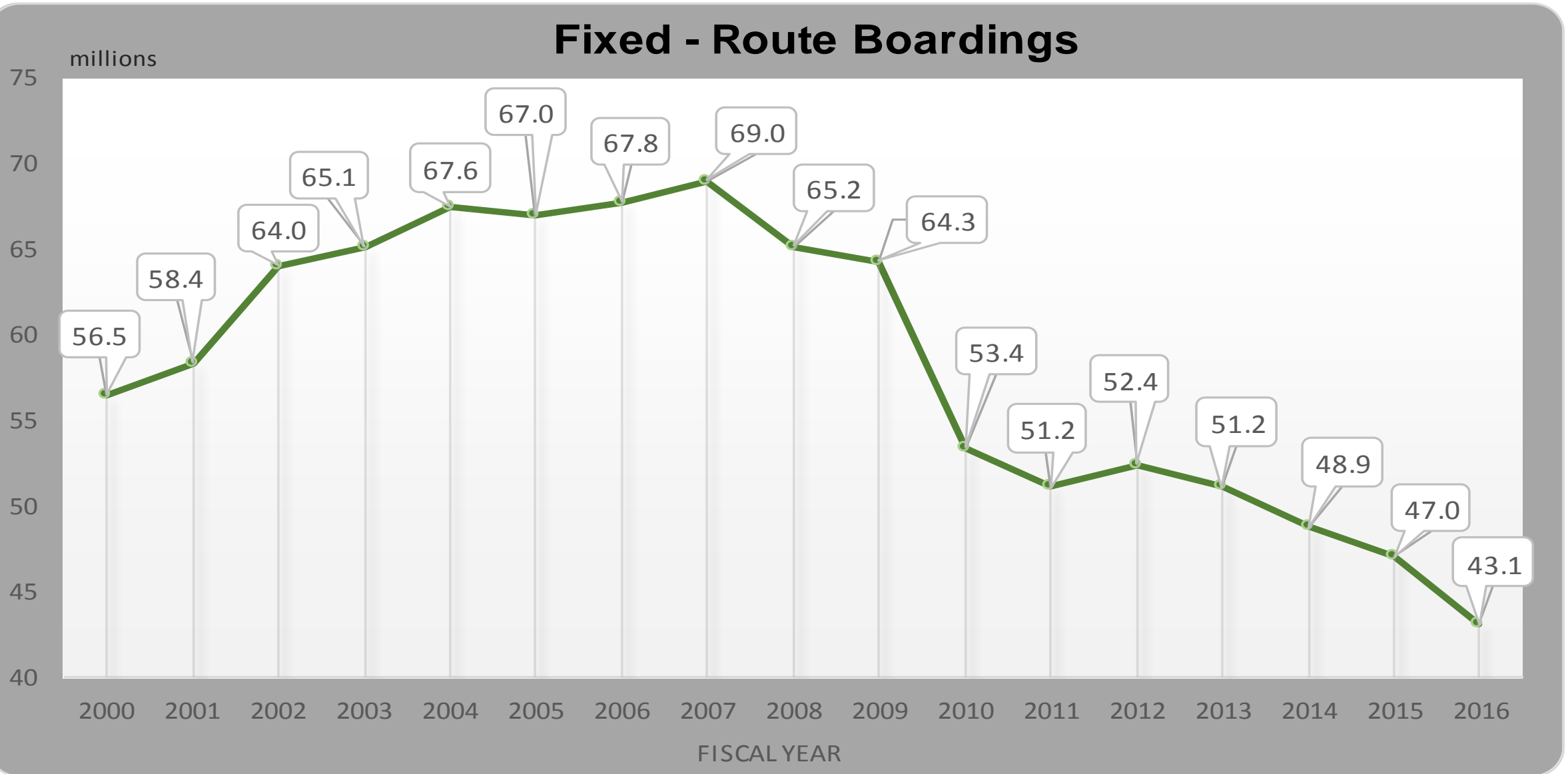


OCTA Fare Study

June 2016

Ridership Decreasing



OC Bus 360°

- Improve bus travel times and frequency
- Expand access to route and real-time information
- Introduce mobile ticketing
- Increase awareness
- Evaluate fares

Fare Study Scope

- Review Current Fare Structure & Goals
- Compare with Regional & National Peers
- Present Fare Alternatives
- Evaluate Alternatives against Criteria
- Develop Recommendations

Assessment of Goals & Current Structure

Fare Policy Goals

- Increase Ridership
- Improve Customer Experience
- Minimize Fare Revenue Impact
- Encourage Fare Simplicity
- Enhance Equity

Fare Structure Strengths

- Simple Fare Structure
- Fare Policy and Technology Opportunities

Fare Structure Weaknesses

- Dual Ridership Demographic
- ACCESS Flat Fare Pricing
- Express Fare Structure
- Reduced Fare Enforcement
- Inter-Agency Transfer Enforcement

