

Metra Fare Structure Study: Update & Survey Results

presentation to

Metra Board of Directors

April 19, 2017

Agenda

- ❑ Fare Structure Study
 - Team
 - Study Tasks
 - Recommended Fare Principles

- ❑ Survey Design

- ❑ Survey Results & Findings

- ❑ Next Steps

The 49T Team Expertise

❑ Collaborative team with the necessary specialized expertise

- ❑ Fare Policy, Fare Structuring
- ❑ Fare Modeling
- ❑ Commuter Rail Operations
- ❑ Public Involvement
- ❑ Title VI and Environmental Justice
- ❑ Fare Collection/Payment Technologies

❑ Successful team experience

- ❑ Metrolink Fare Study & Title VI Studies
- ❑ Chicago Ventra Title VI Analysis
- ❑ RTD (Denver) Fare Structure Study
- ❑ Foothill Transit Fare Restructuring Study
- ❑ Sound Transit Next Generation ORCA
- ❑ MTC (San Francisco Bay Area) Regional Means-Based Transit Fare Pricing Study

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TECHNOLOGIES



Our team members have worked with over 30 transit agencies & commuter railroads to develop fare policy & restructuring concepts, provide trade-off analyses, build consensus, engage the public, and conduct Title VI fare equity analyses.

Tasks

Task	Details
1	Fare Structure Review and Preliminary Considerations
2	Fare Modeling Development & Trade-Off Analysis
3	Draft Fare Structure Recommendations
4	Title VI & Environmental Justice Analysis
5	Final Fare Structure Recommendations and action Plan

Recommended Fare Principles

Current Fare Principles	Recommended Fare Principles
Consider regular fare adjustments that ensure a balanced budget, keep pace with inflation, and avoid significant, infrequent fare increases	Consider regular fare adjustments that ensure a balanced budget, sustain service, keep pace with inflation, and avoid significant, infrequent fare increases
Allow no diversion of capital-eligible funds to the operating budget	No change
Acknowledge the total cost and the total value of providing services	Acknowledge the total value of providing services to the region's economy while recognizing that fares must cover a percentage of operating costs, as set by the RTA, and support Metra's capital program
Maintain a fair pricing structure that maximizes revenues	Understand the short and long term impacts of fare changes on ridership and revenue as well as the time and resources needed to implement them

Recommended Fare Principles

Current Fare Principles	Recommended Fare Principles
Review fare media to improve fare collection and simplify overall collection activities and reconciliation	Improve fare collection by simplifying the overall process and transportation costs
Minimize on-train transactions and overall transaction costs	
Recognize that convenience has a value	Offer a fare structure and policies that are easy to use and understand by offering fare structure and products that are regionally equitable and appeal to current and prospective customers
Equalize fare differentials by zone over time	
Evaluate fare policies of partner and peer agencies	Evaluate impacts of cooperative opportunities on fare structure, products, pricing and policies of our local transit partners and evaluate national peer programs that have stimulated ridership

Survey Design

- ❑ Objective: obtain public feedback on possible changes to Metra fare structure and products
- ❑ Approach: online survey available to the public for one month
- ❑ CAB members tested survey in February
- ❑ Survey available to public March 1-April 2
- ❑ Publicized through Metra e-blasts and press releases, local media and newsletters, including *On the Bilevel*
- ❑ Total responses: 10,408

Survey Design

□ Survey topics:

- ✓ Current fare structure
- ✓ Travel characteristics and fare choices
- ✓ Alternative fare structures
 - Zone restructuring
 - Downtown/non-downtown commute travel + peak/off-peak fares
 - Reverse peak, intermediate fares
- ✓ Changes to fare products, policies
 - Day pass
 - 7-day pass
 - Weekend pass
 - Loyalty program
 - First/last mile

10,408 Survey Responses

❑ Survey target markets:

Rider Markets	Responses	Line	Current Riders
Current Riders – 4+ Days per Week	56%	BNSF	29%
Current Riders - <4 Days per Week	29%	UPNW	17%
Former Riders – Recent within last 3 years	12%	UPW	13%
Former Riders – Not Recent not within last 3 years	2%	RID	12%
Non-Riders never ridden	<1%	MDN	12%
		UPN	11%
		MDW	11%
		MED	9%
		SWS	5%
		NCS	5%
		HER	2%

❑ Survey results are generally representative of Metra ridership, though the survey was not designed to be statistically valid

