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March 14, 2019

Fare Study and Fare Policy Guidelines

Purpose and Recommendation

In 2018, Warner Transportation Consulting (WTC), Inc. performed a review of RFTA's regional commuter service fare structure. WTC identified approximately ten topics about which RFTA should consider making changes and/or developing policies. The purpose of this memorandum is to outline areas wherein potential changes to fare policies are suggested and to discuss the desirability and cost effectiveness of making additional fare technology investments. Staff is not recommending any changes in fares or technology at this time but, seeks direction from the RFTA Board with respect to issues that may require additional analysis before policy decisions and additional investments are made, as follows:

Fare Policy

Direct staff to begin drafting Fare Policy, which addresses general fare policies, future changes in fares, and future changes in fare technology. A fare policy can address the frequency at which fares are raised and establish targets for farebox revenue recovery on specific routes.

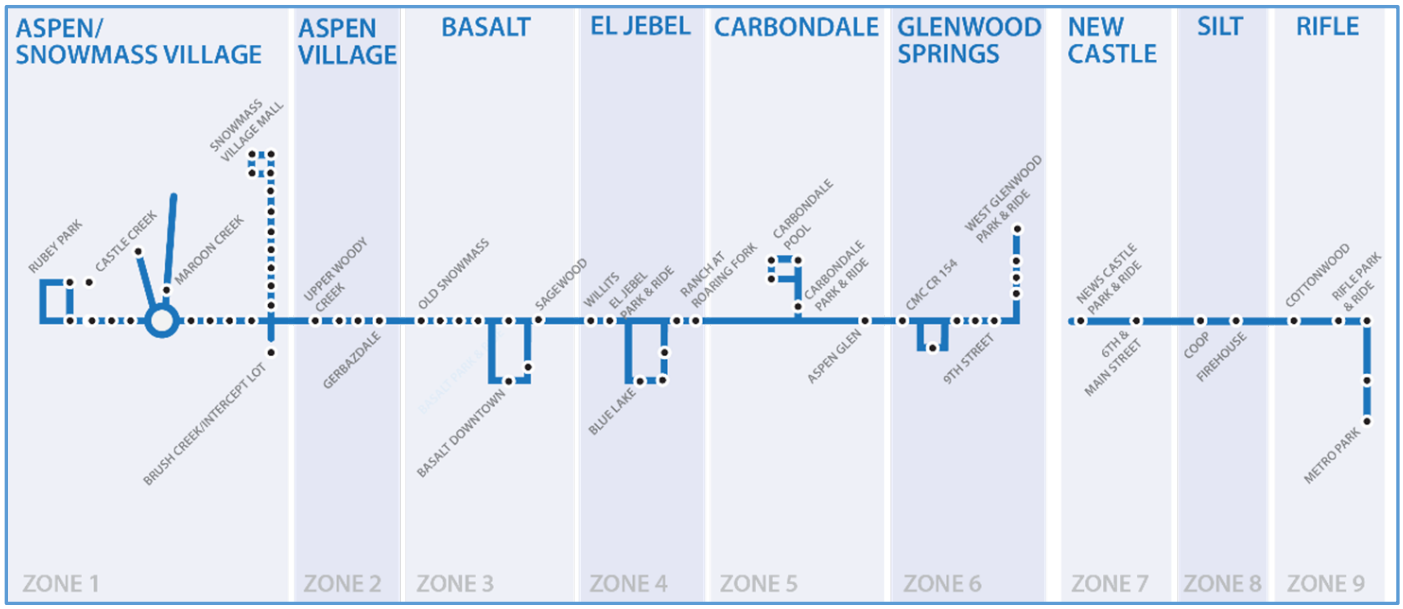
Fare Technology

Direct staff to begin researching the implementation of a contact-less card system that will allow passengers to purchase and renew fare cards online or purchase fares online that can be processed by the farebox from a mobile phone. This contactless card system could allow a tag-on/tag-off fare system, if RFTA chooses, to reduce the potential for fare evasion, and should allow fare payment integration with other transportation systems, such as Ride Glenwood Springs, We-cycle, and Bustang.

Background

RFTA provides a variety of local and regional transit services along a roughly 70-mile corridor between Rifle and Aspen. In an effort to provide fare equity and choice for a variety of passengers with a variety of travel needs, RFTA offers passengers the choice of paying fares with cash, stored value cards, monthly passes and seasonal passes on a primarily distance-based system of 9 zones. In addition, RFTA offers discounts for seniors, youth, veterans and person with disabilities.

RFTA Fare Zones



RFTA Fares

The following tables show RFTA's cash and non-cash fares, which have been valid since 2009.

