



**Massachusetts Bay  
Transportation Authority**

# Fare Policy Updates

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Fiscal and Management Control Board

May 10, 2021

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# May/June Fare Transformation FMCB Presentations



## May 10<sup>th</sup>: Near-Term

- Update on **reduced fare modernization and means-testing** challenge
- Comparing **fare equity strategies**
- Discussion on **fare evasion regulations**
- Vote on **mid-year tariff changes** (Youth Pass, Outer Express)

## May 24<sup>th</sup>: Medium-Term

- **Fare strategy timeline** through COVID-19 recovery and Fare Transformation roll-out
- **Focus: Fare promotions** during transition to new normal
- Discussion on **Free Fare** proposals

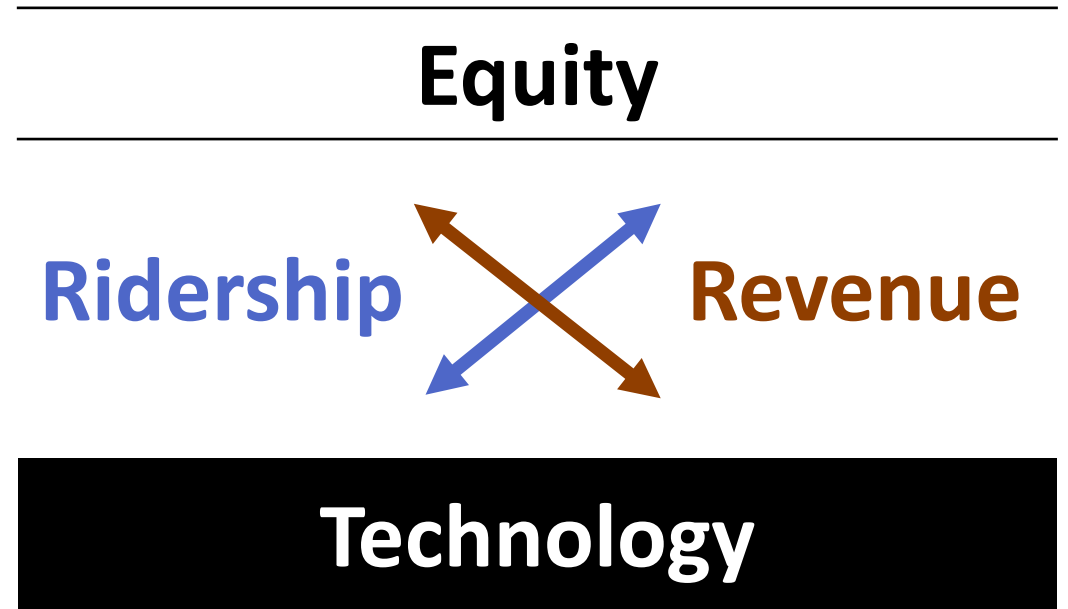
## June 7<sup>th</sup>: Longer-Term

- **Efficiencies** of Fare Transformation project
- **Future revenue opportunities** after Fare Transformation complete



# Fare Policy Decision Making

- **Technology:** Fare collection technology determines feasibility/options at any given time
- **Equity:** Fare increases and decreases need to be equitable from a system-wide perspective (across all MBTA modes)
- **Ridership and Revenue:** There is nearly always a short-term tradeoff—fare changes that grow ridership lose fare revenue



***FMCB statement of fare policy objectives (Dec 2015):***

- *raise revenue*
- *improve service and customer experience*
- *advance social, equity, environmental, and regional economic goals*