Summary of Findings

❑ Ridership

- ✓ Primary reasons for not riding Metra more are:
 - Not a viable option because of schedule and/or destinations served
 - Not needed for daily travel
 - Prices

❑ Fare structure understanding and fairness:

- ✓ 9 out of 10 current riders believe the current fare structure is easy to understand; 1 out of 10 does not
- ✓ 8 out of 10 current riders believe a distance based system is fair, as do 9 out of 10 who have never ridden

Summary of Findings

❑ Fare structure:

- ✓ Zone structure changes may shift some station choices if fare savings are large enough and additional travel time is acceptable
- ✓ For riders commuting to downtown during rush hour, one-way riders most likely to shift to off-peak travel
- ✓ For riders commuting/traveling outside of downtown, discounted fares may encourage more frequent travel

❑ Fare products:

- ✓ 7-day pass does not support further consideration
- ✓ Consider 1-day pass as part of overall product mix
- ✓ Consider weekend pass to include Friday evening
- ✓ Transfer discounts may be of value to riders using one-way tickets and/or weekend passes
- ✓ Alternative loyalty program is a longer-term discussion

Next Steps

- ❑ Define alternative fare structures and products
- ❑ Determine revenue goals and evaluation criteria
- ❑ Assess ridership and revenue impacts of alternatives
- ❑ Conduct qualitative evaluation of alternatives
- ❑ Identify recommended fare structure and products

Appendix: Selected Survey Details

Ridership

- ❑ Primary reasons for not riding or not riding more often
 - ✓ Current riders who travel <4 days/week:
 - Do not commute daily: 34%
 - Fares are too high: 23%
 - Metra schedules are inconvenient: 21%
 - ✓ Former riders (have and have not ridden in last 3 yrs):
 - Metra no longer viable option: 26%
 - Fares are too high: 20%
 - ✓ Non-riders (never ridden):
 - Metra doesn't meet commute needs: 31%
 - Metra doesn't go where they need to go: 24%
 - Fares are too high: 24%

Findings: there are opportunities for fare changes to attract ridership, especially among current riders who travel <4 days/week

Understanding and Fairness

- ❑ **Understandability:** fare structure is difficult to understand for some current riders as well as non-riders

Q14. Metra's zoned fare structure is easy to understand (Agree/Disagree)

	Current Rider	Former Rider	Never Ridden	Overall
Agree	86%	85%	62%	86%
Disagree	14%	15%	38%	14%

- ❑ **Fairness:** distance-based fares are considered fair

Q15. Metra's zoned fare structure is fair as it requires riders who travel longer distances to pay more than riders traveling shorter distances (Agree/Disagree)

	Current Rider	Former Rider	Never Ridden	Overall
Agree	84%	87%	88%	85%
Disagree	16%	13%	12%	15%

Zone Restructuring

- ❑ **Zone consolidation:** assess likelihood of changing stations to save money on fares
 - ✓ When setting zone boundaries, parking and service levels are more important than saving money on fares
 - ✓ 14% of current riders do not use station nearest home
 - 15% to save on fares; 62% for parking, better service, use another line
 - ✓ Current riders who use the station nearest home would use another station to take advantage of lower fares
 - If they could save enough (48%); if travel did not take too much time (51%)

Finding: A change in zone structure may induce shifts in rider station choice if savings are large enough and additional travel time is acceptable

Downtown Commute Travel

- ❑ **Peak/off-peak fares:** assess potential for riders traveling downtown to shift to off-peak travel
 - ✓ 91% current riders begin/end trips in downtown Chicago, of whom 93% travel during rush hour

Q27. If Metra offered a lower fare on weekdays for trains that arrive in downtown Chicago after 9:30 AM and trains that leave downtown before 3:00 PM or after 7:00 PM, would you switch your travel times to take advantage of the lower fare?

