Board Briefing

eFare Ordinance

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Agenda

1. How the System Works/Features
2. Proposed Fare Ordinance Changes
3. Title VI Analysis & Process
4. Community Feedback
5. Recommended Mitigations
How the System Works/Features

EFARE
Why do eFare?

- Simple to understand and easy to use for customers and operators
- Regional, seamless transfers
- Increase pricing equity
- Reduce paper fare leakage
- Easy to maintain equipment
- Reduce cash collection costs
How the System Works

Simple and easy for customers and operators
Many New Ways to Pay

- Telephone
- 500+ retail stores
- Website
- Automated phone
- Smart phone app
- TriMet Ticket Office
- Card lasts 10 years

- New Smart Phone app – reload anytime, anywhere
- Links to Hop card
- Future Innovation: Tap phone instead of card

- Simple: tap and ride
- Adult fares: 2 ½ Hour and 1 Day Pass
- Ideal for visitors or occasional riders
- Visa, MasterCard, American Express and Discover
Features For Riders

1. **One regional fare system** – TriMet, C-TRAN and Portland Streetcar
2. **Faster boarding** for customers and operators
3. **Best fare, Stored value**: 1-Day & 1-Month caps, unused $ rolls over to next month
4. **Anytime, anywhere** -- Manage account via telephone, smart phone or website
5. **Reload at retail stores**, by telephone, automated phone system, or the TTO
6. **Highly reliable equipment**
7. **Auto-load**: Hassle-free
8. **Lost card protection** for those that register card
9. **500 integrated retail stores** reloading at any register in the store
10. **Streamlines distribution and program management** -- website for employers, agencies and schools
Agency Benefits

✓ Simplify fares for operators with a simple green light, red light
✓ Faster boarding for customers and operators
✓ Reduce cash in the system
✓ Highly reliable equipment with no moving parts to maintain
✓ Improved service planning with better ridership data
✓ Future products and services are easier to offer
Proposed Fare Ordinance

EFARE
Proposed Fare Ordinance Changes

- **Stored Value & Fare Capping**, with 2½ Hour Tickets, 1-Day Passes, 1-Month Passes
  - Prices do not change from current levels
  - Adult: $2.50; $5.00; $100
  - Honored Citizen and Youth: $1.25; $2.50; $28

- **Card Fee** - $3; Minimum Load - $5

- **Other Financial Instruments** (contactless bankcards, Apple Pay, Android Pay)
  - Can be used to purchase Adult 2½ Hour Tickets and 1-Day Passes

- **LIFT fares**
  - $2.50 single tickets and $74 1-Month Passes

- **eFare contactless media** for other fare programs (e.g. stickers for employers)

- **Fare Enforcement Provisions** – inspect new fares with smart phone
Potential eFare Adoption Over Time

- **eFare Ordinance #1 (No. 342):** Initiates eFare implementation
- **eFare Ordinance #2:** Achieving upper end of range would require eliminating paper products (i.e. at retail stores)
- **eFare Ordinance #3:** With cash being significantly reduced in the system, consider phasing out cash transfers on bus

- Estimated Market Share -- % of system rides
- Lower Range
- Upper Range

- eFare Launch
- 12 Mos
- 24 Mos
- 36 Mos
- 48 Mos
- 5 Years

Estimate assumes roughly 5% growth from Years 2-5

Convert TVMs; remove 7-Day and 14-Day Passes
Title VI Analysis & Process

EFARE AND EQUITY
“No person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal Financial assistance.”

