

2011

Sound Transit

Fare Revenue Report

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OVERVIEW

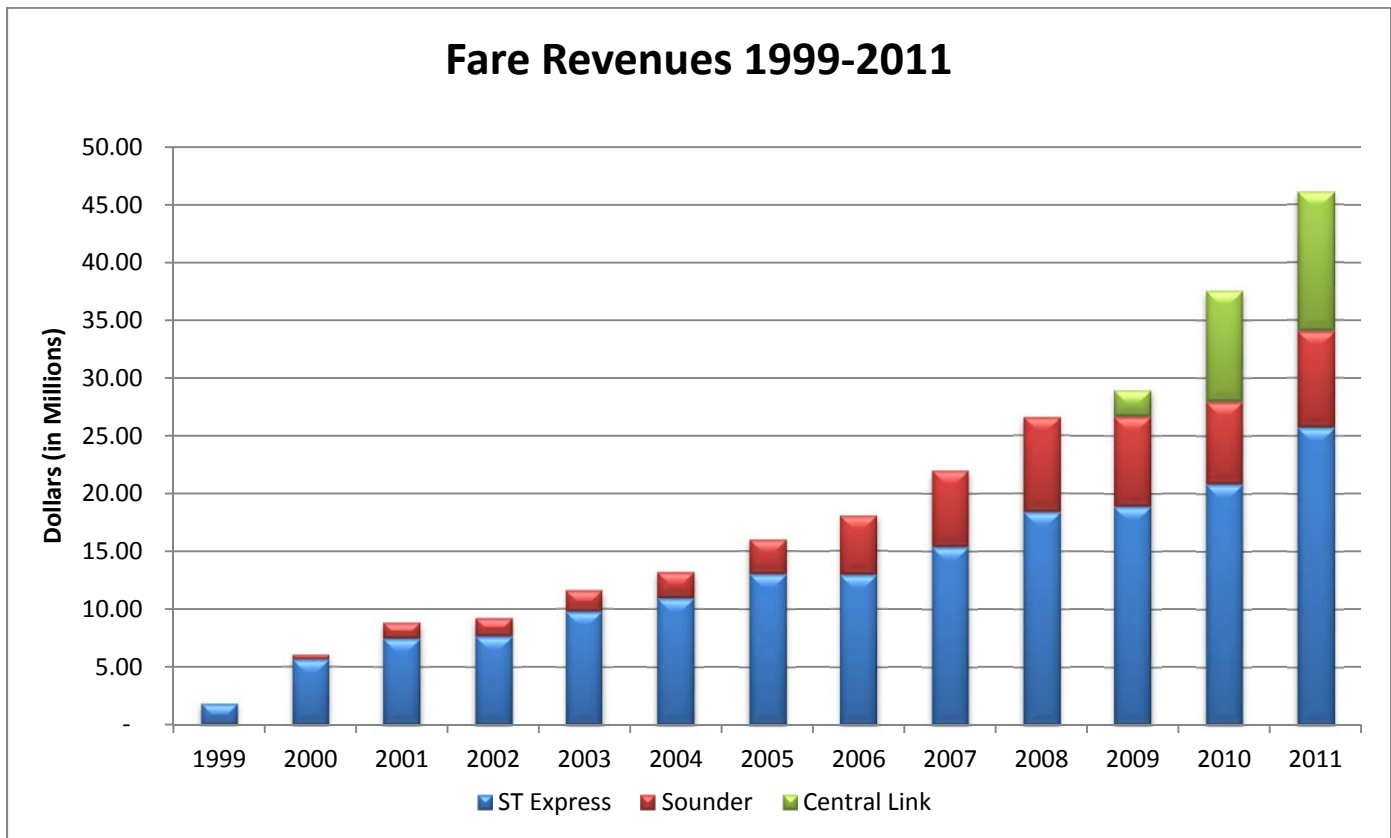
Starting in 2011, Sound Transit began on an annual basis reporting a breakdown of its fare revenues to inform management and the Sound Transit Board of the details of its sources of operating revenue from customers in the prior year. This is also an opportunity to project potential future need to consider adjustments in fares to maintain farebox recovery policies.

This report follows the structure of Sound Transit's Fare Policy, adopted by the Board in Resolution 2010-10.

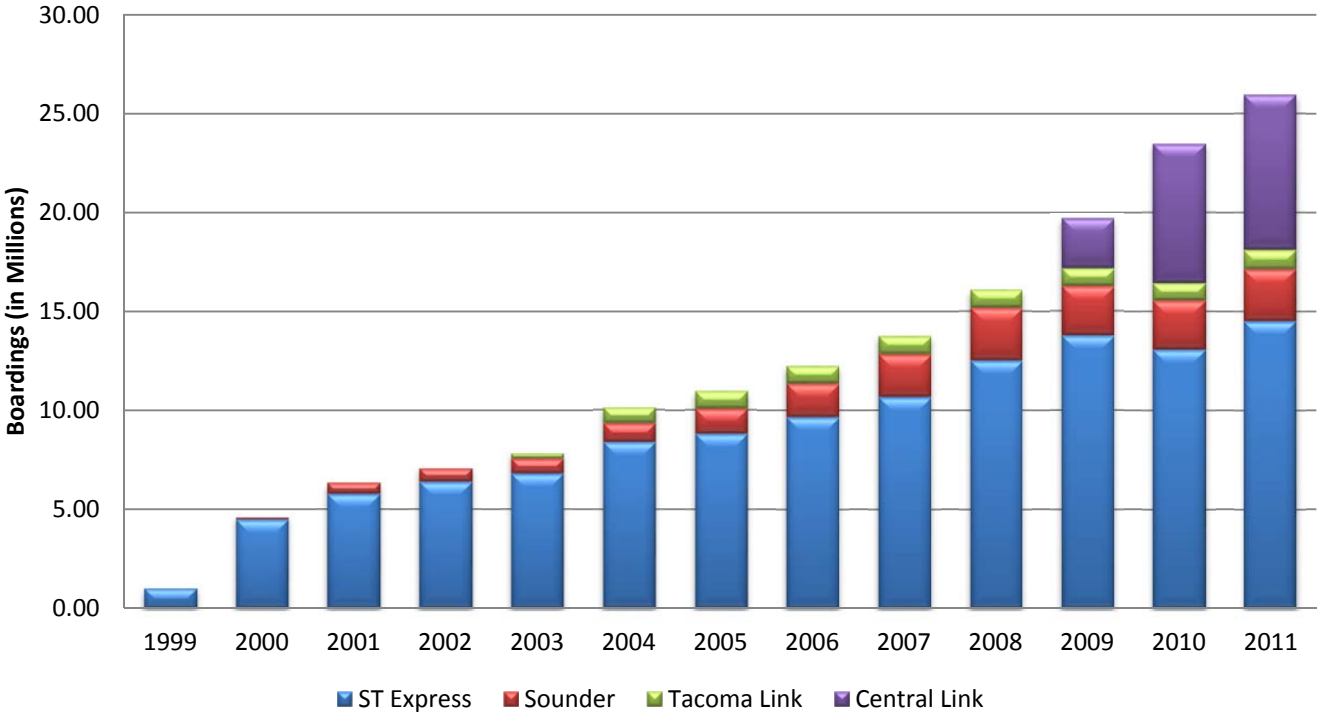
This report is prepared each year following finalization of the prior year's revenue and operating cost figures.

Sound Transit Key Operational Milestones:

- Regional Express Bus started in September of 1999
- Sounder Commuter Rail started in September 2000
- Tacoma Link started in August 2003
- Central Link Initial Segment began July 2009



Boardings 1999-2011



FARE STRUCTURES

Fare Structures

ST Express Bus

Prior to a June 1, 2010 fare change on ST Express bus, the fare structure was as follows:

	One-zone	Two-zone	Three-zone
Adult	\$1.50	\$2.50	\$3.50
Youth	\$1.00	\$1.75	\$2.50
Reduced Fare	\$0.50	\$1.25	\$1.50

The 2010 fare zones are defined as Snohomish County, North King County, East King County, South King County, and Pierce County. One-zone fare applied to any trip within a single geographic zone; two-zone fare applied to trips crossing a single zone boundary and spanning two adjacent fare zones; three-zone trips applied to any trip crossing two fare zone boundaries, spanning three fare zones. Sound Transit does not incorporate a time of day (peak/off-peak) differential on any service.

In Resolution R2010-11, the Sound Transit Board approved a two-part fare rate change and simplification for ST Express service. On June 1, 2010 ST Express bus fares were changed to increase net revenue and to establish a consistent rate for trips crossing a county line with two-zone fares applying only within King County:

