



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. distanced-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