

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

---

**MEETING DATE:** 2/24/2021

**Staff Report No.** 21-145

---

**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager  
**SUBJECT:** MTC Fare Integration Task Force Update

### BRIEFING ITEM

#### **RECOMMENDED ACTION(S):**

Consider receiving an update on the work of the Metropolitan Transportation Commission (MTC) Fare Integration Task Force. [Requested by Director Walsh - 12/9/2020]

#### **STRATEGIC IMPORTANCE:**

Goal - Financial Stability and Resiliency

Initiative - Financial Efficiency and Revenue Maximization

Fares are an important part of the District's overall revenue picture.

#### **BUDGETARY/FISCAL IMPACT:**

There are no fiscal impacts associated with this briefing item. The recommendations of the Fare Integration Task Force (FITF) may have fare revenue impacts and funding needs to backfill or mitigate those impacts. Part of the study is to produce a business case with full revenue/cost impacts for the recommendations put forth.

#### **BACKGROUND/RATIONALE:**

At its September 2019 meeting, the Clipper® Executive Board approved a scope of work for a Fare Coordination/Integration Study and Business Case and designated BART and the Metropolitan Transportation Commission (MTC) as Co-Project Managers for the effort. The key objectives of the project, as defined by the Clipper Executive Board upon approval of the project scope include:

- Developing goals for the regional fare system that will support an improved user experience, increased transit ridership and build on robust public outreach
- Identifying barriers, especially barriers related to fares and the user experience, that are impeding increased ridership
- Identifying opportunities to increase transit ridership by improving the regional fare system through regional fare coordination and integration strategies
- Developing a detailed implementation plan, including funding plan, for recommended improvements.

A consultant contract (Steer) was awarded in February 2020 to lead the study and business case development.

The immediate onset of the pandemic caused some delay in the start of the study and necessitated major changes in how the significant outreach planned as part of the study would be run. The goals of the study were reviewed, and a modified problem statement or project hypothesis was formed as follows:

*Fare policy is one among several factors that have constrained the growth of transit ridership in recent years. Current fare policies are informed by funding and governance models that incentivize locally focused fares and may not maximize ridership for the region as a whole. As a result, Fare Coordination and Integration may have a role to play both in restoring transit ridership and supporting recovery from the COVID-19 pandemic and delivering the transportation system the Bay Area needs for its coming decades of growth.*

Current study activities are centered around developing a large set of fare integration scenarios and then narrowing down to a smaller set to be more intensively studied.

The attached presentation was developed by the study project managers and the consultant and first given at the January 25 meeting of the MTC Blue Ribbon Transit Recovery Task Force (BTRTF). As shown in the presentation, the study is planned to complete in summer 2021. There is some possibility that preliminary findings or recommendations could be included in the recommendations of the BTRTF, which is planned to complete in June.

**ADVANTAGES/DISADVANTAGES:**

There are no advantages or disadvantages to this briefing item. The fare integration study will consider the advantages and disadvantages to the recommendations put forth.

**ALTERNATIVES ANALYSIS:**

There are no alternatives to this briefing item. The fare integration study is considering a wide range of alternatives and those will be detailed in the final report.

**PRIOR RELEVANT BOARD ACTION/POLICIES:**

None

**ATTACHMENTS:**

1. Presentation

**Prepared by:**

Chris Andrichak, Chief Financial Officer

**Approved/Reviewed by:**

Robert del Rosario, Director of Service Development and Planning

Claudia Burgos, Director of Legislative Affairs & Community Relations

Ahsan Baig, Chief Information Officer

Chris Andrichak, Chief Financial Officer