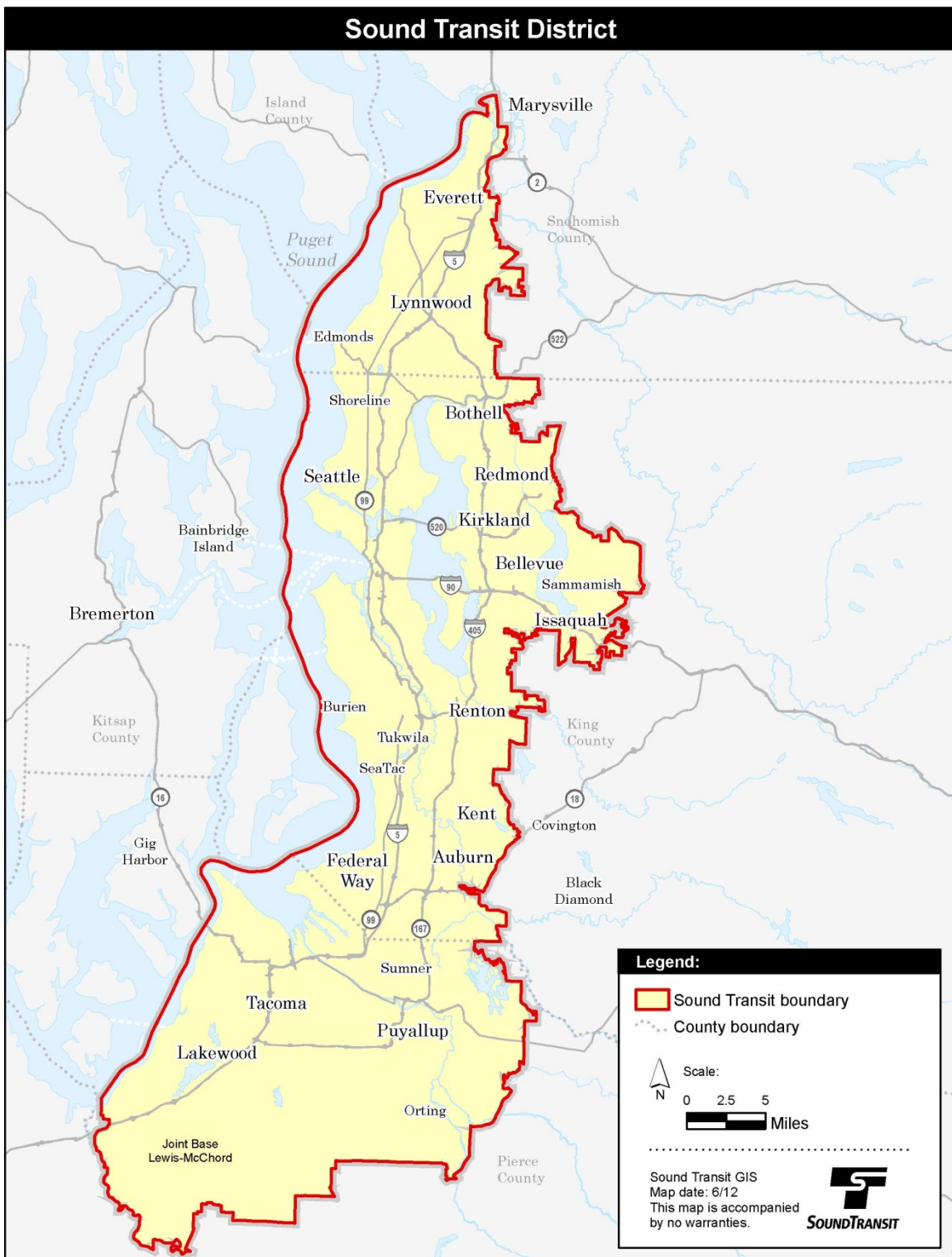
	One-zone	Two-zone	Intercounty
Adult	\$2.00	\$2.50	\$3.00
Youth	\$1.00	\$1.75	\$2.50
Reduced Fare	\$0.75	\$1.25	\$1.50

On June 1, 2011, the second part of the fare change was implemented, simplifying the fare structure to only in-county vs. inter-county trips, increasing the adult multi-county fare by \$0.50 and standardizing the one-zone youth and reduced fare to improve consistency with partner agencies:

	One-zone (within one county)	Multi-county fare (across county line)
Adult	\$2.50	\$3.50
Youth	\$1.25	\$2.50
Reduced Fare	\$0.75	\$1.50

FARE STRUCTURES

Figure 1: Sound Transit District



FARE STRUCTURES

Central Link Light Rail

Fares on Central Link are established as a base (minimum) fare plus a distance surcharge, so vary with distance traveled.

Fares effective 2010 - May 31, 2011

Adult fares start from a base of \$1.75 to which \$0.05 per mile is added. However, fares are rounded to the nearest \$0.25 resulting in the following structure:

	Westlake	University St	Pioneer Square	Int'l District	Stadium	SODO	Beacon Hill	Mt. Baker	Columbia City	Othello	Rainier Beach	Tukwila Int'l	SeaTac/ Airport
Westlake		\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$2.00	\$2.00	\$2.00	\$2.00	\$2.50	\$2.50
University St	\$1.75		\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$2.00	\$2.00	\$2.00	\$2.00	\$2.50	\$2.50
Pioneer Square	\$1.75	\$1.75		\$1.75	\$1.75	\$1.75	\$1.75	\$2.00	\$2.00	\$2.00	\$2.00	\$2.50	\$2.50
Int'l District	\$1.75	\$1.75	\$1.75		\$1.75	\$1.75	\$1.75	\$2.00	\$2.00	\$2.00	\$2.00	\$2.50	\$2.50
Stadium	\$1.75	\$1.75	\$1.75	\$1.75		\$1.75	\$1.75	\$1.75	\$1.75	\$2.00	\$2.00	\$2.25	\$2.50
SODO	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75		\$1.75	\$1.75	\$1.75	\$2.00	\$2.00	\$2.25	\$2.25
Beacon Hill	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75		\$1.75	\$1.75	\$2.00	\$2.00	\$2.25	\$2.25
Mt. Baker	\$2.00	\$2.00	\$2.00	\$2.00	\$1.75	\$1.75	\$1.75		\$1.75	\$1.75	\$2.00	\$2.25	\$2.25
Columbia City	\$2.00	\$2.00	\$2.00	\$2.00	\$1.75	\$1.75	\$1.75	\$1.75		\$1.75	\$1.75	\$2.00	\$2.25
Othello	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$1.75	\$1.75		\$1.75	\$2.00	\$2.25
Rainier Beach	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$1.75	\$1.75		\$2.00	\$2.00
Tukwila Int'l	\$2.50	\$2.50	\$2.50	\$2.50	\$2.25	\$2.25	\$2.25	\$2.25	\$2.00	\$2.00	\$2.00		\$1.75
SeaTac/ Airport	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.00	\$1.75	

The Link light rail fare for youth riders (age 6 to 18) in effect for all of 2010 was as follows:

	Westlake	University St	Pioneer Square	Int'l District	Stadium	SODO	Beacon Hill	Mt. Baker	Columbia City	Othello	Rainier Beach	Tukwila Int'l	SeaTac/ Airport
Westlake		\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.50	\$1.50	\$1.50	\$1.50	\$2.00	\$2.00
University St	\$1.25		\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.50	\$1.50	\$1.50	\$1.50	\$2.00	\$2.00
Pioneer Square	\$1.25	\$1.25		\$1.25	\$1.25	\$1.25	\$1.25	\$1.50	\$1.50	\$1.50	\$1.50	\$2.00	\$2.00
Int'l District	\$1.25	\$1.25	\$1.25		\$1.25	\$1.25	\$1.25	\$1.50	\$1.50	\$1.50	\$1.50	\$2.00	\$2.00
Stadium	\$1.25	\$1.25	\$1.25	\$1.25		\$1.25	\$1.25	\$1.25	\$1.25	\$1.50	\$1.50	\$1.75	\$2.00
SODO	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25		\$1.25	\$1.25	\$1.25	\$1.50	\$1.50	\$1.75	\$1.75
Beacon Hill	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25		\$1.25	\$1.25	\$1.50	\$1.50	\$1.75	\$1.75
Mt. Baker	\$1.50	\$1.50	\$1.50	\$1.50	\$1.25	\$1.25	\$1.25		\$1.25	\$1.25	\$1.50	\$1.75	\$1.75
Columbia City	\$1.50	\$1.50	\$1.50	\$1.50	\$1.25	\$1.25	\$1.25	\$1.25		\$1.25	\$1.25	\$1.50	\$1.75
Othello	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.25	\$1.25		\$1.25	\$1.50	\$1.75
Rainier Beach	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50	\$1.25	\$1.25		\$1.50	\$1.50
Tukwila Int'l	\$2.00	\$2.00	\$2.00	\$2.00	\$1.75	\$1.75	\$1.75	\$1.75	\$1.50	\$1.50	\$1.50		\$1.25
SeaTac/ Airport	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$1.75	\$1.75	\$1.75	\$1.75	\$1.75	\$1.50	\$1.25	

FARE STRUCTURES

The Link light rail fare for reduced fare riders (age 65 or over, with qualifying disabilities, or holding a valid Medicare card) in effect for all of 2010 was as follows:

	Westlake	University St	Pioneer Square	Int'l District	Stadium	SODO	Beacon Hill	Mt. Baker	Columbia City	Othello	Rainier Beach	Tukwila Int'l	SeaTac/ Airport
Westlake		\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$1.00	\$1.00	\$1.00	\$1.00	\$1.25	\$1.25
University St	\$0.75		\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$1.00	\$1.00	\$1.00	\$1.00	\$1.25	\$1.25
Pioneer Square	\$0.75	\$0.75		\$0.75	\$0.75	\$0.75	\$0.75	\$1.00	\$1.00	\$1.00	\$1.00	\$1.25	\$1.25
Int'l District	\$0.75	\$0.75	\$0.75		\$0.75	\$0.75	\$0.75	\$1.00	\$1.00	\$1.00	\$1.00	\$1.25	\$1.25
Stadium	\$0.75	\$0.75	\$0.75	\$0.75		\$0.75	\$0.75	\$0.75	\$0.75	\$1.00	\$1.00	\$1.00	\$1.25
SODO	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75		\$0.75	\$0.75	\$0.75	\$1.00	\$1.00	\$1.00	\$1.00
Beacon Hill	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75		\$0.75	\$0.75	\$1.00	\$1.00	\$1.00	\$1.00
Mt. Baker	\$1.00	\$1.00	\$1.00	\$1.00	\$0.75	\$0.75	\$0.75		\$0.75	\$0.75	\$1.00	\$1.00	\$1.00
Columbia City	\$1.00	\$1.00	\$1.00	\$1.00	\$0.75	\$0.75	\$0.75	\$0.75		\$0.75	\$0.75	\$1.00	\$1.00
Othello	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$0.75	\$0.75		\$0.75	\$1.00	\$1.00
Rainier Beach	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$0.75	\$0.75		\$1.00	\$1.00
Tukwila Int'l	\$1.25	\$1.25	\$1.25	\$1.25	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00		\$0.75
SeaTac/ Airport	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$0.75	

Board Resolution No. R2010-11, approved a Central Link adult fare increase of \$0.25 effective June 1, 2011:

	Westlake	University St	Pioneer Square	Int'l District	Stadium	SODO	Beacon Hill	Mt. Baker	Columbia City	Othello	Rainier Beach	Tukwila Int'l	SeaTac/ Airport
Westlake		\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.25	\$2.25	\$2.25	\$2.25	\$2.75	\$2.75
University St	\$2.00		\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.25	\$2.25	\$2.25	\$2.25	\$2.75	\$2.75
Pioneer Square	\$2.00	\$2.00		\$2.00	\$2.00	\$2.00	\$2.00	\$2.25	\$2.25	\$2.25	\$2.25	\$2.75	\$2.75
Int'l District	\$2.00	\$2.00	\$2.00		\$2.00	\$2.00	\$2.00	\$2.25	\$2.25	\$2.25	\$2.25	\$2.75	\$2.75
Stadium	\$2.00	\$2.00	\$2.00	\$2.00		\$2.00	\$2.00	\$2.00	\$2.00	\$2.25	\$2.25	\$2.50	\$2.75
SODO	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00		\$2.00	\$2.00	\$2.00	\$2.25	\$2.25	\$2.50	\$2.50
Beacon Hill	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00		\$2.00	\$2.00	\$2.25	\$2.25	\$2.50	\$2.50
Mt. Baker	\$2.25	\$2.25	\$2.25	\$2.25	\$2.00	\$2.00	\$2.00		\$2.00	\$2.00	\$2.25	\$2.50	\$2.50
Columbia City	\$2.25	\$2.25	\$2.25	\$2.25	\$2.00	\$2.00	\$2.00	\$2.00		\$2.00	\$2.00	\$2.25	\$2.50
Othello	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.00	\$2.00		\$2.00	\$2.25	\$2.50
Rainier Beach	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.25	\$2.00	\$2.00		\$2.25	\$2.25
Tukwila Int'l	\$2.75	\$2.75	\$2.75	\$2.75	\$2.50	\$2.50	\$2.50	\$2.50	\$2.25	\$2.25	\$2.25		\$2.00
SeaTac/ Airport	\$2.75	\$2.75	\$2.75	\$2.75	\$2.75	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.25	\$2.00	

All one-way Link light rail youth fares became \$1.25

All one-way Link Light rail fares for reduced fare became \$0.75.

Tacoma Link- In 2010, Tacoma Link operated as a fare-free service.

FARE STRUCTURES

Souder Commuter Rail

Fares on Souder are established as a base (minimum) fare plus a distance surcharge, so vary with distance traveled. Adult fares start from a base of \$2.55 to which 5.5 cents per mile is added. However, fares are rounded to the nearest \$0.25 resulting in the following structure:

Tacoma- Seattle

Adult	Tacoma	Puyallup	Sumner	Auburn	Kent	Tukwila	Seattle
Tacoma		\$3.00	\$3.00	\$3.50	\$3.75	\$4.00	\$4.75
Puyallup	\$3.00		\$2.75	\$3.00	\$3.50	\$3.75	\$4.25
Sumner	\$3.00	\$2.75		\$3.00	\$3.25	\$3.50	\$4.25
Auburn	\$3.50	\$3.00	\$3.00		\$2.75	\$3.25	\$3.75
Kent	\$3.75	\$3.50	\$3.25	\$2.75		\$2.75	\$3.50
Tukwila	\$4.00	\$3.75	\$3.50	\$3.25	\$2.75		\$3.25
Seattle	\$4.75	\$4.25	\$4.25	\$3.75	\$3.50	\$3.25	

Everett- Seattle

Adult	Everett	Mukilteo	Edmonds	Seattle
Everett		\$2.75	\$3.50	\$4.50
Mukilteo	\$2.75		\$3.25	\$4.00
Edmonds	\$3.50	\$3.25		\$3.50
Seattle	\$4.50	\$4.00	\$3.50	

The Souder fare for youth riders (age 6 to 18) in effect for all of 2011 was as follows:

Tacoma- Seattle

Youth	Tacoma	Puyallup	Sumner	Auburn	Kent	Tukwila	Seattle
Tacoma		\$2.25	\$2.25	\$2.50	\$2.75	\$3.00	\$3.50
Puyallup	\$2.25		\$2.00	\$2.25	\$2.50	\$2.75	\$3.00
Sumner	\$2.25	\$2.00		\$2.25	\$2.25	\$2.50	\$3.00
Auburn	\$2.50	\$2.25	\$2.25		\$2.00	\$2.25	\$2.75
Kent	\$2.75	\$2.50	\$2.25	\$2.00		\$2.00	\$2.50
Tukwila	\$3.00	\$2.75	\$2.50	\$2.25	\$2.00		\$2.25
Seattle	\$3.50	\$3.00	\$3.00	\$2.75	\$2.50	\$2.25	

FARE STRUCTURES

Everett- Seattle

Youth	Everett	Mukilteo	Edmonds	Seattle
Everett		\$2.00	\$2.50	\$3.25
Mukilteo	\$2.00		\$2.25	\$3.00
Edmonds	\$2.50	\$2.25		\$2.50
Seattle	\$3.25	\$3.00	\$2.50	

The Sounder fare for reduced fare riders (age 65 or over, with qualifying disabilities, or holding a valid Medicare card) in effect for all of 2011 was as follows:

Tacoma- Seattle

Reduced Fare	Tacoma	Puyallup	Sumner	Auburn	Kent	Tukwila	Seattle
Tacoma		\$1.50	\$1.50	\$1.75	\$1.75	\$2.00	\$2.25
Puyallup	\$1.50		\$1.25	\$1.50	\$1.75	\$1.75	\$2.00
Sumner	\$1.50	\$1.25		\$1.50	\$1.50	\$1.75	\$2.00
Auburn	\$1.75	\$1.50	\$1.50		\$1.25	\$1.50	\$1.75
Kent	\$1.75	\$1.75	\$1.50	\$1.25		\$1.25	\$1.75
Tukwila	\$2.00	\$1.75	\$1.75	\$1.50	\$1.25		\$1.50
Seattle	\$2.25	\$2.00	\$2.00	\$1.75	\$1.75	\$1.50	

Everett- Seattle

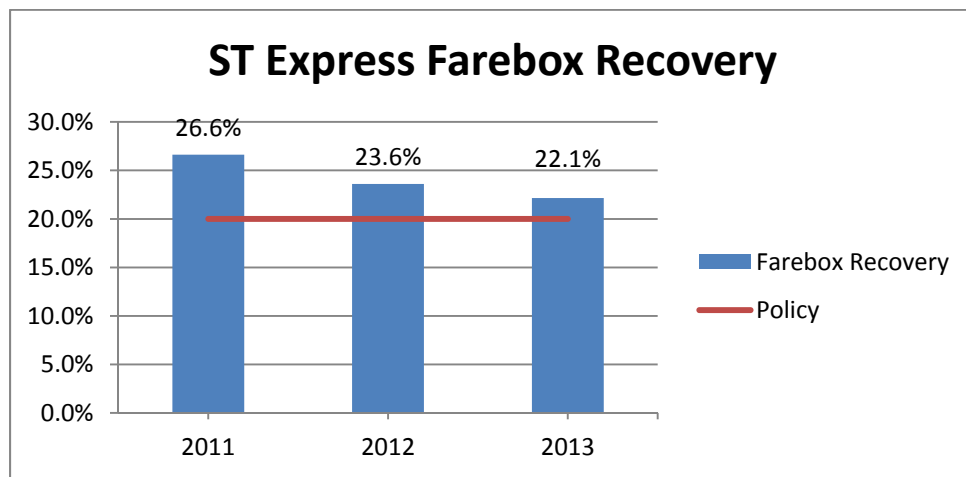
Reduced Fare	Everett	Mukilteo	Edmonds	Seattle
Everett		\$1.25	\$1.75	\$2.25
Mukilteo	\$1.25		\$1.50	\$2.00
Edmonds	\$1.75	\$1.50		\$1.75
Seattle	\$2.25	\$2.00	\$1.75	

FAREBOX RECOVERY

Sound Transit's policy is to recover from passenger fares at least a minimum percentage of total operating costs on each mode. Farebox recovery ratios are calculated by dividing fare revenues by direct and indirect service operating costs¹. It is the goal of Sound Transit to continuously seek the highest possible farebox recovery ratio while maintaining fares at levels consistent with fare policy. Consistent with the agency's financial plan, minimum farebox recovery ratio thresholds are established as follows:

- Express Bus: 20%
- Commuter Rail: 23%
- Light Rail: 40%

ST Express



In 2011, total fare revenues for ST Express bus were \$25.7 Million. Total operating costs were \$96.7 Million, yielding a farebox recovery ratio of 26.6%.

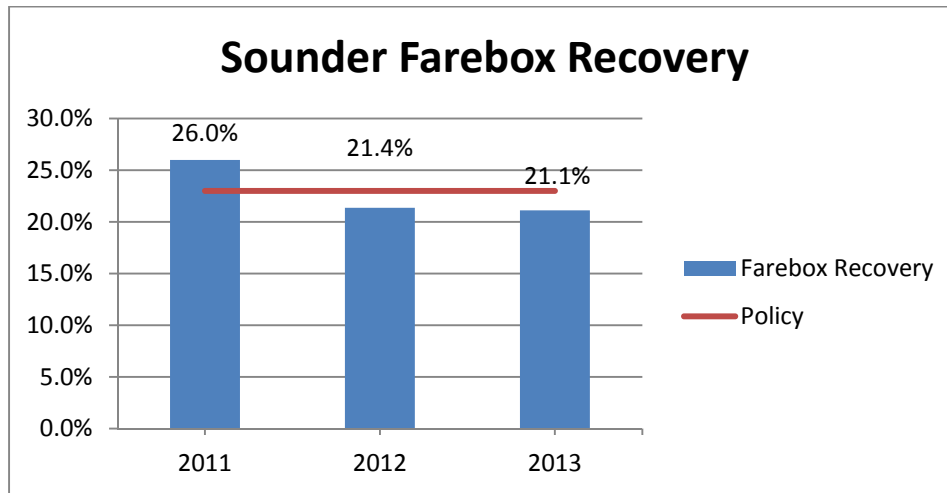
Based on budgeted ridership forecasts and fares in effect for 2012 total annual fare revenues for ST Express bus are projected to be \$24.1 Million. Total 2012 operating costs are projected to be \$102.3 Million, yielding an expected farebox recovery ratio of 23.6%.

Based on ridership forecasts and an assumption of current fares being in effect for 2013 total annual fare revenues for ST Express bus are projected to be \$23.4 Million. Total 2013 operating costs are projected to be \$105.6 Million, yielding an expected farebox recovery ratio of 22.1%.

