



## **Board Policy No. 333**

### **Fare Policy Goals and Methodology**

**ADOPTED:** 6/22/2011

**RECENT AMENDMENT:** 7/1/19

**SEE ALSO:** 333A

**SUBJECT CATEGORY:** SECTION 300, FINANCE

**SUBSECTION:** FARES

**CONTROL DEPARTMENT:** FINANCE

#### **I. PURPOSE**

The purpose of this policy is to set forth the goals and methods on which AC Transit's fares are based as well as payment options and products.

#### **II. PERSONS AFFECTED**

Passengers using AC Transit services, and the District's personnel involved in making fare-related decisions.

#### **III. DEFINITIONS**

**"Clipper® Card"** or **"Clipper"** means the Bay Area regional stored-value transit electronic payment "smart card" administered by the Metropolitan Transportation Commission (MTC). This card can be used to pay AC Transit fares if it is loaded with cash and/or AC Transit passes. MTC (in cooperation with regional transit operators) is developing a next generation system ("Clipper 2"). References to Clipper also apply to Clipper 2.

**"Discount Fare"** means the reduced fare required of passengers eligible for youth, senior, or disabled fares.

**"Youth"** – Children 5 through 18

**"Senior"** – Age 65 and over

**"Disabled"** – Persons under 65 with qualifying disabilities

**"EasyPass"** means annual value pass provided on Clipper to a defined universe of participants at qualified colleges, employers, and residential communities.

**"Day Pass"** means fare instrument that grants an AC Transit passenger the right to board unlimited AC Transit local buses for one fare on the day of purchase.

**"Accumulator"** means fare instrument that automatically charges the passenger for the best value fare product based upon the number of transit trips made in a given day or week. This ensures the

passengers do not incur further charges once they reach a certain threshold without having to make upfront decisions to purchase multi-trip passes.

#### **IV. POLICY**

##### **A. Goals of the Fare Policy**

Goal 1 – Simplicity: Fares, the fare structure, and fare payment methods should be easy to use for passengers, and easy to operate for the District.

Goal 2 – Appropriateness: Fares, the fare structure, and fare payment methods should provide a good value for passengers.

Goal 3 – Equity: Fares, the fare structure, and fare payment methods should be fair for all passengers.

Goal 4 – Transparency: Fares, the fare structure, and fare payment methods should result in predictable costs and cost increases for passengers, and predictable revenue increases for the District.

Goal 5 – Policy Supportiveness: Fares, the fare structure, and fare payment methods should be supportive of other District goals – service, land use, and social goals – and compliant with other regulatory mandates.

Goal 6 – Affordability: Fares should be affordable to all passengers to ensure their full access to bus service and to prevent adverse impacts on socially vulnerable populations.

Goal 7 – Fiscal Responsibility: Fares should keep pace with inflationary costs.

##### **B. Methodology/Structure**

1. Transbay fares shall be priced separately from local fares.
2. Discount fares shall be priced at 50% of base fare. The federally mandated discount for senior and disabled fares is 50% in the off-peak period. AC Transit has generally maintained discount cash fares as 50% of the adult fare at all times, which is common among American transit agencies.
3. Day Pass:
  - a. Cash Day Pass shall be priced at two (2) times single cash fare, plus 50 cents, rounded to the nearest 50 cents. An affordable Day Pass reduces the penalty on riders who transfer and encourages additional transit use.

- b. Day Pass using Clipper, Day Pass Accumulator (DPA), shall be priced at two (2) times single Clipper fare, plus 50 cents, rounded to the nearest 50 cents. Offering a Clipper discount similar to Clipper single fare is intended to incentivize current cash Day Pass customers to move to Clipper.
- 4. 31-Day Adult pass prices shall be priced at thirty-six (36) times the applicable single-ride Clipper fare. For passengers who ride 5 days per week, or approximately 40 times per month, a pass priced at 36 times the single-ride fare provides a modest discount, with any “extra” trips (such as weekend trips) being free.
- 5. Senior/Disabled monthly pass and Youth 31-Day Pass shall be priced at thirty (30) times the applicable single-ride Clipper fare. Capping the multiplier at 30 times the single discount Clipper fare compared to 36 times single fare for adult 31-day pass will ensure that discount passes, a critical component of transit affordability, will remain affordable at less than 50% of adult passes.
- 6. 7-Day Pass shall be priced at ten (10) times the applicable single-ride fare. These passes provide a discount for people who sometimes use the system heavily, but not for a full month. They also provide a discount fare instrument for people who may have difficulty paying for a full month’s pass at a time.
- 7. Clipper Incentive of \$0.25. To provide an incentive for cash payers to switch to Clipper, adult single-rides on Clipper shall be discounted by \$0.25. The local youth/senior/disabled single-ride Clipper fare discount shall be one-half of the adult Clipper discount.
- 8. Planned five-year schedule of fare increases. Planned five-year schedule of fare increases creates predictability for passengers, for the District, and for other agencies that work with AC Transit. Having a consistent plan for fare increases allows the District to respond to inflation, and obviates the need for very large fare increases at one time. See Resolution 19-008 for specific local fare levels, and Resolution 18-012 for Transbay fare levels. AC Transit fare details shall be available on AC Transit website – [www.actransit.org](http://www.actransit.org).