RFTA FARE CHART FOR THE ROARING FORK VALLEY & GRAND HOGBACK

ZONE	Rifle	Silt	New Castle	Glenwood Springs	Carbondale	El Jebel/Willits	Basalt	Aspen Village	Brush Creek/Hwy 82 Intercept Lot	Snowmass Village	Aspen
Rifle	1.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00	10.00	10.00	10.00
Silt	3.00	1.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00	9.00	9.00
New Castle	4.00	3.00	1.00	3.00	4.00	5.00	6.00	7.00	8.00	8.00	8.00
Glenwood Springs	5.00	4.00	3.00	1.00	3.00	4.00	5.00	6.00	7.00	7.00	7.00
Carbondale	6.00	5.00	4.00	3.00	1.00	3.00	4.00	5.00	6.00	6.00	6.00
El Jebel/Willits	7.00	6.00	5.00	4.00	3.00	1.00	1.00	4.00	5.00	5.00	5.00
Basalt	8.00	7.00	6.00	5.00	4.00	1.00	1.00	3.00	4.00	4.00	4.00
Aspen Village	9.00	8.00	7.00	6.00	5.00	4.00	3.00	1.00	2.00	2.00	2.00
Woody Creek	10.00	9.00	8.00	7.00	6.00	5.00	4.00	2.00	FREE	FREE	FREE
Brush Creek/HWY 82	10.00	9.00	8.00	7.00	6.00	5.00	4.00	2.00	FREE	FREE	FREE
Snowmass Village	10.00	9.00	8.00	7.00	6.00	5.00	4.00	2.00	FREE	FREE	FREE
Aspen	10.00	9.00	8.00	7.00	6.00	5.00	4.00	2.00	FREE	FREE	FREE

Fare: $1.00 in zone, first zone change add $2.00, then $1.00 each additional zone.
Seniors (65 and over) and infants (5 and under) are free.
Youth ages 6-16 receive a $1 discount on fares over $1. Bike loading is an additional $2.00 per bike.

RFTA's efforts to create fare equity and choice within a long-distance transit system, has created a very complicated fare structure. There is potential to address a number of issues and establish better policies associated with this complex system. For instance, zones could be consolidated or adjusted; technology could be upgraded to make purchasing and calculating fares easier; real or perceived fare evasion could be better addressed; fares could be adjusted to be more equitable.

Last year, RFTA contracted with Marc Warner of Warner Transportation Consultants to analyze RFTA"s fare structure and address these issues. Warner has been enlisted frequently over the last decade to address fare-related matters, such as estimating the EOTC's appropriate fare repayment to RFTA for fare-free service in the Aspen-Snowmass zone. The following information is a result of Warner's research and discussions with RFTA staff to improve fare-related policies and practices.

Technology Improvements

In 2013, with the deployment of BRT, RFTA implemented automated fare collection throughout its entire system and installed ticket vending machines at all BRT stations. This streamlined the process for administration and collection of cash fares and zone passes, and created more fare options and methods of payment for passengers. However, the current magnetic strip technology is somewhat outdated and limiting. Passengers cannot purchase fares online, or use mobile phones or contactless fare cards, and RFTA is constrained in its ability to change fares or fare policies.

RFTA intends to examine the feasibility and cost of migrating to a chip-based contact-less card system to replace or supplant the mag-stripe system. This system has the following benefits and opportunities:

- Allows passengers to purchase and re-load fares from their phone or computers.
- Is a pre-requisite to a tag-on/tag-off fare system, where passengers "tag" the farebox or fare validator as they board and alight, automatically deducting the proper fare. This will reduce bus operator involvement in fare payment and reduce potential fare evasion.
- Migrates all non-electronic "flash" passes to contactless cards, reducing the potential for fare evasion and streamlining the issuance and renewal process.
- Potentially reduces the frequency of cash purchases, which increase bus dwell time at stations and increase money counting administration costs
- Streamlines the process for future fare changes
- Reduces the potential for fare evasion
- Reduces responsibility for the driver to monitor and collect fares.
- Reduces dwell times at stations
- Reduces administrative costs of managing cash fares
- Potential to integrate the fare systems of We-Cycle, Bustang, RTD and other systems with one fare card or a mobile phone

The improvements are not without issues and complications. RFTA will need to conduct a thorough procurement process; and it is likely that an upgraded system will be costly to implement and maintain. Using a contactless card to board will be much faster than using cash or a magnetic strip card. If RFTA chooses a tag-on/tag-off system to reduce fare evasion, which becomes an option with a contactless card system, the passenger will then need to "tap" the farebox or validator with the card or possibly with a mobile phone when alighting the bus, which could add dwell time.

Fare Evasion and Enforcement

RFTA's distance-based fare system and wide variety of fare options creates a potentially undue burden on drivers to enforce fare payment and creates loopholes for potential fare evasion. Based on observations of the fare system, passenger behavior, and driver surveys, the following issues are the most likely sources:

1. Staying on the past the Aspen-Snowmass fare free zone on down valley buses
2. Traveling in more zones than declared (for instance, a passenger boarding in Aspen tells the driver that he or she is going to Basalt, and then rides to Carbondale or Glenwood)
3. Improper eligibility for youth, senior or Veterans discount
4. Claiming the Ticket Vending Machine is broken
5. Using passes outside of allowed Zone

RFTA does not have a reliable estimate of fare evasion or fare loss. Calculating revenue loss due to fare evasion would require a speculative, time-consuming and potentially invasive process. However, implementation of a contactless card system and implementation of new fare policies would reduce the potential incidence of these five issues. RFTA could also introduce fare inspectors on buses, however, the cost associated with doing so would offset to some extent the revenue generated by reducing fare evasion.