¹ For purposes of the farebox recovery calculation, significant mid-life maintenance costs that either extend the useful life or functionality of the primary asset, which are expensed per Sound Transit's current capitalization policy, will be excluded.

FAREBOX RECOVERY

Sounder

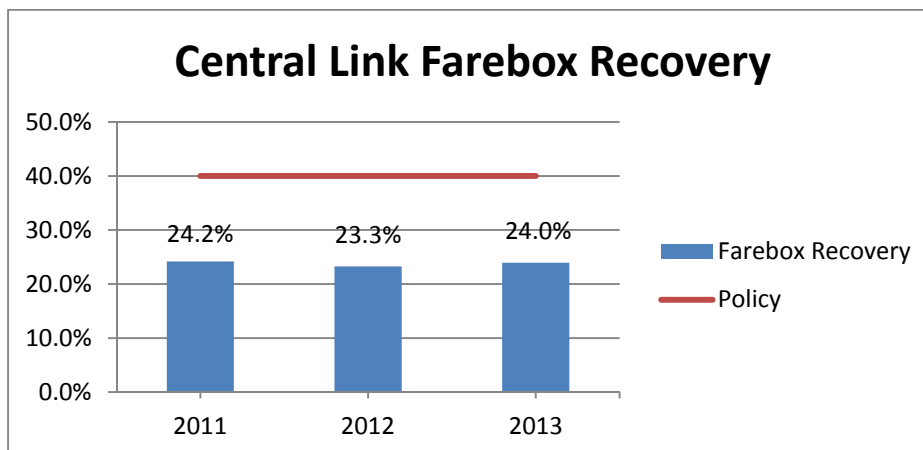


In 2011, total fare revenues for Sounder commuter rail were \$8.3 Million. Total operating costs were \$32.1 Million, yielding a farebox recovery ratio of 26.0%.

Based on ridership forecasts and fares in effect for 2012 total annual fare revenues for Sound commuter rail are projected to be \$8.1 Million. Total 2012 operating costs are projected to be \$37.7 Million, yielding an expected farebox recovery ratio of 21.4%.

Based on ridership forecasts and an assumption of current fares being in effect for 2013 total annual fare revenues for Sounder commuter rail are projected to be \$9.5 Million. Total 2013 operating costs are projected to be \$44.7 Million, yielding an expected farebox recovery ratio of 21.1%.

Central Link



FAREBOX RECOVERY

In 2011, total fare revenues for Central Link light rail were \$12.0 Million. Total operating costs were \$49.8 Million, yielding a farebox recovery ratio of 24.2%. However, the minimum farebox recovery of 40% was established to apply to a line that includes University of Washington ridership, so this level won't be targeted until service to the University of Washington is established and ridership has matured beyond start-up mode as defined in *Sound Transit's Service Standards and Performance Measures*.

Based on ridership forecasts and an assumption of current fares being in effect for 2012 total annual fare revenues for Link light rail are projected to be \$12.6 Million. Total 2012 operating costs are projected to be \$54.2 Million, yielding an expected farebox recovery ratio of 23.3%.

Based on ridership forecasts and fares in effect for 2013 total annual fare revenues for Link light rail are projected to be \$13.5 Million. Total 2013 operating costs are projected to be \$56.3 Million, yielding an expected farebox recovery ratio of 24.0%.

Fare change analysis recommendations

ST Express: Based on the current and forecasted figures, a fare change is not projected to be required to maintain required farebox recovery ratios for 2012 or 2013.

Sounder: Sounder farebox recovery is projected to fall below the 23% policy target given the 2012 Adopted Budget fare revenue and operating cost projections. However based on actuals for the first quarter of 2012, Sounder is outperforming forecasts in revenue, ridership and cost projections, with a farebox recovery of 26.1%. Sound Transit will continue to closely monitor this ratio throughout 2012 and possibly pursue ridership development or cost containment strategies to bring farebox recovery into alignment with policy targets. If farebox recovery falls below the target level based on recorded actual costs and revenues, Sound Transit will develop fare change options to increase operating revenue.

Central Link: The minimum farebox recovery of 40% for Link was established to apply to a line that includes University of Washington ridership, so this level won't be targeted until service to the University of Washington is established and ridership has matured beyond start-up mode as defined in *Sound Transit's Service Standards and Performance Measures*.

PASSENGER FARE REVENUE

This section provides breakdowns of total fare revenues from all sources on each mode of service. Passenger fares are primarily derived from the use of One Regional Card for All ('ORCA') regional products, Sounder commuter rail and Central Link tickets sales, and cash farebox receipts on ST Express. With the introduction of the ORCA system in May 2009, Sound Transit has access to more comprehensive revenue and ridership data specific to each Sound Transit mode and additionally to each ST Express bus route associated with the use of the ORCA smart card. These ORCA generated revenues account for approximately 64% of total fare revenue in 2011, an increase of 13% over 2010. ORCA revenues are expected to increase to more than 70% of Sound Transit's total fare revenue by the end of 2012, once the transition of all business flexpass (pre-ORCA employer pass program) agreements is complete. The remaining 36% of fare revenues in 2011 are generated from ticket vending machine ('TVM') ticket sales, cash farebox receipts and a few remaining flexpass agreements.

In order to provide detailed revenue and ridership amounts for all sales channel/payment types, passenger types and route-level details, various assumptions were made for allocation of all non-ORCA system generated revenues. In 2010, assumptions used for allocations of 'Farebox' and 'Other' were based on both 2009 survey data and ORCA data if similarities in revenue source could be identified. These allocations have changed from 2010 to 2011 as the continued transition to ORCA as created less variability in the unknowns.

Total Fare Revenues by Mode

	REVENUES			BOARDINGS			AFB		
	2011	2010	%	2011	2010	%	2011	2010	%
ST Express	\$ 25,741,924	\$ 20,845,809	23.5%	13,570,248	12,477,200	8.8%	\$ 1.90	\$ 1.67	13.5%
Sounder	\$ 8,336,092	\$ 7,134,458	16.8%	2,626,711	2,480,052	5.9%	\$ 3.17	\$ 2.88	10.3%
Link Light Rail	\$ 12,038,576	\$ 9,608,740	25.3%	7,847,840	6,958,830	12.8%	\$ 1.53	\$ 1.38	11.1%
	\$ 46,116,592	\$ 37,589,007	22.7%	24,044,799	21,916,082	9.7%	\$ 1.92	\$ 1.72	11.8%

Overall, Sound Transit saw an \$8.5 million increase in 2011 fare revenue and a 2.1 million increase in fare boardings¹ over 2010 for an 11.8% increase in overall average fare per boarding ('AFB'). Increases in fare revenue can be attributed to an updated pricing methodology for annual ORCA Business Passport contracts, fare increases effective June 1, 2011 for ST Express and Central Link light rail, and increased ridership among all Sound Transit modes.

¹ Boardings for purposes of calculating the AFB, excludes Express boardings associated with the Ride Free Area ('RFA') in downtown Seattle.

ST EXPRESS BUS

ST Express is Sound Transit's largest mode due to the nature of its service, serving major transportation corridors and transit centers in the Sound Transit District. In 2011, ST Express saw an increase of \$4.9M or 23%, in fare revenues and an increase in ridership of 1.1M or 9% in boardings, resulting in an increase in AFB of \$0.23 (12%) from 2010. Increases in revenue are a result of increased ridership, a change in pricing methodology for Business Passport contracts, and a two stage fare increase effective June 1, 2010 and June 1, 2011. Increases in ridership can be attributed largely to both service changes and the increase in the price of gasoline.

Fare Revenue by sales channel/ payment type

ST Express Sales Channel	2011 Revenues	2010 Revenues	Change	%
ORCA Puget Pass	\$ 6,044,063	\$ 4,802,407	\$ 1,241,656	26%
ORCA E-purse	\$ 4,775,193	\$ 3,242,948	\$ 1,532,245	47%
ORCA Business Passport	\$ 7,409,935	\$ 4,894,012	\$ 2,515,923	51%
Farebox	\$ 5,001,019	\$ 4,934,050	\$ 66,969	1%
Other	\$ 2,511,714	\$ 2,972,392	\$ (460,678)	-15%
Totals	\$ 25,741,924	\$ 20,845,809	\$ 4,896,114	23%

ST Express Sales Channel	2011 Boardings	2010 Boardings	Change	%
ORCA Puget Pass	2,513,561	2,034,799	478,762	24%
ORCA E-purse	2,437,219	1,795,844	641,375	36%
ORCA Business Passport	4,337,658	3,275,976	1,061,682	32%
Farebox	1,976,879	3,543,525	(1,566,646) ¹	-44%
Other	2,304,931	1,827,056	477,875	26%
Totals	13,570,248	12,477,200	1,093,048	9%

ST Express Sales Channel	2011 AFB	2010 AFB	Change	%
ORCA Puget Pass	\$ 2.40	\$ 2.36	\$ 0.04	2%
ORCA E-purse	\$ 1.96	\$ 1.81	\$ 0.15	8%
ORCA Business Passport	\$ 1.71	\$ 1.49	\$ 0.21	13%
Farebox	\$ 2.53	\$ 1.39	\$ 1.14	45%
Other	\$ 1.09	\$ 1.63	\$ (0.54)	-49%
Totals	\$ 1.90	\$ 1.67	\$ 0.23	12%

¹ Please note the 2010 Boardings allocation between farebox and other was based on 2009 survey data which was the best available information at the time. With the continued transition to ORCA, we have significantly more data and have updated our allocation assumptions which appear to have over allocated boardings to farebox payment in 2010. As such the 2011 vs. 2010 change in Farebox and Other reflects the corrections as well as the actual change. Boardings in the 'Other' category should show a decrease from 2010 to 2011 and will continue to decrease in 2012 with the transition of UW to ORCA in 2011.

ST EXPRESS BUS

ORCA Puget Passes (see definition on page 29)

In 2011, regional system-wide Puget Pass revenue (includes activity from all modes on all seven agencies participating in the ORCA system) saw an overall increase of 20% over 2010, with a 32% increase in regional boardings, which resulted in regional system-wide decrease of \$0.14 in AFB from 2010 to 2011. These data indicate that users of monthly Puget Pass products are using their passes more, with an increase from an average of 45 trips per pass in 2010 to 48 trips in 2011. While regionally the AFB related to Puget Passes decreased in 2011, ST Express experienced an increase in AFB of \$0.04 due to the fare change effective June 1, 2011, offset by the increased average use by customers.