--42 U.S.C. Section 2000d
• TriMet must submit a Title VI Program to FTA every 3 years

• Equity analyses required to evaluate planned “major” service changes & all fare changes

• TriMet’s 2013 Title VI Program outlined equity analysis policies:
  ➢ Major Service Change
  ➢ Disparate Impact (minority populations)
  ➢ Disproportionate Burden (low-income populations)
Overview of TriMet Equity Analysis

Change?
- Fare Change
  - Major Service Change?
    - Yes
      - Disparate impact? (minority)
        - Yes
          - Change course or address it
        - No
          - Disproportionate burden? (low income)
          - Yes
            - Change course or address it
          - No
            - No further action required
    - No
      - No action required

Evaluate Possible Impacts
- Disparate impact? (minority)
- Disproportionate burden? (low income)
  - Yes
    - Change course or address it
  - No
    - No further action required

Evaluate Alternatives
All Fare Changes are Evaluated
E-Fare Title VI Process

✓ Peer Review of transit systems that have conducted similar fare equity analyses

✓ Based on peer reviews and TriMet policies developed methodology to conduct the equity analysis

✓ Preliminary Equity Analysis Report (Jan. 2015)

✓ Title VI Minority & Low-Income Community Engagement
  ☐ Transit Equity Advisory Committee (TEAC)
  ☐ Community Based Organizations (CBOs)

✓ Equity Analysis Report (Jan. 2016)
Title VI Community Engagement

- Worked with 6 Community Based Organizations to host 7 meetings in Nov/Dec 2015
- Educated CBOs and participants on eFare
- 140 constituents and staff participated

- APANO
- Black Parent Initiative
- Center for Intercultural Organizing
- Gladstone H.S.
- Latino Network
- NAYA
Title VI Analysis Findings

These findings are based on the data that was analyzed.

No Disparate Impact/Disproportionate Burden Found:

- Elimination of mail-order purchasing of fare media
- Increase to 500+ retail outlets
- New fare caps available with e-fare
- Elimination of 7-Day Pass
- Elimination of 14-Day Pass
- $3 card cost, with cash transfers maintained

Potential Disparate Impact/Disproportionate Burden:

- Automatic reload option using credit/debit card
- Accepting contactless bank cards
- $5 minimum load requirement
Transit Equity Advisory Committee Input

TEAC is supportive of eFare and made the following suggestions to ensure successful and equitable implementation:

- **Security of personal information**
  - Engage mental health care providers in particular

- **Addressing language and registration barriers**

- **Incentivize migration to eFare**
  - $3 card plus $5 minimum: “package” idea
  - Affordability for low income families
  - One ride negative balance

- **Employers as a means to increase access**

- **Program evaluation involving TEAC for long-term phase out of paper**
Community Feedback/Mitigations

EFARE
Early Mitigations

Feedback led to early mitigations in the project

✓ Fare capping and lost card protection fundamental to system design

✓ Reduced proposed card fee from $3.50 to $3.00

✓ Retaining paper transfers and 1-Day passes for purchase by cash onboard bus and at TVMs

✓ Expand retail network from 125 stores to 500 stores

✓ E-card registration not required; register anonymously via telephone without internet/email

✓ Cash fares same price as eFare
Community Feedback/Mitigations

Focal points of community feedback:
- Minimum Reload
- Card Fee, Family Card
- Registration
- Eliminating Paper Tickets and Passes
- Fare Enforcement
- Reloading at TVMs
- Retail Deserts
Minimum Reload

Minimal community concerns based on robust retail network

Today: At retailers, $25 minimum purchase for Adults and $12.50 for Youth and Honored Citizens

With eFare: $5 minimum load (same as current mobile app)

Pay-as-you-go: Customers can continue to pay cash one ticket at a time on bus or at rail stations, the same as they do now.

✓ Losing just one Day Pass today, over the course of 10 years, costs $5
  eFare offers balance protection with the one time card fee of $3

✓ Minimum load ensures we expand retail network four-fold
Card Fee; Family Fare

We heard concerns about the card fee from families

✓ $3 card fee – card lasts up to 10 years; ensures customers don’t throw cards away

✓ Important to balance a low card fee, while covering costs

✓ Pay-as-you-go families with two children pay cash for each family member now; nothing will change with eFare; there is no family fare today.

✓ Mitigate card fee/family card by targeting low income and minority populations and issue free cards initially.

