

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 8/5/2020

Staff Report No. 20-285

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager
SUBJECT: Free Transfer for All-Nighter Service

ACTION ITEM

RECOMMENDED ACTION(S):

Consider granting free transfers for All-Nighter service between the hours of midnight and 6:00 a.m.

STRATEGIC IMPORTANCE:

Goal - Convenient and Reliable Service
Initiative - Service Quality

Providing a free transfer to riders of All-Nighter service will remove any fare penalty associated with Tempo BRT implementation and share the financial benefit with all late-night riders who are more likely to be low-income. The proposal aligns with Fare Policy goals of simplicity and equity, and supports the District's strategic plan core values of service and equity.

BUDGETARY/FISCAL IMPACT:

It is estimated that the revenue loss of providing free transfers of AC Transit's All-Nighter service could be up to \$171,000 per year. Note that this calculation is conservative because it assumes all riders paid the full adult single ride cash fare; the true cost would likely be lower since riders have multiple forms of fare payment including discount passes.

The analysis is based on a limited survey of transferring passengers taken in February 2020 at the Downtown Oakland transfer point and the San Leandro BART Station. During a two-day period in Downtown Oakland, a total of 170 All-Nighter riders (an average of 85 per day) transferred; the estimated cost if they were given free transfers would be \$213 per night, assuming a full fare discount. Data collection over six nights at San Leandro BART showed a total of 612 All-Nighter riders (ranging between 93-112 per day) transferred; the estimated cost of extending free transfers to them would be \$255 per night, assuming a full fare discount.

BACKGROUND/RATIONALE:

Until recently, riders of Line 801 had a one-seat ride between Fremont BART and downtown Oakland. In anticipation of the introduction of the BRT service, Line 801 was truncated at the San Leandro BART Station, forcing customers who ride through San Leandro BART to transfer between Line 801 and Line 1.

Late night workers play an essential role in society and generally make lower wages than daytime workers. Therefore, they are disproportionately more likely to bear the burden of higher transportation costs. Bearing this in mind, the Board directed staff to conduct further research and propose a viable solution. Staff is proposing the District offer a free transfer between all All-Nighter routes between the hours of 12:00 AM (midnight) and 6:00 AM. Though the proposal would result in a reduction in revenue and involve some equipment and training changes, the overall benefits - equity, consistency of fare policy, ease of use, and limited revenue loss - outweigh these issues.

Offering a decreased fare such as a free transfer beyond six months triggers the requirement to conduct a Title VI fare equity analysis under Board Policy 518. The analysis found that offering the free transfer to all All-Nighter riders would not result in a disparate impact on people of color and also would not result in a disproportionate burden on low-income riders. The full fare equity analysis can be found in Attachment 1. Following FTA requirements and Board policy, the Board must receive the findings of the equity analysis before making such a fare change permanent.

ADVANTAGES/DISADVANTAGES:

There are several advantages to allowing free transfers.

- Line 801 riders who ride through San Leandro BART and who will now need to transfer to or from BRT would not be penalized.
- The proposal extends the benefit to other All-Nighter riders who are likely to similarly have lower income than daytime riders.
- Offering free transfers to all All-Nighter riders aligns with the fare policy goals of equity and simplicity.
- The proposal can be implemented easily.

The disadvantages of the proposal include the following.

- The introduction of a new fare media will result in additional administrative tasks, borne by the District's Treasury Department.
- Operators already have several other fare-related activities to undertake during the boarding process; an additional process will add to their responsibilities and require additional training.
- Depending on the form of payment and the services that the rider is transferring between, the transfer mechanism/protocols may vary; fare inspection protocols would have to be designed and implemented to ensure correct fare payment.
- There is the potential for attempted misuse of the free transfer, as has been reported with the "Inter-agency" transfer. In addition, an All-Nighter Operator will not be able to determine whether a rider has tagged a valid Clipper Card before boarding, there is the potential for riders to avoid payment; training of Operators is a prerequisite. Since this transfer can only occur at the limited number of All-Nighter transfer locations, staff believe there are few opportunities for misuse.
- There would need to be equipment modifications. The GFI fareboxes will need to be reprogrammed to issue transfer tickets and to record the number of transferring passengers. Fortunately, the farebox has un-used keys available that can be programmed to issue a transfer and the cost associated with the reprogramming is estimated to be small. There will be additional ticket stock usage and maintenance; however, these costs are not significant.
- [Note that to avoid Clipper users being charged during a transfer, the Clipper Card terminals would also need to be reprogrammed, estimated to cost \$75,000 and take 6 months to complete. Given the small

number of transferees, and the cost and time, staff propose that reprogramming not occur at this time and instructions be given to Clipper users to not tag their card during the transfer process. The introduction of the more flexible Clipper C2 system in 2023 will allow for the reprogramming of the system to eliminate a second charge when transferring.]

ALTERNATIVES ANALYSIS:

Staff considered several alternatives before determining that offering free transfers to all All-Nighter riders could most easily be implemented and also best aligned with the fare policy goals of equity and simplicity.

- Maintain existing transfer policy: The District's policy of no free transfers would be maintained and passengers transferring between BRT and Line 801 would be required pay an additional fare. Staff do not recommend this because of the specific direction to provide a free transfer.
- Allow free transfers to riders transferring between Line 801 and the BRT at the San Leandro BART Station only. Staff do not recommend this option because the District would have to conduct a costly and time-consuming rider survey in order to collect sufficient demographic data from all All-Nighter riders for the necessary fare equity analysis. Because Line 801 rider demographics are likely similar to other All-Nighter riders, the analysis could result in findings that contradict the Board fare policy goal of equity. In addition, the logistics of issuing a unique free transfer for one route at one location are challenging to implement and do not align with the District's fare policy goal of simplicity.
- Reintroduce transfers all day, system wide. This option would undo the District's current transfer/day-pass policy. Staff do not recommend this option at this time because it would have substantial revenue implications and require significant additional research and deliberation.
- Extend BRT service to Fremont BART during All-Nighter hours, eliminating the need for transfers at San Leandro BART. Staff do not recommend this option as it would require that the BRT buses be outfitted with fareboxes to allow riders to board between San Leandro and Fremont BART stations. Also running the BRT vehicles only at night in this section of the corridor would likely cause "brand" confusion.
- Curtail BRT service during the All-Nighter service hours. Under this option BRT services would cease at midnight. Riders wishing to access destinations between downtown Oakland and San Leandro would use Line 801 which would have to be extended to downtown Oakland. Staff do not recommend this alternative because it would not be consistent/compliant with the BRT project's Small Starts Grant Agreement.

PRIOR RELEVANT BOARD ACTION/POLICIES:

SR 19-171b - FY 2019/20 Service Change Approval

ATTACHMENTS:

1. Title VI Fare Equity Analysis

Prepared by:

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Approved/Reviewed by:

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