ORCA E-Purse (see definition on page 29)

The 2011 ST Express increase in E-purse AFB can be attributed to the June 1, 2011 fare increase.

ORCA Business Passport (see definition on page 29)

ST experienced growth in ORCA business passport revenues and boardings as a result of two significant causes:

- Employer Pass program participants fully transitioned to the use of ORCA Business products in July 2010 with the exception of University of Washington and King County. The University of Washington began a partial transition to ORCA in June 2011 with the full rollout of ORCA to its student population in late September 2011. King County transitioned to ORCA in June 2012. Prior to transitioning to ORCA, all business account pass programs used flash passes and the related revenues are classified as 'Other'.
- Starting in January 2011, all ORCA custom accounts transitioned from Commute Trip Reduction ('CTR' Survey administered by the State of Washington on a bi-annual basis) based pricing to use of ORCA data, such that each company's contract is priced based on actual previously recorded ORCA usage. Companies with Area Passport pricing transitioned to ORCA based pricing starting with contract start dates of March 1, 2011 and after.

Farebox /Other (see definition on page 29)

Farebox revenues are those associated with the riders paying cash fare when boarding an ST Express bus and "other" revenues are all those derived from transactions not otherwise recorded through electronic systems or farebox collections. In 2010 and 2011, other revenues and boardings included the University of Washington U-Pass program, King County flexpass agreement, and the Seattle School District flexpass agreement. Additionally, 2010 includes the employer pass program participants still in transition from flexpasses to ORCA passport products and pre-ORCA Puget Passes which were phased out in early 2010. As of July 2010, all employers with the exception of University of Washington and King County have fully transitioned to ORCA. Due to the high number of boardings related to Farebox and flexpasses in 2010, the allocation of boardings was based on 2009 survey data. In 2011, with a majority of the business accounts transitioned to ORCA Passport accounts, the methodology has improved and was changed to the use of ORCA-based assumptions. The University of Washington began a partial transition of Staff and Facility to ORCA in June 2011, with the student's transition in September 2011.

ST EXPRESS BUS

Revenue by passenger type

Adult passenger fares account for approximately 96% of total ST Express revenues in 2011 with 1% from youth passengers and 3% from qualifying seniors and persons with disabilities ('Reduced Fare') riders. Boardings attributed to youth and reduced fare passengers are shown to have decreased relative to 2010 estimates, in which farebox ridership was allocated based on 2009 survey data. However this appears to be driven by an apparent over-allocation of 2010 boardings to youth and RRFID riders as revealed when comparing the 2009 survey data to more recent ORCA-derived figures. The 2011 increase in AFB for adult riders is a result of both the updated business passport pricing and ST Express June 1 fare change. Youth and reduced fare increases are due in part to the fare change, but increase is also a result of the 2010 boardings allocations.

ST Express Passenger Type	2011 Revenues	2010 Revenues	Change	%
Adult	\$ 24,602,775	\$ 19,787,150	\$ 4,815,625	24%
Youth	\$ 383,297	\$ 317,995	\$ 65,302	21%
Reduced Fare	\$ 755,852	\$ 740,664	\$ 15,188	2%
Totals	\$ 25,741,924	\$ 20,845,809	\$ 4,896,115	23%

ST Express Passenger Type	2011 Boardings	2010 Boardings	Change	%
Adult	12,417,312	11,248,084	1,169,228	10%
Youth	282,897	313,594	(30,697)	-10%
Reduced Fare	870,039	915,522	(45,483)	-5%
Totals	13,570,248	12,477,200	1,093,048	9%

ST Express Passenger Type	2011 AFB	2010 AFB	Change	%
Adult	\$ 1.98	\$ 1.76	\$ 0.22	11%
Youth	\$ 1.35	\$ 1.01	\$ 0.33	25%
Reduced Fare	\$ 0.87	\$ 0.81	\$ 0.06	7%
Totals	\$ 1.90	\$ 1.67	\$ 0.23	12%

ST EXPRESS BUS

Revenue by Route

As presented above, revenues for ST Express have increased due to change in pricing methodology for ORCA Business Passport contracts, the ST Express fare changes effective June 1, 2010 and 2011 and increased ridership. Revenues for ST Express Routes are allocated as follows, based on available ORCA data:

ST Express Route	2011 Revenues	2010 Revenues	Change	%
510	\$ 1,907,138	\$ 1,467,206	\$ 439,932	30%
511	\$ 2,411,587	\$ 1,543,144	\$ 868,443	56%
512	\$ 165,574	\$ -	\$ 165,574	- ¹
513	\$ 190,853	\$ 116,799	\$ 74,054	63%
522	\$ 1,727,423	\$ 1,417,148	\$ 310,275	22%
532	\$ 845,164	\$ 704,255	\$ 140,909	20%
535	\$ 883,481	\$ 661,193	\$ 222,288	34%
540	\$ 326,176	\$ 149,062	\$ 177,114	119% ²
542	\$ 500,630	\$ 51,558	\$ 449,072	871% ³
545	\$ 3,171,506	\$ 3,061,969	\$ 109,537	4%
550	\$ 3,565,957	\$ 3,388,305	\$ 177,652	5%
554	\$ 1,326,921	\$ 1,120,509	\$ 206,412	18%
555	\$ 207,537	\$ 192,177	\$ 15,360	8%
556	\$ 292,853	\$ 126,801	\$ 166,052	131% ²
560	\$ 734,407	\$ 741,824	\$ (7,417)	-1%
564	\$ -	\$ 40,426	\$ (40,426)	-100% ⁴
565	\$ -	\$ 49,257	\$ (49,257)	-100% ⁴
566	\$ 912,130	\$ 810,506	\$ 101,624	13%
574	\$ 1,103,609	\$ 871,106	\$ 232,503	27%
577	\$ 768,996	\$ 626,885	\$ 142,111	23%
578	\$ 589,097	\$ 378,405	\$ 210,692	56%
582	\$ -	\$ 5,201	\$ (5,201)	-100% ⁵
586	\$ 350,950	\$ 67,855	\$ 283,095	417% ²
590	\$ 1,385,452	\$ 1,236,512	\$ 148,940	12%
592	\$ 630,658	\$ 583,993	\$ 46,665	8%
593	\$ 304,722	\$ 265,424	\$ 39,298	15%
594	\$ 1,151,319	\$ 920,113	\$ 231,206	25%
595	\$ 281,013	\$ 231,937	\$ 49,076	21%
599	\$ 6,771	\$ 16,239	\$ (9,468)	-58%
Red Lot/PT 400	\$ -	\$ -	\$ -	-
Souder Bus	\$ -	\$ -	\$ -	-
Totals	25,741,924	20,845,809	4,896,115	23%

¹ New Route, began operations in 2011

² Revenue increase is a result of updated allocations due to the rollout of ORCA products to the University of Washington (UW) in 2011, causing a change in revenue allocations due to the high percentage of U-Pass riders on this route. 2010 revenues for UW were allocated to ST Express routes based on all business passport activity; Sound Transit now has route specific data related to the University of Washington to allocate revenues.

³ Route 542 began operations in October 2010.

⁴ Routes 564 and 565 were combined to create 566, servicing the Auburn-Overlake areas in June 2010.

⁵ Route discontinued in 2010

ST EXPRESS BUS

ST Express ridership increased by 9% in 2011 as increases in fuel prices attracted more riders and service changes implemented in 2011 moved resources to service higher capacity routes.

ST Express Route	2011 Boardings	2010 Boardings	Change	%
510	893,366	851,715	41,651	5%
511	1,155,558	957,920	197,638	21% ¹
512	71,172	-	71,172	100% ²
513	79,744	56,981	22,763	40% ¹
522	1,081,346	969,265	112,081	12%
532	394,320	340,747	53,573	16%
535	448,293	420,386	27,907	7%
540	242,151	302,517	(60,366)	-20% ³
542	294,483	45,126	249,357	553% ⁴
545	1,775,007	1,695,615	79,392	5%
550	1,989,583	1,903,045	86,538	5%
554	757,711	716,819	40,892	6%
555	114,787	107,626	7,161	7%
556	156,664	158,957	(2,293)	-1%
560	550,745	609,952	(59,207)	-10%
564	-	30,288	(30,288)	-100% ⁵
565	-	35,695	(35,695)	-100% ⁵
566	521,068	505,305	15,763	3%
574	645,376	620,641	24,735	4%
577	347,385	347,392	(7)	0%
578	359,998	242,737	117,261	48%
582	-	5,700	(5,700)	-100%
586	131,928	119,921	12,007	10%
590	480,534	428,849	51,685	12%
592	233,567	214,115	19,452	9%
593	103,347	88,517	14,830	17%
594	642,661	616,113	26,548	4%
595	89,428	66,435	22,993	35%
599	7,981	18,821	(10,840)	-58%
Red Lot/PT 400	1,817	-	1,817	-
Sounder Bus	228	-	228	-
Totals	13,570,248	12,477,200	1,093,048	9%

¹ Increases in boardings can be attributed to the March 2011 opening of the Mountlake Terrace Freeway Station.

² New Route began operations in 2011.

³ June 2011 service change eliminated midday and evening service and a revised routing to loop through the UW campus.

⁴ Route began operations in October 2010.

⁵ Routes 564 and 565 were combined to create 566, servicing the Auburn-Overlake areas in June 2010.

ST EXPRESS BUS

In 2011, ST Express AFB increased 14% to \$1.90 as a result of the June 1, 2011 fare increase and the change in pricing methodology for ORCA business passport contracts. The changes in AFB at the route level in 2011 are also affected by the continued transition to ORCA which has allowed for more precise allocation of revenue to specific routes.

