Caltrain Fare Policy Update

Board of Directors
October 4, 2018
Agenda Item #8
Overview

- Context for developing Caltrain’s Fare Policy
- What is a fare policy?
- Goals and issues for Caltrain’s Fare Policy
Context for Caltrain’s Fare Policy
Context for Caltrain’s Fare Policy

• Caltrain does not have an adopted fare policy
• Developing a fare policy was a key recommendation from Fare Study Phase 1
  - Provide policy guidance for addressing financial, ridership, and equity issues with fares
• Requested by the Board of Directors
What is a Fare Policy?
Fare Policy Definition

• **A fare policy:**
  - Contains the principles and goals that guide a transit agency in setting and collecting fares
  - Is adopted by the Board of Directors

• **A fare structure:**
  - Consists of fare strategy (zone vs. distance fares), fare media, and pricing levels

• **A codified tariff:**
  - Is a separate legal document, also adopted by Board
  - Implements the fare policy
  - Codifies the fare structure (including fare media and pricing) for the agency
Caltrain Fare Policy Objectives

• Establish the goals to underlie and guide the agency’s pricing-related decisions
• Inform future fare changes, including those related to fare strategy, products, and pricing
  - After Fare Policy is adopted, the Codified Tariff will be reviewed to ensure it aligns with the Policy
Caltrain Fare Policy Timeline

• Serve the agency through 2022 (Electrification in-service date)
• May be updated and revised in future as needed to meet agency’s needs
• Coordinate longer-term fare issues within the context of the Caltrain Business Plan
  - Including zone- vs. distance-based fare strategy; off-peak pricing; technological improvements; integrating fares with access programs; etc.
Potential Goals to be Included in Caltrain’s Fare Policy
Potential Goals to be Included

- Generated from feedback from the Board, Caltrain staff, members of the public, and findings from Phase 1 of the Fare Study
- Organized around four main topic areas:
  - Financial Sustainability
  - Customer Experience
  - Equity
  - Ridership
- There can be tension amongst the goals
Financial Sustainability

- Potential goals could include:
  - Seek a balanced operating budget
  - Support the health of ongoing SOGR and capital programs
  - Support other agency goals related to finances and operations
  - Ease of fare system administration
Customer Experience

• Potential goals could include:
  - Transparent and simple fare structure
  - Ease of purchasing and using fare media
  - Magnitude and frequency of fare changes (incremental increases on a predictable schedule)
  - Integration with regional fare programs
  - Seamless connectivity to other transit systems
Equity

- Potential goals could include:
  - Consistency in revenue generated per passenger and per passenger mile across fare products
  - Maintain existing age-based discounts
  - Provide discounts to lower income riders
Ridership

• Potential goals could include:
  - Support agency goals on ridership
  - Maximize operational capacity
  - Support other agency goals
  - Provide discounts to reward rider behavior that supports operational goals
Questions for the Board:

- Are any goals missing?
- Are critical issues addressed?
- Other comments?
Next Steps
Recommended Next Steps

• Month of October:
  - Additional study of peer agencies’ policies
  - Draft Caltrain Fare Policy, using Board input from October meeting

• November JPB:
  - Seek Board adoption of Fare Policy

• Winter 2019:
  - Review Codified Tariff and report to Board on recommended changes to align with Fare Policy
  - Seek Board approval of changes to Codified Tariff