

SOUND TRANSIT

MOTION NO. M98-54

Fare Integration Framework BACKGROUND AND COMMENTS

Meeting:	Date:	Type of Action:	Staff Contact:	Phone:
Board of Directors	7/23/98	Board Discussion/Approval	Agnes Govern, Director, Regional Express Barbara Gilliland, Program Manager, Systems Integration	684-1673 684-1630

ACTION:

Approve the fare integration framework and general concept developed by elected officials from Pierce Transit, King County Metro Transit, Community Transit, Everett Transit, and Sound Transit through a series of three Fare Policy Forums.

BACKGROUND:

Representatives from each of the transit agency boards in the three-county area held a series of three forums beginning in December of last year. The focus of these meetings was to discuss potential ways that the region could develop an integrated fare structure that would allow customers to easily transfer between different transit providers.

The group discussed potential fare integration structures, reviewed existing fare policy, studied financial implications, and gave direction to staff on analysis to be done. At the last policy forum, June 3, 1998, elected officials came to an agreement on a framework. They asked that this framework be reviewed with each agency board for support of the concept and that an agreement outlining the details of how this concept would be implemented be developed for signature by each transit agency by September, 1998.

The framework involves establishing a series of regional passes based on value. These passes would be valid on all transit agency services within the three-county area for the value of the pass. If an individual trip costs more, the passenger would pay the difference in the two fares – a transfer upgrade. In addition, single agency passes would be valid on Sound Transit services for the face value posted on the pass. Again the passenger would pay the difference in the fare if it were higher. Finally, a coordinated cash transfer system would be developed for cash paying passengers.

This framework builds from individual agency practice of free transfers, subject to distance or service quality upgrades. On average, the discount, which will be provided to customers on transfers to and from Sound Transit, is estimated to be 33%. The elected representatives from each agency agreed to share this 33% discount equally. The Sound Transit share of this discount

will be paid for from the Fare Integration Fund, which will be used to guarantee that each agency's fare revenues from intersystem trips remain at 67%.

A group of staff from each of the agencies is working out further details to cover how special fare and discount passes can be handled; such as youth, senior, disabled, and employer categories. In addition, the group is establishing procedures for revenue reconciliation between the agencies.

It is important to note that this is the first stage of a multi-staged implementation program that will involve constant monitoring and adjustment to address the potential implementation of the Smart Card and the ultimate implementation of Link light rail.

RELEVANT BOARD POLICIES AND PREVIOUS ACTIONS TAKEN:

- Adoption of *Sound Move*, The Ten-Year Regional Transit System Plan (May 31, 1996). *Sound Move* supporting a "one ticket ride" states, "The RTA will work with public transportation provider in the region to develop an integration fare policy for the entire public transit service network."
- Sound Transit Fare Integration and Policy Discussions:

Board of Directors	9/25/97	Fare Integration Discussion
Board of Directors	2/26/98	Fare Policy Discussion
Finance Committee	3/05/98	Fare Policy Discussion
Board of Directors	3/12/98	Fare Policy Discussion

Discussions have focused on alternative fare integration options and discussion of potential Sound Transit fare policies and structure. These discussion points have provided information on discussions occurring at that time and have provided staff direction for continuing fare integration discussions.

- Fare Policy Forums:
 - 12/5/97 – Alternative Fare Policy Structures
 - 3/18/98 – Framework and Financial Implications
 - 6/3/98 - Refined Agreement Framework and Phased Approach

These forums involved selected representatives from Sound Transit, Pierce Transit, King County Metro, Community Transit, and Everett Transit. Representatives were also invited from Washington State Ferries, Kitsap Transit, State Transportation Commission, and the State Legislature Transportation Commission. The purpose was to provide a forum for agency representatives to discuss possible options and implications before taking back for full board adoption at each agency.

KEY FEATURES:

- Approves of the general fare integration framework which recommends the establishment of regional passes based on value valid on all transit agency services within the Pierce, King,

and Snohomish county areas and establishes consistent transfer policies between Sound Transit and other agency services.

- Recommends the development of a multi-agency agreement for implementation establishing the policy and procedures for the use of the Fare Integration fund.

FUNDING:

Funding for this agreement will come from the Fare Integration Fund. Payments from this fund will begin with the initiation of operations on Regional Express and Sounder services at the end 1999. Procedures for determining payments will be included in the agreement to be brought before the Board in September, 1998.

Work to date on calculating the estimated Fare Integration Fund payments necessary to provide this seamless system concludes that sufficient funds are available through Phase I. These payments gradually increase over the 10-year period with greatest increases occurring with the implementation of Link light rail in 2005-2006. Payments from the Fare Integration Fund are estimated to be around \$10 million annually by the end of the 10-year period. It will be important to monitor and plan for these future fare integration costs.

ALTERNATIVES:

- No Action – The Board may reserve action on this topic until the agreement is prepared in September. Should the Board decide then that this framework is unacceptable, coordinated transfers between other agencies may not be possible with the opening of Sound Transit services in 1999.
- Alternatives – Several alternative structures were evaluated while developing this framework. These alternative structures were previously reviewed with the Board. The Board could request another structure be considered. This will entail bringing the agencies back together for further discussions and deliberation.

CONSEQUENCES OF DELAY:

A change to the overall structure will cause significant delay in order to reconvene the agencies and discuss alternative framework designs. This will affect the development of other areas that are necessary to ensure the fare media and the distribution and collection services are ready for the initiation of Sound Transit services by the end of next year.

SOUND TRANSIT

MOTION NO. M98-54

A motion of the Board of the Central Puget Sound Regional Transit Authority supporting the fare integration framework developed by elected officials from Pierce Transit, King County Metro Transit, Community Transit, Everett Transit, and Sound Transit through a series of three Fare Policy Forums.

Background:

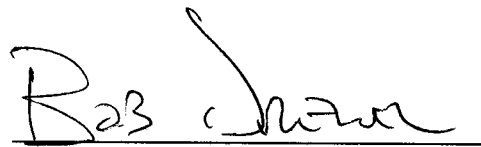
Representatives from each of the transit agency boards in the three-county area held a series of three forums beginning in December of last year. The focus of these meetings was to discuss potential ways that the region could develop an integrated fare structure that would allow customers to easily transfer between different agency services.

At the last policy forum, June 3, 1998, elected officials came to a tentative agreement on a framework. They asked that this framework be reviewed with each agency board for support of the concept and that an agreement outlining the details of how this concept would be implemented be developed for signature by each transit agency by September, 1998.

Motion:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the agency supports the general fare integration framework and authorizes staff to develop an implementation agreement for approval by this Board and other affected agencies.

Approved by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof on the 23rd day of July 1998.



Bob Drewel
Board Chair

ATTEST:



Marcia Walker
Board Administrator