ST Express Route	2011 AFB	2010 AFB	Change	%
510	\$ 2.13	\$ 1.72	\$ 0.41	24%
511	\$ 2.09	\$ 1.61	\$ 0.48	30%
512	\$ 2.33	\$ -	\$ 2.33	0%
513	\$ 2.39	\$ 2.05	\$ 0.34	17%
522	\$ 1.60	\$ 1.46	\$ 0.14	9%
532	\$ 2.14	\$ 2.07	\$ 0.08	4%
535	\$ 1.97	\$ 1.57	\$ 0.40	25%
540	\$ 1.35	\$ 0.49	\$ 0.85	173%
542	\$ 1.70	\$ 1.14	\$ 0.56	49%
545	\$ 1.79	\$ 1.81	\$ (0.02)	-1%
550	\$ 1.79	\$ 1.78	\$ 0.01	1%
554	\$ 1.75	\$ 1.56	\$ 0.19	12%
555	\$ 1.81	\$ 1.79	\$ 0.02	1%
556	\$ 1.87	\$ 0.80	\$ 1.07	134%
560	\$ 1.33	\$ 1.22	\$ 0.12	10%
564	\$ -	\$ 1.33	\$ (1.33)	-100%
565	\$ -	\$ 1.38	\$ (1.38)	-100%
566	\$ 1.75	\$ 1.60	\$ 0.15	9%
574	\$ 1.71	\$ 1.40	\$ 0.31	22%
577	\$ 2.21	\$ 1.80	\$ 0.41	23%
578	\$ 1.64	\$ 1.56	\$ 0.08	5%
582	\$ -	\$ 0.91	\$ (0.91)	-100%
586	\$ 2.66	\$ 0.57	\$ 2.09	370%
590	\$ 2.88	\$ 2.88	\$ (0.00)	0%
592	\$ 2.70	\$ 2.73	\$ (0.03)	-1%
593	\$ 2.95	\$ 3.00	\$ (0.05)	-2%
594	\$ 1.79	\$ 1.49	\$ 0.30	20%
595	\$ 3.14	\$ 3.49	\$ (0.35)	-10%
599	\$ 0.85	\$ 0.86	\$ (0.01)	-2%
Red Lot/PT 400	\$ -	\$ -	\$ -	0%
Sounder Bus	\$ -	\$ -	\$ -	0%
Totals	\$ 1.90	\$ 1.67	\$ 0.23	14%

SOUNDER COMMUTER RAIL

In 2011, Sounder saw an increase of \$1.2M (17%) in fare revenues and an increase in ridership of 147k (6%), resulting in an increase in AFB of \$0.30 (9%) from 2010. Similar to ST Express, increases in revenues for Sounder can be attributed to the change in pricing methodology for ORCA Business Passport contracts and increased ridership. Ridership increases can be attributed to an increase in gas prices, re-location of major employer from Tacoma to downtown Seattle in late 2010 and an increase in the number of Special Events serviced in 2011.

Revenue by Mode and sales channel/ payment type

Sounder	2011	2010		
Sales Channel	Revenues	Revenues	Change	%
ORCA Puget Pass	\$ 2,384,370	\$ 2,147,950	\$ 236,420	11%
ORCA E-purse	\$ 1,454,820	\$ 1,159,992	\$ 294,828	25%
ORCA Business Passport	\$ 2,773,918	\$ 1,984,872	\$ 789,045	40%
TVM Tickets	\$ 1,130,306	\$ 1,118,461	\$ 11,845	1%
Other	\$ 592,678	\$ 723,183	\$ (130,505)	-18%
Totals	\$ 8,336,092	\$ 7,134,458	\$ 1,201,634	17%

Sounder	2011	2010		
Sales Channel	Boardings	Boardings	Change	%
ORCA Puget Pass	518,239	461,226	57,013	12%
ORCA E-purse	509,217	390,235	118,982	30%
ORCA Business Passport	1,014,885	777,158	237,727	31%
TVM Tickets	304,269	296,986	7,283	2%
Other	280,101	554,447	(274,346)	-49%
Totals	2,626,711	2,480,052	146,659	6%

Sounder	2011	2010		
Sales Channel	AFB	AFB	Change	%
ORCA Puget Pass	\$ 4.60	\$ 4.66	\$ (0.06)	-1%
ORCA E-purse	\$ 2.86	\$ 2.97	\$ (0.12)	-4%
ORCA Business Passport	\$ 2.73	\$ 2.55	\$ 0.18	7%
TVM Tickets	\$ 3.71	\$ 3.77	\$ (0.05)	-1%
Other	\$ 2.12	\$ 1.30	\$ 0.81	38%
Totals	\$ 3.17	\$ 2.88	\$ 0.30	9%

SOUNDER COMMUTER RAIL

ORCA Puget Passes

In 2011, regional system-wide (includes activity from all modes on all seven agencies participating in the ORCA system) Puget Pass revenue saw an overall increase of 20% over 2010, with a 32% increase in regional boardings, which resulted in regional system-wide decrease of \$0.14 in AFB from 2010 to 2011. These data indicate that users of monthly Puget Pass products are using their passes more, with an increase from an average of 45 trips per pass in 2010 to 48 trips in 2011. Sounder's decrease in AFB can be attributed to both the increase in average customer use, in addition to the average Passenger Trip length decreasing slightly in 2011 from 2010.

ORCA E-Purse

The Sounder E-purse AFB decrease in 2011 can be attributed to the wide use of E-purse as partial fare payment when upgrading a Puget Pass when the fare due exceeds the Puget Pass maximum value.

ORCA Business Passport

ST experienced growth in ORCA business passport revenues and boardings as a result of two significant causes:

- Employer Pass program participants fully transitioned to the use of ORCA Business products in July 2010 with the exception of University of Washington and King County. The University of Washington began a partial transition to ORCA in June 2011 with the full rollout of ORCA to its student population in late September 2011. King County transitioned to ORCA in June 2012. Prior to transitioning to ORCA, all business account pass programs used flash passes and the related revenues are classified as 'Other'.
- Starting in January 2011, all ORCA custom accounts transitioned from Commute Trip Reduction ('CTR' Survey administered by the State of Washington on a bi-annual basis) based pricing to each company being priced based on their company's actual ORCA usage. Companies with Area Passport pricing, transitioned to ORCA based pricing starting with contract start dates of March 1, 2011 and after.

TVM Tickets

Sounder AFB decrease due to shorter trip length. The average length for trips made with Sounder TVM tickets decreased to 25.7 miles in 2011 from 25.9 in 2010.

Other

Other revenues represent the sale of non-ORCA products such as flexpasses, U-passes and pre-ORCA Puget Passes, all used as flash passes. In 2010 and 2011, other revenues and boardings primarily consisted of the University of Washington and the King County, and Seattle School District flexpass agreements. The 2011 decrease in other revenues and boardings are a result of the majority of all employer pass programs being transitioned to ORCA by mid-2010.

SOUNDER COMMUTER RAIL

Revenue by passenger type

Adult passenger fares account approximately 97% of Sounder revenues and 96% of boardings in 2011, up less than 1% from prior year.

Sounder Passenger Type	2011 Revenues	2010 Revenues	Change	%
Adult	\$ 8,078,465	\$ 6,880,001	\$ 1,198,464	17%
Youth	\$ 132,955	\$ 127,036	\$ 5,919	5%
Reduced Fare	\$ 124,674	\$ 127,421	\$ (2,749)	-2%
Totals	\$ 8,336,092	\$ 7,134,458	\$ 1,201,634	17%

Sounder Passenger Type	2011 Boardings	2010 Boardings	Change	%
Adult	2,518,008	2,352,021	165,987	7%
Youth	46,037	52,233	(6,196)	-12%
Reduced Fare	62,666	75,798	(13,132)	-17%
Totals	2,626,711	2,480,052	146,659	6%

Sounder Passenger Type	2011 AFB	2010 AFB	Change	%
Adult	\$ 3.21	\$ 2.93	\$ 0.28	9%
Youth	\$ 2.89	\$ 2.43	\$ 0.46	16%
Reduced Fare	\$ 1.99	\$ 1.68	\$ 0.31	16%
Totals	\$ 3.17	\$ 2.88	\$ 0.30	9%

SOUNDER COMMUTER RAIL

Revenue by Line

Sounder revenues by line are allocated based on the following assumptions:

- TVM ticket revenues are allocated to each line based on the origin/destination of the ticket purchased and account for 14% of total Sounder revenues in 2011 and 16% in 2010. In 2011, the TVM Ticket AFB for Sounder North line is \$3.78 and \$3.70 for the Sounder South line.
- Sounder revenue generated by use of ORCA products is more difficult to allocate between lines due to current reporting limitations at the Station Level. As a result, ORCA and Other revenues are allocated to each line based on the proportionate share of boardings per station weighted based on the maximum adult fare for that station.

Boardings for Sounder North decreased 20% in 2011 which can be attributed to service disruptions in the first quarter due to mudslides that resulted in eight days of cancelled service and four days of only partial service contributing to a 22% decline in ridership in the first quarter.

Sounder North	2011	2010	Change
Revenues	\$ 878,427	\$ 984,151	-11%
Boardings	266,022	330,649	-20%
AFB	\$ 3.30	\$ 2.98	11%

Boardings for Sounder South increased 10% in 2011, which historically have been closely related to trends in employment and other economic conditions.

Sounder South	2011	2010	Change
Revenues	\$ 7,457,548	\$ 6,150,307	21%
Boardings	2,360,689	2,149,403	10%
AFB	\$ 3.16	\$ 2.86	10%

SOUNDER COMMUTER RAIL

Sounder Special Event Service

Currently, Sound Transit offers special Sounder weekend routes to service select major sporting events held at CenturyLink Stadium and Safeco Field.

Sounder	Revenue	Boardings	AFB	# Events
2011	\$ 410,505	132,602	\$ 3.10	30
2010	\$ 384,777	118,801	\$ 3.24	27
Change	7%	12%	-4%	11%

CENTRAL LINK LIGHT RAIL

Revenue by Mode and sales channel/ payment type

Central Link experienced an increase of \$2.4M (25%) in fare revenues and an increase in ridership of 889k (13%) boardings, resulting in an increase in AFB of \$0.15 (10%) from 2010. Increases in revenue are a result of the change in pricing methodology for annual ORCA Business Passport contracts, increased ridership and the fare change effective June 1, 2011. Increases in ridership can be attributed to the systems continued maturation. Ridership trends observed have noted high weekend ridership relative to weekday ridership with seasonal ridership variations tied to peaks in airline travel at SeaTac Airport.