### **C. Payment Options and Products**

- 1. Passengers may pay their fare using the following payment options:
  - a. Cash – Passengers may pay the applicable fare in cash either in bills and coins, or a combination thereof. Exact fare is required.
  - a. Magnetic Stripe Passes – Passengers may pay with a magnetic stripe pass issued from the farebox upon payment of appropriate cash fare; or pay with a magnetic stripe pass distributed by qualified public or social service agency or qualified non-profit organization.

- b. Clipper – Passengers may pay the applicable single ride fare with e-cash loaded on a Clipper card, or with a valid single or multi-day pass loaded on the card.
  - c. Mobile Payment Application – A Mobile Payment Application utilizing new technology is planned to be implemented as a new fare payment method. The mobile payment application is planned to make a variety of fares – including the 7-Day Pass – available, as determined during implementation.
2. Fare Products – Passengers may purchase these products in addition to a single-ride fare:
- a. Day Pass – The passenger may purchase the Day Pass with cash at the farebox, or through the Day Pass Accumulator (DPA) on a Clipper card.
  - b. Multi-Day Passes – The passenger may purchase a 31-Day or monthly Pass on a Clipper card. Paper passes will be available only to social service agency or qualified non-profit organization.
  - d. 7-Day Passes – The 7-Day Pass is planned to be available initially on the future mobile payment application. The 7-Day Pass shall be available through other non-cash means in the future, including as an accumulator pass, as technology permits.

#### **D. Local Fare Structure**

- 1. Adult Local Fare as Base Fare – The adult local fare shall be the base fare, upon which other fares and pass prices are calculated.
- 2. Single-Ride Discount Fare – The discount fare shall be half of the applicable adult single-ride fare.
- 3. Day Pass:
  - a. Cash Day Pass will cost two (2) times the single cash fare, plus \$0.50, rounded to the nearest multiple of \$0.50.
  - b. Day Pass using Clipper, also known as the Day Pass Accumulator (DPA), will cost two (2) times single Clipper fare, plus \$0.50, rounded to the nearest multiple of \$0.50.
  - c. Day Passes shall be valid until 3:00 AM next day of first use.
- 4. Discount transfer from BART:
  - a. The passenger may use a BART-to-Bus transfer to receive a \$0.25 cash discount each way against the otherwise applicable fare, using a paper transfer.

- b. A BART-to-Bus transfer on a Clipper card will receive a one-way \$0.50 discount against the otherwise applicable Clipper fare, when transferring from BART to AC Transit.
- 5. 31-Day Adult Pass Prices – The price of a 31-day pass shall be thirty-six (36) times the applicable adult single-ride Clipper fare.
- 6. Youth 31-Day Pass and Senior/Disabled Monthly Pass Prices – These discount passes shall be priced at thirty (30) times the applicable discount single-ride Clipper fare.
- 7. 7-Day Pass – The price of a 7-day pass shall be ten (10) times the applicable single-ride fare.
- 8. Clipper Discount – The adult single-ride on Clipper shall be discounted by \$0.25. The youth/senior/disabled single-ride Clipper fare discount shall be one-half of the adult Clipper discount.
- 9. Other Fares – The provisions of the regional fare coordination agreements shall govern the various Inter-Agency Transfer fares.

#### **E. Transbay Fare Structure**

- 1. The Adult Transbay Single-Ride Fare as Base Transbay Fare – The adult Transbay Fare shall be the base fare, upon which other fares and pass prices are calculated.
- 2. Single-Ride Discount Fare – the discount fare shall be half of the applicable adult fare.
- 3. No Clipper discount – Transbay Fare shall be the same price for cash or Clipper.
- 4. 31-Day Adult Pass Price – The target price of a 31-day pass shall be thirty-six (36) times the applicable adult single ride fare.
- 5. Other Fares – The provisions of regional fare coordination agreements concerning Free Rides, Regional Transfers, Capitol Corridor, and Ferry Transfers shall govern these fares.
- 6. Dumbarton Express Fare – As long as the District is the provider of the Dumbarton Express service under the oversight of the Dumbarton Regional Operations Consortium, the Dumbarton Express Fare shall equal the Transbay Fare. This also applies to the Discount Fare.
- 7. Upgrade Fare – Riders transferring from Local to Transbay service shall pay the difference between the Local and Transbay Fare based on the Fare Media and Fare Category (Adult or Discount) used on the originating trip.
- 8. Riders who have paid a Transbay fare using Clipper receive a free transfer to a local bus if boarding within two hours.

**F. EasyPass Fare Structure**

1. EasyPass Prices – Prices under the EasyPass program shall be at the levels established in the EasyPass pricing matrices in Resolution No. 13-046, Exhibit A or its successor resolution.

**V. AUTHORITY****A. Board Authority**

1. Sole authority to adjust fares rests with Board of Directors. All fare adjustments must be made by resolution of the Board.