	One-Way	10-Ride	Monthly	Overall
Yes	18%	7%	2%	5%
Yes, when schedule allows	51%	29%	14%	21%
No	32%	64%	84%	74%
Total	7%	31%	62%	100%

Finding: among riders traveling downtown, one-way riders are most likely to shift to off-peak travel – and it may be reasonable to limit off-peak discounts to one-way tickets

Non-Downtown Commute Travel

- ❑ Increase trips among occasional riders commuting outside of downtown. Of those:
 - ✓ Only 9% of current riders use Metra to commute outside of downtown:
 - 35% travel <4 days/week
 - ✓ Among riders who travel less than 4 days/week and commute outside of downtown:
 - 100% use one-way (32%) or 10-ride tickets (68%)
 - 23% say fares are the reason they don't travel more frequently

Finding: discounted fares for trips outside of downtown may attract additional trips among riders who travel less than 4 days/week

Non-Downtown Commute Travel

- ❑ **Reverse peak fares:** increase trips among occasional riders commuting during peak in reverse direction
 - ✓ 69% would travel more frequently if discounted fares were available for reverse peak trips
- ❑ **Intermediate station fares:** increase trips among occasional riders commuting between intermediate stations
 - ✓ 81% would travel more frequently if discounted fares were available for intermediate travel
- ❑ One-way and 10-ride ticket users likely to increase travel

Finding: discounted fares for trips outside of downtown may attract additional riders who travel less than 4 days/week, especially among those who use one-way and 10-ride tickets

New Product: 7-Day Pass

- ❑ **7-day pass:** attract additional riders, improve fare enforcement
 - ✓ Interest limited among current riders (26%) and former or non-riders (37%)
 - ✓ Current fare products meet current riders needs

Q21. Metra's 10-ride ticket is currently priced at the cost of nine one-way tickets. If Metra offered a 7-day or weekly pass that is valid Monday-Sunday and priced at eight one-way tickets, how likely would you be to purchase a 7-day pass instead of a 10-ride ticket?

Current Riders	
Very Likely/Likely	26%
Neutral	14%
Very Unlikely/Unlikely	60%

Non-Riders	
Very Likely/Likely	37%
Neutral	19%
Very Unlikely/Unlikely	45%

Finding: level of interest does not support further consideration

New Product: One-Day Pass

- **One-day pass:** attract additional trips, reduce on-board payment, benefit riders who transfer between lines
 - ✓ Interest: non-riders (66%), current riders/one-way tickets (71%)
 - ✓ Limited interest: current 10-ride users (32%), current monthly pass riders (20%)

Q20. If Metra offered a 1-day pass to be sold on-board, priced the same as two one-way tickets, how likely would you be to purchase a 1-day pass?

Current Riders	One-Way	10-Ride	Monthly	Overall
Very Likely/Likely	71%	32%	20%	30%
Neutral	14%	19%	14%	16%
Very Unlikely/Unlikely	16%	48%	65%	54%

Finding: consider further as part of overall product mix

Policy Change: Weekend Pass

- **Weekend pass:** attract additional trips by extending validity to include Friday evening

Q34. If the Weekend Pass was valid on Friday evening for trains arriving in downtown Chicago after 6:00 pm, as well as all day Saturday AND Sunday, how likely would you be to use the Weekend Pass on Friday?

All Respondents	
Very Likely/Likely	44%
Neutral	18%
Very Unlikely/Unlikely	38%

Current Riders Who Typically Use Just Weekend Pass	
Very Likely/Likely	80%
Neutral	12%
Very Unlikely/Unlikely	8%

Finding: consider extending validity of weekend pass to include Friday evening

Policy Change: First/Last Mile

- **First/last mile:** assess interest in first/last mile transfers with CTA/Pace for non-monthly pass riders
 - ✓ 75% of current riders do not use CTA/Pace
 - 67% unlikely to transfer, even with a discount
 - 17% likely to transfer, primarily one-way or weekend pass riders

Q38. If discounted fares for CTA and Pace were also offered to non-monthly pass riders, how likely would you be to use CTA or Pace to get to or from a Metra station?

Current Riders Who Do Not Use CTA/Pace to Connect to Metra	
Very Likely/Likely	17%
Neutral	16%
Very Unlikely/Unlikely	67%

Finding: discounts may be of value to riders using one-way tickets and/or weekend passes

New Product: Loyalty Program

- ❑ **Loyalty program:** attract additional trips by providing benefits to regular riders

Q34. If Metra offered a loyalty program, such as one that would provide an increasing discount the more you rode over the course of a month, or free rides after a certain number of paid trips, would this encourage you to ride Metra more?

	Respondents
Yes	57%
No	20%
Not Sure	23%

Finding: Metra's monthly and 10-Ride tickets are a form of loyalty program, any decision to consider alternative loyalty programs will depend on Metra business objectives, viable implementation options, demographics, and distribution opportunities