Fare Changes

Staff does not recommend specific changes to the fare structure at this moment. The complexity of RFTA's fare system has created some gaps and inequities than RFTA could address through new fare policies, restructuring zones, and technology investments.

Senior Fares

Persons age 65 and over are allowed to ride free. RFTA encourages senior citizens to obtain a RFTA picture ID in order to expedite the Boarding process. There is no charge for this ID, but some seniors prefer to show some other form of ID. In the future, RFTA might choose follow ECO Transit's approach, which requires seniors to obtain photo ID issued by the transit agency at a cost of $25 per year and then they can ride free when they present the ID upon boarding buses. RFTA could also charge a modest fee to obtain the card, such as $10-$25 annually. This policy, combined with the contactless card system, would allow seniors to tag the farebox as they board, and would allow them to renew the pass online. RFTA could also follow ECO Transit's lead by then requiring seniors without the agency-issued ID to pay $1 or an amount up to 50% of the cash fare.

Youth Fare

RFTA currently allows free rides for children age 5 and under, and the following discounts for youth between the ages of 6 and 16:

- $1 off the adult cash or stored value fare;
- $89 valley youth pass for rides from New Castle to Aspen (a 45 percent discount off the comparable adult pass); and,
- $64 Hogback youth pass for rides from Rifle to Glenwood Springs (a 35 percent discount off the comparable adult pass).

RFTA peer agencies, such as Denver RTD, ECO Transit and Steamboat Spring Transit, tend to offer youth discounts for riders up to age 18 or beyond, and at a discount rate greater than that offered now by RFTA. It seems reasonable for RFTA to extend the youth discount to age 18, and to make the discount more generous than at present. Riders should also have to show and swipe or otherwise validate a RFTA-issued youth ID for the rider to qualify for the per-ride discount.

Weekend Pass

As a regular rider illustrated at a Board meeting, RFTA is not a competitive travel option for recreational trips made by a family of four. Even if one of the adults commutes on RFTA with a 30-day or seasonal pass, the family would still pay an added $30 for three other round trips, assuming the trips are from Glenwood Springs to Aspen. Most people would likely use an automobile instead or forego the trip entirely. With a weekend family fare, RFTA could allow any adult with a valid fare to take up to two youths age 5 to 18 for free. The fare would be valid from 7PM on Friday or the day before a holiday to midnight on Sunday or the final day of the holiday.

Low-Income Discount

According to bus driver surveys, the most effective mitigation strategy to reduce underpayment would be to introduce a fare discount for low-income riders with a RFTA-issued Special Discount card. Transit agencies in Portland, San Francisco, and Minneapolis have in recent years introduced "low income passes" whereby qualifying individuals receive up to a 50% discount on transit fares. Denver RTD plans to roll out a similar program beginning in January, 2019. The Denver program would offer a 40 percent discount to passengers able to document that they have household incomes up to 185 percent of the federal poverty level. RFTA could adopt a similar policy, in conjunction with technology improvements. As with all programs that require verification of someone's qualification for the discount, such a program would add to RFTA's administrative burden.

Downvalley (non-Aspen Zone) pass

RFTA sets the validity and price for the Valley zone passes assuming the traveler has a trip end in the Aspen zone. This is not a particularly useful option for valley residents who commute or otherwise make regular trips to Glenwood Springs, Carbondale, or other down valley communities. According to the ***2014 Regional Travel Patterns Study***, approximately 33% of respondents reported working in the City of Aspen and a nearly equal percentage reporting working in the City of Glenwood Springs. While home communities of these workers are generally different, it still suggests that a downvalley pass would be an increasingly welcome option. RFTA could introduce a single 30-day Downvalley pass for travel anywhere between Glenwood Springs and Aspen Village. Alternatively, excess capacity in the off-peak direction, RFTA could consider offering a reduced off-peak downvalley fare for all passengers traveling in the downvalley direction starting with the first a.m. bus to about 2:00 pm. A similar off-peak upvalley fare could be established for upvalley-direction trips from roughly 10:00 AM to 7:00 PM. This would require changes in fare policy and changes in technology, as it might be challenging for bus operators to add another layer of complexity to the fare structure.

Other fare changes could include:

- Consolidation of the Basalt/El Jebel fare zone
- CMC Student Discounts

- Adjustments to 30-day, Seasonal and Zone passes for more consistency and equity
- More consistent/frequent and equitable changes in general fare increases (not whole dollar amounts)

Summary and Conclusions

RFTA staff makes the following recommendations for Board consideration and endorsement:

1. Direct staff to begin drafting Fare Policy, which addresses general fare policies, future changes in fares, and future changes in fare technology.

2. Direct staff to begin researching the implementation of a contact-less card system that will allow passengers to purchase and renew fare cards online or purchase fares online that can be processed by the farebox from a mobile phone. This contactless card system should allow a tag-on/tag-off fare system, if RFTA chooses, and should allow fare payment integration with other transportation systems, such as We-cycle and Bustang.

Fiscal Impact

Fiscal impact of technology changes and fare changed will need to be determined.