✓ Low income family of four that buys fares at a retail store today spends at least $37.50 at retailers today; with eFare, it will be $32. If customer obtains free cards, only $20 to reload four cards
Registration

Preliminary concerns about internet access, language barriers, personal information protection

✓ Customers who want lost card protection can provide pseudo names with a security PIN
✓ Customers who don’t have access to the internet/email can register by calling the Hop call center or using agency transit stores.
✓ All Personally Identifiable Information (PII) is securely stored and encrypted
✓ No registration required at retail stores for Adult, Youth and Honored Citizens
Eliminating Paper Retail Tickets and Passes

We didn’t hear concerns from the community.

- Our goal is a 75% adoption within the first five years.
  - Seattle is near 70% after 5+ years

Focus Group: “I think it’s a great idea. For people who don’t have yearly passes, it’s an easier way to keep track of your spending, load money, and have more control over using TriMet, plus I like that it’s not a flimsy piece of paper.”
Fare Enforcement

Fare enforcement will follow the same approach as today

✓ Fare Inspectors will continue to randomly inspect fares on bus and rail

✓ Like the mobile app inspections today, smart phones will be used

✓ Customers can choose to stay anonymous
Reloading at TVMs

Very few concerns from the community, yet desirable option

Business case:
- $3M up front cost
- $20M TVM annual revenue = $4M annual costs
- $20M Retail annual revenue = $1M annual costs
- Many new channels available with eFare

Source: TriMet Fare Survey, results for weekday trips
Low-income = .150% of FPL
Retail Deserts

Very few concerns that eFare retail locations are insufficient

Ability to add retailers and will target areas lacking coverage

✓ Current Retail Network Map
  • Depicts our current retail sales locations and the associated retail ‘deserts’

✓ Future potential Retail ‘Deserts’-- Low-income and Minority Neighborhoods
  • Depicts the areas within the region that have coverage gaps for low-income and minority neighborhoods, whereby the closest retail store to a stop is over 1 mile
Future Retail Map

Title VI eFare Retail Deserts
Displaying the Largest Gaps Between TriMet/C-TRAN Stops and eFare Vendors in disproportionately minority/low-income areas

Title VI Status:
- Low-Income
- Minority
- Minority & Low-Income

Map Features:
- Transit Stop
- > 1 Mile from eFare Vendor
- Ready Credit Vendor
- TriMet District

For further details on sources of minority and low-income data.
Summary of Feedback

1. $3 card fee seen as barrier for families

2. Some community concerns about $5 reload min.; Minimal concerns about reloading at TVMs (yet desirable), and no concerns with eliminating paper tickets and passes

3. Key support: Fare capping, stored value (roll over), retail network, lost card protection, free cards initially, anonymous registration, cash transfers
“I really like this. I like it especially for the low-income people because they can’t sometimes afford a monthly pass or two week pass, and this has a cap on it...when they come up to the amount that would be a monthly pass, they don’t have to pay any more. I think that’s wonderful.”
Early Mitigations

✓ Fare capping and lost card protection fundamental to system design

✓ Reduced proposed card fee from $3.50 to $3.00

✓ Retaining paper transfers and 1-Day passes for purchase by cash onboard bus and at TVMs

✓ Expand retail network from 125 stores to 500 stores

✓ E-card registration not required; register anonymously via by telephone without internet/email

✓ Cash fares same price as eFare
**Recommended Mitigations**

**Recommending:**
- ✓ 200,000 free cards initially
  - ▪ 115,000 for general public
  - ▪ 85,000 for social service agencies, schools, employers
- ✓ Free cards via Access Transit program/funding
- ✓ Maintain cash transfers
- ✓ No minimum purchase at TriMet Ticket Office
- ✓ Expanded retail network targeting remaining ‘retail deserts’

**Not Recommending:**
- ✓ Reload cards at TVMs
- ✓ $2.50 min. load at retailers
- ✓ Reduced card fee/family card

We can reassess these post-launch. Staff carefully considered business case