Evaluation of Alternatives

Conceptual Option	Impact on Ridership		Impact on Fare Revenue		Considerations	Recommendation Status
	Change, #	Change, %	Change, \$	Change, %		
Short Term Options (1 to 2 years)						
A1. Reduce Cash Fare from \$2.00 to \$1.50 (Fixed Rt.)	1,361,700	2.9%	(\$1,581,900)	-3.2%	Impacts all fares	Not Recommend
A1. Reduce Cash Fare from \$2.00 to \$1.50 (ACCESS)	148,100	9.0%	(\$1,070,100)	-18.3%	ACCESS cost high	Not Recommend
A2. Reduce Day Pass from \$5.00 to \$4.00	1,198,500	2.5%	(\$2,202,300)	-4.4%	Minimal operation	Recommended
A3. Discounted Youth Cash Fare at \$1.25 and Youth Day Pass at \$3.00	1,062,100	2.3%	(\$1,291,500)	-2.6%	New enforcement	Not Recommend
A4. Recategorize Express Services	-30,000	0.1%	\$149,500	0.3%	Streamline service	Recommended
A5. Eliminate 5-Rides Pass and 7-Day Pass	-4,900	0.0%	\$30,900	0.1%	Low usage	Recommended
A6. Offer Discounted Rides to Veterans	260,800	0.6%	(\$252,900)	-0.5%	Low cost	Recommended
A7. Implement ACCESS Zone Fares	-9,000	-0.5%	\$111,800	2.1%	Increase equity	Recommended
A9. Enforce Reduced Fare Eligibility Requirements	-567,400	-1.2%	\$632,700	1.3%	Mitigate misuse	Evaluate Further
A10. Scale Back Free Fare Promotions	-163,300	-0.3%	\$74,200	0.1%	Promotional items	Evaluate Further
A11. Streamline Inter Agency Agreements	-250,700	-0.5%	\$265,800	0.5%	Partner agreements	Evaluate Further
Medium Term Options (2 to 5 years)						
B1. Convert Cash Fare to a Two-Hour Pass	1,627,500	3.5%	(\$2,561,800)	-5.1%	Operational issues	Not Recommend
B2. Eliminate 30-Day C-Pass	-800	0.0%	\$1,300	0.0%	Test new product	Not Recommend
B3. Develop Urban/Suburban Fare Structure (Fixed Rt.)	1,333,400	2.8%	(\$1,226,000)	-2.5%	ACCESS cost high	Not Recommend
B3. Develop Urban/Suburban Fare Structure (ACCESS)	53,200	3.2%	(\$364,600)	-6.2%	ACCESS cost high	Not Recommend
Long Term Options (5 to 10 years)						
C1. Implement Distance-Based Fares (Fixed Route)	1,655,300	3.5%	\$1,976,300	4.0%	Tap-off validation	Not Recommend
C1. Implement Distance-Based Fares (ACCESS)	218,700	13.2%	(\$1,213,700)	-20.7%	ACCESS cost high	Not Recommend

Fare Study Recommendations

- Reduce Day Pass from \$5 to \$4
 - Projected to increase ridership by 1.2M, and decrease revenues by \$2.2M
 - Could provide short term ridership impact with minimal operating risks
 - Potentially take advantage of LCTOP subsidy to offset revenue decrease
 - Day pass boardings represent 36% of total fixed-route boardings
- Recategorize Express Services
 - Categorize all inter-country routes (700) as Express
 - Categorize all intra-county routes (200) as OC Express
 - More intuitive and consistent descriptions of Express routes
 - Align fares with trip distance

Fare Study Recommendations

- Eliminate 5 Ride Pass and 7 Day Pass
 - Rarely used passes account for less than 1% of pass usage
 - Contributes to simplicity goal and reducing operational costs
 - Riders could migrate to day pass or monthly pass
- Offer discounted rides to Veterans
 - Pricing to be consistent with Senior/Disabled discounts
 - Can be validated with existing ID cards (VA ID, military ID, DMV Veteran's ID)
- Implement ACCESS Zone Fares
 - Makes fares more equitable and reduces cost/service disparity
 - Consistent with other Southern California ACCESS fare structures
 - Helps mitigate disproportionately high ACCESS operating costs

Fare Study Recommendations

- Incentivize Mobile Ticketing
 - Provide incentives for initial and consistent use of mobile ticketing
 - Reduces use of higher fare collection costs like farebox
 - Enables more innovative fare policies in the future (stored value, fare capping, location based, distance based, promotions, etc.)
- Enforce Consistent Pricing Rules
 - Standardize fare table by standardizing pricing multiples and discounts
 - The base fare will directly determine pass multiples and discounts.
 - For Example:
 - Local 30 Day: Currently 34.5X, Propose 32X
 - Express 30 Day: Currently 31.25X, Propose 30X
 - Youth 30 Day: Currently 0.57X, Propose 0.5X

Evaluate Further

- Enforce Reduced Fare Eligibility Requirements
 - Require proof of eligibility at point of sale
 - Reduced fare sales disproportionately large, and growing
 - Onboard cash reduced fares remain as-is
 - Proof of eligibility has precedence at most peer agencies
- Scale Back Free Fare Promotions
 - Attempt to limit free fares and promotions
 - Maintain for important events or demographics
- Streamline Interagency Agreements
 - Focus on transfer agreements that are difficult to enforce or verify
 - Requires advanced discussions and negotiations

Next Steps

- Incorporate feedback from Citizens Advisory Committee
- Incorporate feedback from OCTA coach operators
- Finalize recommendations
- Present recommendations to the F&A Committee and to the Board in August