Central Link Sales Channel	2011 Revenues	2010 Revenues	Change	%
ORCA Puget Pass	\$ 1,784,837	\$ 1,353,754	\$ 431,083	32%
ORCA E-purse	\$ 1,507,982	\$ 1,058,047	\$ 449,935	43%
ORCA Business Passport	\$ 1,946,743	\$ 1,149,871	\$ 796,872	69%
TVM Tickets	\$ 5,924,035	\$ 5,137,195	\$ 786,840	15%
Other	\$ 874,979	\$ 909,874	\$ (34,895)	-4%
Totals	\$ 12,038,576	\$ 9,608,740	\$ 2,429,836	25%

Central Link Sales Channel	2011 Boardings	2010 Boardings	Change	%
ORCA Puget Pass	1,103,815	744,134	359,681	48%
ORCA E-purse	993,938	786,635	207,303	26%
ORCA Business Passport	1,252,957	848,127	404,830	48%
TVM Tickets	2,662,338	2,379,536	282,802	12%
Other	1,834,792	2,200,398	(365,606)	-17%
Totals	7,847,840	6,958,830	889,010	13%

Central Link Sales Channel	2011 AFB	2010 AFB	Change	%
ORCA Puget Pass	\$ 1.62	\$ 1.82	\$ (0.20)	-13%
ORCA E-purse	\$ 1.52	\$ 1.35	\$ 0.17	11%
ORCA Business Passport	\$ 1.55	\$ 1.36	\$ 0.20	13%
TVM Tickets	\$ 2.23	\$ 2.16	\$ 0.07	3%
Other	\$ 0.48	\$ 0.41	\$ 0.06	13%
Totals	\$ 1.53	\$ 1.38	\$ 0.15	10%

CENTRAL LINK LIGHT RAIL

ORCA Puget Passes

In 2011, regional system-wide Puget Pass revenue (includes activity from all modes on all seven agencies participating in the ORCA system) saw an overall increase of 20% over 2010, with a 32% increase in regional boardings, which resulted in regional system-wide decrease of \$0.14 in AFB from 2010 to 2011. These data indicate that users of monthly Puget Pass products are using their passes more, with an increase from an average of 45 trips per pass in 2010 to 48 trips in 2011. Link's decreased Puget Pass AFB can be attributed to both the increase in average use and the June 1, 2011 fare change. While the June 1, 2011 fare change increased adult fares by \$0.25, it also established a flat one-way fare for youth (\$1.25) and reduced fare (\$0.75) riders.

ORCA E-Purse

Central Link experienced a 43% increase in E-purse generated revenues and a 26% increase in E-purse Boardings, resulting in an increased AFB of \$0.17 (11%) over 2010.

ORCA Business Passport

ST experienced growth in ORCA business passport revenues and boardings as a result of two significant causes:

- Employer Pass program participants fully transitioned to the use of ORCA Business products in July 2010 with the exception of University of Washington and King County. The University of Washington began a partial transition to ORCA in June 2011 with the full rollout of ORCA to its student population in late September 2011. King County transitioned to ORCA in June 2012. Prior to transitioning to ORCA, all business account pass programs used flash passes and the related revenues are classified as 'Other'.
- Starting in January 2011, all ORCA custom accounts transitioned from Commute Trip Reduction ('CTR' Survey administered by the State of Washington on a bi-annual basis) based pricing such that to each company is priced based on their actual previously recorded ORCA usage. Companies with Area Passport pricing, transitioned to ORCA based pricing starting with contract start dates of March 1, 2011 and after.

TVM Tickets

TVM ticket sales increased 15% and the estimated boardings associated with the ticket use increased 12%, resulting in an increased AFB of 3%. Boardings associated with TVM tickets are estimated at one boarding per single trip ticket and two boardings per day pass sold. The increase in the Link AFB for TVM tickets can be attributed to the fare increase of \$0.25 per Adult fare on June 1, 2011, offset by a decrease related to youth and reduced fare riders fare change.

Other

Other revenues represent the sale of non-ORCA products such as flexpasses (the pre-ORCA employer pass program), U-passes (the University of Washington pass program) and pre-ORCA Puget Passes. In 2010 and 2011, other revenues and boardings primarily consisted of the University of Washington U-Pass program, the King County flexpass agreement, and the Seattle School District flexpass agreement. The 2011 decrease in revenues and boardings are a result of the majority of all employer pass programs being transitioned to ORCA by mid-2010. The AFB in this category would also be affected by fare evaders as these boardings are included in the 'Other' boardings.

CENTRAL LINK LIGHT RAIL

Revenue by passenger type

The fare change for Central Link effective June 1, 2011 increased adult fares \$0.25 and changed both youth and reduced fare riders to a flat one-way fare of \$1.25 and \$0.75, respectively. The increase in adult AFB and decrease in youth and reduced AFBs are directly attributable to the fare change.

Central Link Passenger Type	2011 Revenues	2010 Revenues	Change	%
Adult	\$ 10,874,677	\$ 8,794,923	\$ 2,079,754	24%
Youth	\$ 903,440	\$ 571,573	\$ 331,867	58%
Reduced Fare	\$ 260,459	\$ 242,244	\$ 18,215	8%
Totals	\$ 12,038,576	\$ 9,608,740	\$ 2,429,837	25%

Central Link Passenger Type	2011 Boardings	2010 Boardings	Change	%
Adult	6,335,687	5,991,694	343,993	6%
Youth	843,682	457,121	386,561	85%
Reduced Fare	668,471	510,015	158,456	31%
Totals	7,847,840	6,958,830	889,010	13%

Central Link Passenger Type	2011 AFB	2010 AFB	Change	%
Adult	\$ 1.72	\$ 1.47	\$ 0.25	14%
Youth	\$ 1.07	\$ 1.25	\$ (0.18)	-17%
Reduced Fare	\$ 0.39	\$ 0.47	\$ (0.09)	-22%
Totals	\$ 1.53	\$ 1.38	\$ 0.15	10%

PRODUCT DEFINITIONS

The following is a brief description of the various fare payment methods and how those revenues are allocated both to Sound Transit from the regional ORCA system and internally among Sound Transit's modes.

ORCA E-Purse is stored transportation value used like cash to pay a fare. E-purse revenues are allocated to each agency based on all trips traveled within the two hour transfer time. For trips involving multiple Agencies (linked trips) that involve e-purse transfer credits, the highest total fare of the trip is allocated to each Agency based in proportion to the actual value of the fare each Agency would have charged for the service used in the absence of use of the other Agencies' services in the linked trip. ST's revenues are allocated to each mode based on the Apportioned Value per the ORCA generated System reports.

ORCA Regional Puget Pass is a regional pass that allows travel on bus, light rail or train services in the region for a specified period of time. A regional pass is valid for payment of trip fares up to the value of the pass- available monthly passes range from a \$.50 to \$4.75 Puget Pass. Funds received for the purchase of a regional pass product that are used on a single Agency during the pass validity period are distributed entirely to that Agency. Funds received for the purchase of a regional pass product that is used on multiple Agencies have been allocated in proportion to the total value of services used on each agency during which the pass is valid. ST's revenues are allocated to each mode based on the Apportioned Value per ORCA generated System reports.

ORCA Business Passport product is an annual regional pass program purchased through a business account. A participating employer may elect to choose either a Business Account "Choice" Agreement or a Business Account "Passport" Agreement subject to established program requirements. The Business "Choice" agreement offer businesses the ability to bulk order standard retail products, these revenues have been allocated in accordance with the rules for e-purse and regional pass products above. Business Account "Passport" Agreements are annual fixed rate agreements based on the actual transit usage for a company or a geographical area and are allocated to each Agency based on the annual agreement. Sound Transit's ORCA Business passports revenues are allocated among ST's modes based on the Cash Equivalent Full Fare Value (CEFFV) as reported on the ORCA system reports.

TVM Tickets are sold via ticket vending machines located at each of the Link Light rail or Sounder Commuter rail stations and are good for only the origin and destination for which the ticket is purchased.

Farebox Revenues include cash and tickets deposited into fareboxes, and are specific to ST Express.

Other Revenues generally consist of revenues from non-ORCA products such as the flexpass (pre-ORCA employer pass program), U-passes (University of Washington pass program) and pre-ORCA Puget Passes. All of the non-ORCA products are used as flash passes with no data available to track. The majority of flexpasses transitioned to ORCA Passport Agreements through mid-2010. In 2011, Other Revenues consists of University of Washington, King County, and Seattle School District. In 2011, both the University of Washington and the Seattle School District transitioned to ORCA Passport Agreements. The University of Washington began its transition to ORCA in June 2011 and the Seattle School District in September 2011. Other Boardings would also include boardings from fare evasion.

SPECIAL RATES OF FARE

This section describes all services provided by Sound Transit at rates of fare other than the general retail rates described in the *Fare Structures* section above.

Discounted and Free Fares

Value of Discount	2011	2010
Free Ride Zone- Seattle	\$ 723,112	\$ 461,728
Free Ride Zone- Tacoma	\$ 737,943	\$ 653,845
Peace Officers	\$ 43,256	\$ 50,458
Promotional and Marketing Campaigns	\$ 120,424	\$ 130,926
Educational outreach and transit training	\$ 43,120	\$ 53,350
Customer relations and complaint resolution	\$ 48,264	\$ 41,854
Amtrak RailPlus Program	\$ 2,682	\$ 1,993
Title VI Mitigation	\$ -	\$ 19,000
Human Services	\$ 97,544	\$ 77,541
Paratransit	\$ 1,251	\$ 2,356
Transit demonstrations and Tours	\$ 1,980	\$ 5,850
Employer/Institutional Programs	\$ 260,934	\$ 423,911
Totals	\$ 2,080,510	\$ 1,922,812

Free Ride Zone

Sound Transit provides for free rides on their ST Express service in a select area of downtown Seattle and in Tacoma on the all rides are free on the Tacoma Link Light Rail.

The Seattle Ride Free Zone extends from the north at Battery St. to S. Jackson St. on the south, and east at 6th Avenue to the waterfront on the west. In this area, rides are free from 6am to 7pm daily.

Seattle	Estimated Value	Boardings	Forgone AFB
2011	\$ 723,112	964,149	\$ 0.75
2010	\$ 461,728	615,937	\$ 0.75
Change	57%	57%	0%

SPECIAL RATES OF FARE

Tacoma Link Light Rail operates a fare free service running trains on weekdays 5:30 AM to 9 PM, Saturdays 8 AM to 9 PM and Sundays 10 AM to 5 PM.

