

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 4/9/2025

Staff Report No. 25-253

TO: AC Transit Board of Directors
FROM: Kathleen Kelly, Interim General Manager/Chief Executive Officer
SUBJECT: Fare Collection and Compliance Report on the Tempo Line

BRIEFING ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider receiving report on the District's Fare Collection and Compliance on the Tempo line.

Staff Contact:
Kathleen Kelly, Interim General Manager/Chief Executive Officer

STRATEGIC IMPORTANCE:

Goal - Convenient and Reliable Service
Initiative - Financial Efficiency and Revenue Maximization

There are a significant number of riders on the Tempo who do not pay fares for various reasons. This leads to a decrease of revenue funds, compared to other transit lines. This Fare Collection and Compliance Report on the Tempo Line provides a high-level review of the potential reasons and challenges of payment by highlighting ridership, fare compliance rates and revenue loss. The report summarizes industry fare compliance best practices and explores other cost neutral solutions to increase fare compliance and collection.

BUDGETARY/FISCAL IMPACT:

There is no budgetary impact associated with this report. The purpose of this report is to provide an overview of the current fare education and compliance program on the Tempo line, along with high level cost projections that would be necessary for a comprehensive enforcement program. Although staff does not recommend that direction, the board could elect to pursue the implementation of a comprehensive focused fare compliance program, and there would be budgetary impacts based on program type, size and success of the compliance solution(s).

BACKGROUND/RATIONALE:

I. Tempo Design and Current Conditions

The Tempo system was designed and constructed as a Bus Rapid Transit (BRT) line under a Small Starts Grant Agreement with the Federal Transit Administration (FTA). The design of the BRT project includes raised station

platforms, no front door access, and passenger doors on both sides of the bus, with off-board fare payment only. The goal of the design was to build a system that operates with increased frequencies, capacity, reliability and speed of travel through the corridor.

Although there have been suggestions that the District should consider changing the method of fare payment on the Tempo so that all customers pay on-board the vehicle, that is not feasible from a design standpoint, and would also seriously impede those stated goals of the project. Because of the design of the raised platforms, customers cannot board through the front door of the bus and it is not possible to install a farebox at the front of the bus without significantly redesign the entire front area of the vehicles. Further, installing a farebox anywhere else inside the bus would be more complex, expensive, reduce seating, and will not result in improved fare collection.

The District currently follows a lenient fare education compliance strategy on the Tempo line, including:

- Random compliance checks with the Alameda County Sheriff's Office.
- Staff presence of Platform Agents to assist riders to pay their fare, which may have a positive impact on revenue but there is no data to support this assumption.
- Current staffing offers observational compliance information, but observations are limited, random, and subjective.
- There are safety concerns for transit workers who would enforce fare.

II. Estimated Fare Loss

District data shows that the Tempo line has a significantly higher fare evasion rate than other District lines, resulting in a revenue loss. Data from FY'21 to FY'25 shows that while districtwide revenue increased by 115% over this period, Tempo revenue remained stagnant. Total Tempo fare revenue also lags behind its relative ridership; while the line carries just over 12% of District ridership, it only produces around 2% of the District's fare revenue.

III. Industry Practices

Staff surveyed several rail and bus operators, and found that while fare compliance programs exist on rail systems, there are generally not similar programs for buses. Staff at other transit agencies that have BRT systems with an off-board fare collection system, including Muni, OminTrans, TriMet and Lane Transit, share similar compliance challenges. While many of those agencies do conduct fare compliance activities, officers are limited, and inspections are random.

IV. Where Does That Leave Us/Recommendations:

The following options have been reviewed and considered:

- A. Develop and implement a comprehensive fare compliance program:
 - a. This is a costly initiative with little to no guarantee that the return on investment would be seen within the fiscal year.
 - b. Staff researched the initial cost for full time coverage during revenue hours, and estimate that would cost approximately \$6.5 million including start-up costs, which might be reduced thereafter.
 - c. Staff currently does not recommend pursuing this option.
- B. Remove the Ticket Vending Machines and add fare boxes to the Tempo:

- a. The logistics and design exclude this as an option, as discussed above.
- C. Enhance and expand the current fare compliance program including increasing the use of Clipper Start:
 - a. Promote, increase access, and utilization rates of Clipper Start program with MTC, through outreach and education with external stakeholders.
 - b. Staff recommends this cost neutral option.
- D. Continue to look for sponsorship and advertisement opportunities:
 - a. Focus on opportunities to offset the loss of revenue.
 - b. Staff recommends this cost neutral option.

ADVANTAGES/DISADVANTAGES:

Fare Compliance Program

There are advantages and disadvantages to implementing a staff compliance program that include:

Advantages:

- Safer environment (real or perceived) for riders and operations.
- Change in culture and perception of utilizing transit.
- Potential increased ridership long-term that could lead to return on investment.

Disadvantages:

- Investment cost for a comprehensive fare compliance program.
- Program cost versus revenue generation (ROI).
- Increase dwell time, negatively impacting on-time performance.

ALTERNATIVES ANALYSIS:

Staff have not identified alternative analysis beyond the Fare Collection and Compliance report on the Tempo Line. Off-board collection was a required project element and changing to an on-board fare collection would likely require FTA approval.

PRIOR RELEVANT BOARD ACTION/POLICIES:

None

ATTACHMENTS:

1. TEMPO Off-Board Fare Collection and Compliance

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