Tacoma	Estimated Value	Boardings	Forgone AFB
2011	\$ 737,943	983,924	\$ 0.75
2010	\$ 653,845	871,793	\$ 0.75
Change	13%	13%	0%

The nominal value of the foregone revenue from these trips assuming local transit fares and including the average fare impact of transfers, passes and discounts is approximately \$1.00 per boarding; however including a price elasticity effect which would reduce boardings in response to a fare, a more realistic estimate of the foregone revenue from free operation is roughly \$0.75 per free boarding, or \$1.46M in 2011.

Peace Officer Fares

Sound Transit recognizes the law enforcement uniform or presentation of the badge of a peace officer of a general authority Washington law enforcement agency, or a federal law enforcement agency as payment of fare. The value estimated for Peace Officers is calculated based on the average adult fare for each mode.

2011	Estimated Value	Estimated Boardings	Forgone AFB
ST Express	\$ 4,871	2,460	\$ 1.98
Sounder	\$ 26,001	8,100	\$ 3.21
Link	\$ 12,384	7,200	\$ 1.72
2011 Totals	\$ 43,256	17,760	\$ 2.44

2010	Estimated Value	Estimated Boardings	Forgone AFB
ST Express	\$ 4,330	2,460	\$ 1.76
Sounder	\$ 36,840	12,000	\$ 3.07
Link	\$ 9,288	7,200	\$ 1.29
2010 Totals	\$ 50,458	21,660	\$ 2.33

The estimate total of foregone fare revenue from this program is \$43,256 in 2011 and \$50,458 in 2010.

SPECIAL RATES OF FARE

Promotional and Marketing campaigns

Complementary tickets provided for promotional and marketing activities include one trip tickets on ST Express service valued at \$3.50 per trip (based on maximum value); day passes on Sounder service valued at \$9.50 per pass; and day passes for Link Light Rail service valued at \$5.50 per pass.

	2011 Value	2011 Tickets/Passes	2010 Value	2010 Tickets/Passes
ST Express	\$ 89,124	25,464	\$ 68,971	41,300
Sounder	\$ 3,800	400	\$ 7,505	790
Link	\$ 27,500	5,000	\$ 54,450	10,890
Totals	\$ 120,424	30,864	\$ 130,926	52,980

The change in total value of promotional and marketing tickets/passes from 2010 to 2012 reflects the different numbers and sizes of promotional efforts between the two years.

Educational outreach and transit training

Complementary tickets provided for educational outreach and transit training activities include one trip tickets on ST Express service valued at \$3.50 per trip, day passes on Sounder service valued at \$9.50 per pass and day passes for Link Light Rail service valued at \$5.50 per pass.

	2011 Value	2011 Tickets/Passes	2010 Value	2010 Tickets/Passes
ST Express	\$ 17,500	5,000	\$ 3,340	2,000
Sounder	\$ 7,695	810	\$ 9,785	1,030
Link	\$ 17,925	3,259	\$ 40,225	8,045
Totals	\$ 43,120	9,069	\$ 53,350	11,075

SPECIAL RATES OF FARE

Customer relations and complaint resolution

Complementary tickets provided for customer relations and complaint resolution include one trip tickets on ST Express service valued at \$3.50 per trip, day passes on Sounder service valued at \$9.50 per pass and day passes for Link Light Rail service valued at \$5.50 per pass.

	2011		2010	
	Value	Tickets/Passes	Value	Tickets/Passes
ST Express	\$ 37,121	10,606	\$ 18,537	11,100
Sounder	\$ 4,779	503	\$ 10,032	1,056
Link	\$ 6,364	1,157	\$ 13,285	2,657
Totals	\$ 48,264	12,266	\$ 41,854	14,813

Amtrak RailPlus Program

Sound Transit maintains an agreement with Amtrak to allow mutual acceptance of certain types of fare media on rail service between Seattle and Everett. Sound Transit reimburses Amtrak for each recorded instance of a Sounder rider using a qualifying pass on Amtrak service. These riders are required to obtain a special RailPlus ticket from a Sounder ticket vending machine which verifies the correct pass type on the rider's ORCA card. The ticket plus ORCA card must be presented for inspection on board Amtrak. Due to a technical limitation in the ORCA system, riders using this program do not record a trip against their pass in the ORCA backend clearinghouse (as they would if the trip were made on regular Sounder service) and so Sound Transit does not receive additional allocation of pass revenue for these trips. This loss in revenue is recognized as a customer relation Special Rate of Fare to preserve the ability to offer the program under ORCA.

In 2010, 692 RailPlus trips were taken by Sounder riders aboard Amtrak service. The fare revenue foregone from the inability to allocate ORCA pass revenue for these trips is estimated at \$1,993. In 2011, 846 RailPlus trips were taken by Sounder riders aboard Amtrak service. The fare revenue foregone from the inability to allocate ORCA pass revenue for these trips is estimated at \$2,682.

Title VI mitigation for impacts of fare changes on minority and low-income communities

Per Federal Transit Administration requirements, any fare change proposed by Sound Transit must undergo a Title VI analysis to determine if the change would have a disproportionate impact on minority or low-income communities. If a disproportionate impact is forecast, Sound Transit must consider programs to mitigate the effect. In 2010 Sound Transit changed its policy to discontinue the issuance and acceptance of paper transfers so that carry-over credit from one boarding to the next in a transfer could be affected only through use of an ORCA card. This policy change was determined to have a disproportionate impact, which was mitigated through

SPECIAL RATES OF FARE

distribution of free ORCA cards targeted to transfer riders in above-average minority and low-income communities. A total of 3,800 ORCA cards each containing \$5 were distributed through King County, the City of Seattle, and human services agencies community organizations and food banks throughout ST’s service area. The total fare value of the 2010 Title VI mitigation efforts was \$19,000.

No Title VI mitigation activities were required in 2011.

Human Services tickets

The Human Service Program is coordinated and funded by KCM and City of Seattle, offering discounted tickets to ST Link & ST Express Service and METRO bus service. The Program provides subsidized Transit Tickets at an 80% discount to eligible human service agencies for free distribution to persons who are homeless and/or have low-to-moderate incomes. Tickets are used to help this population access shelters, health care, employment, and related services critical to personal and residential stability; they may not be used to cover the transportation costs of Agency Staff and/or volunteers, including volunteer staff receiving stipends. Once HS agencies qualify they are allotted a limited funding in which to purchase these tickets. Tickets are sold at KCM's customer service center. Per agreement with KCM, ST received 20% of the revenue generated from these sales.

	2011 ST Value	2011 Revenues	2010 ST Value	2010 Revenues
Adult	\$ 114,912	\$ 22,982	\$ 83,136	\$ 16,627
RRFP/Youth	\$ 7,018	\$ 1,404	\$ 13,790	\$ 2,758
Totals	\$ 121,930	\$ 24,386	\$ 96,926	\$ 19,385

The total foregone revenue resulting from the 80% fare discount provided through this program was \$97,544 in 2011 and \$77,541 for 2010.

Paratransit access to Sound Transit fixed route service

In 2011, an estimated 1,466 trips (1,370 trips in 2010) were provided free of fare on ST fixed route modes for riders eligible to use paratransit shuttle services. The forgone fare revenue for these trips was an estimated \$1,251 in 2011 and \$2,356 for 2010. However, had these trips been taken on paratransit shuttle service the total cost to transit agencies of providing those trips would have been approximately \$92,000 (based on the actual 2010 average of \$39/trip paratransit shuttle trips paid for by Sound Transit).

SPECIAL RATES OF FARE

Transit demonstrations and Tours

Passes provided for transit conferences and industry tours are valid on all ST modes and are assigned a one-day pass face value of \$5.00, based on assumed average usage. 2011 and 2010 activity included:

2011	Dates	Value	Passes
Traction Tour	June 22 (1 day)	\$ 630	126
Assoc Geographers	April 15 (1 day)	\$ 250	50
Noise Peer Review	May 22-29 (8 days)	\$ 200	5
Advance Rail Management	May 31 - June 3 (4 days)	\$ 300	15
Greater Seattle Business Assoc.	January 5-8 (4 days)	\$ 600	30
2011 Totals		\$ 1,980	226

2010	Dates	Value	Passes
Transit Finance Learning Exchange	October 18-19	\$ 250	50
APTA	July 11-14	\$ 600	120
Smart Growth	February 3-7	\$ 5,000	1,000
Totals		\$ 5,850	1,170

The total amount of foregone revenue from this program in 2011 was \$1,980 and \$5,850 in 2010.

Public emergencies and natural disasters

Not applicable in 2010.

Employer/Institutional Programs

Through the ORCA regional business account program, Sound Transit offers local employers a range of programs to provide subsidized or discounted transit access to their employees for companies with 5 or more employees. These programs fall under one of two umbrella programs: Business Passport and Business Choice. Business passport products are priced based on actual transit usage for an individual large company (custom account) or collection of smaller employers in a geographical area (area account), while business choice accounts offer businesses the ability to bulk order standard retail products.

SPECIAL RATES OF FARE

The CEO is authorized to enter into bulk pass sales agreement with businesses, organizations and institutions for distribution to their employees, students or client, under the following conditions:

- It is in the best interest of Sound Transit, and
- Passes are priced according to the actual or estimated use at a level no lower than the fare revenue that would be expected from the pass users as a group if bulk purchase/distribution program were not in place, or
- For the purposes of market development and customer retention, a discount of no more than 20% may be granted on a temporary basis provided that the bulk purchaser of the pass offers subsidy of a least 50 percent of the per pass purchase price to the individual pass recipients.

In 2011, Sound Transit offered a regionally-adopted one-time pricing discount to all Business Passport renewals for customer retention in the first year of conversion to ORCA-based pricing. The incentive provided a 20% discount on the increase in price from the prior contract and began with all contract renewals for custom accounts in January 2011 and March 2011 for area accounts. The total discount applicable to 2011 was \$260,934 or approximately 2.2% of total ORCA Business Passport revenues: \$177,380 for custom accounts (39 of 71 accounts were eligible for the discount) and \$83,554 for area accounts (172 of 621 accounts were eligible for the discount).