# Achieving Equity through Fares

## Comparing Strategies to address Fare Equity:

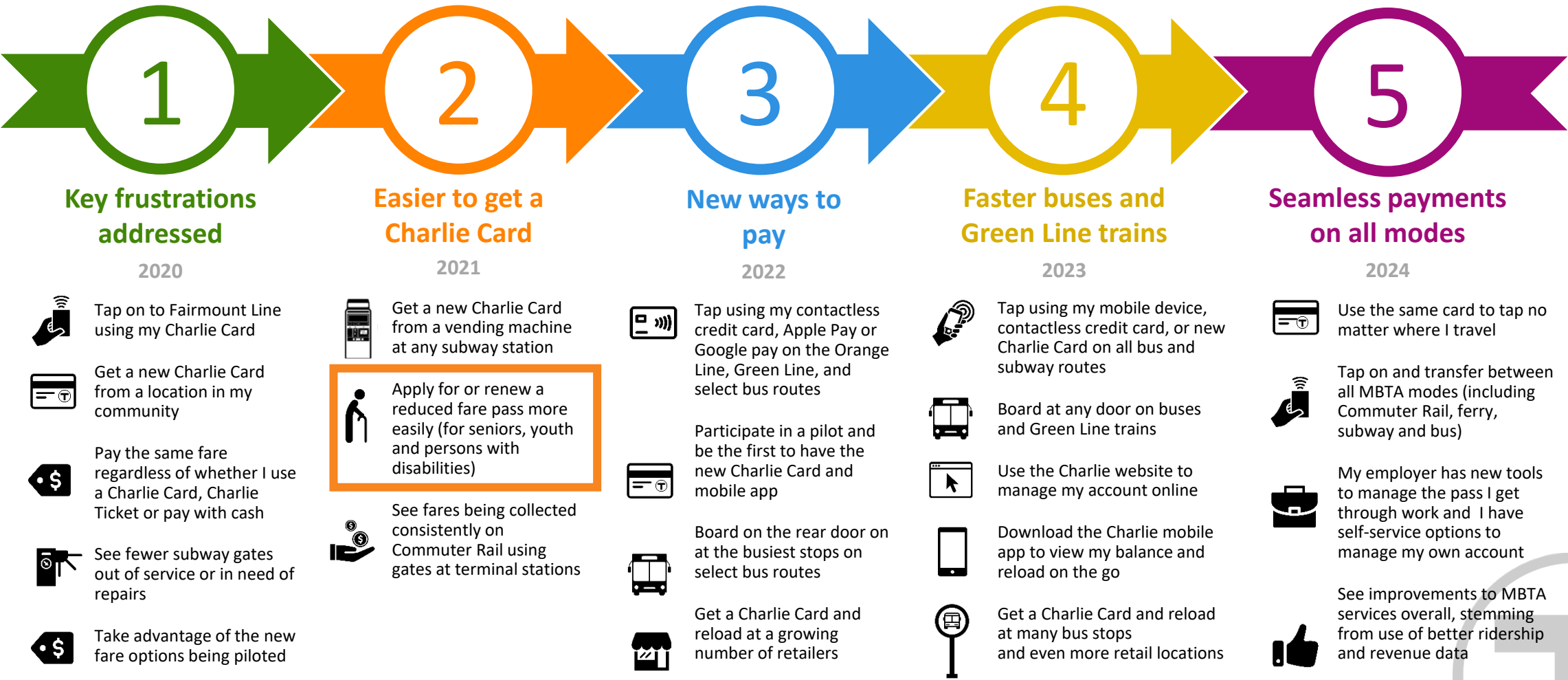
	Means Tested (Low Income) Fares	Free Fares on Bus	Reduced Commuter Rail Fares (or Zone shifting into 1A)
<b>Benefits Accrue to:</b>	Low-Income riders on any mode	Bus-only riders who do not transfer to Rapid Transit, whether or not low-income	All commuter rail riders, whether or not low-income
<b>Challenges:</b>	Administratively heavy; Requires on-going revenue stream to absorb revenue loss	Capital impacts on paratransit and bus operations; Huge expense on top of revenue loss	Equity concerns given demographics of riders; Potential large revenue loss
<b>Equity Policy Focus:</b>	People-focused	Mode-focused	Mode-focused and/or location-focused

# Updates on Reduced Fare Programs



# Fare Transformation Customer Journey

Customers will see improvements rolled out in five stages



# Easier to Apply for Reduced Fares

- Senior and TAP riders can now book an appointment online to visit the CharlieCard Store to either apply in-person or renew their reduced fare CharlieCard
- Developing secure, online reduced fare applications for the MBTA's free and reduced fare programs:
  - Senior CharlieCard
  - Transportation Access Pass (TAP) CharlieCard
  - Blind Access CharlieCard
  - Youth Pass CharlieCard
- Pilot technology for first-time Senior CharlieCard applicants, Youth Pass (Chelsea), and for the Brockton Commuter Rail Fare Initiative
- Procurement for a long-term online application and administrative workflow solution complete as of May 2021


The screenshot shows the MBTA website's 'Senior CharlieCard' page. The page layout includes a header with the MBTA logo and navigation links, a breadcrumb trail, and a main content area. A large image of a hand holding a Senior CharlieCard is featured. To the right of the image are three callout boxes: 'Apply Online', 'Schedule an Appointment', and 'Accessibility'. At the bottom left, there is a list of application methods with dropdown arrows. Red arrows from the text on the left point to the 'Apply Online' button, the 'Schedule an Appointment' section, and the application method list.

**Massachusetts Bay Transportation Authority**

Getting Around ▾ Fares ▾ Contact Us ▾ More ▾ EN ▾ Search 🔍

Home > Fares Overview > Reduced Fares > Senior CharlieCard

## Senior CharlieCard



**Apply Online**  
Eligible riders can now apply for a new Senior CharlieCard online.

[Apply now](#)

If you need to replace a lost, stolen, or expired Senior CharlieCard, please contact Customer Support at 617-222-3200.

**Schedule an Appointment**  
Need to visit the CharlieCard Store for your TAP or Senior CharlieCard? Use our online scheduler to reserve a time.

[Book a time](#)

**Accessibility**  
Learn more about accessibility on each mode of transit, and the work we're doing to make the MBTA accessible to everyone.

[Learn more about accessibility on the MBTA](#)

People 65 and older are eligible for reduced MBTA fares with a Senior CharlieCard. These cards are valid for 8 years.

### Get a Senior CharlieCard

You can apply for a new Senior CharlieCard online, at the CharlieCard Store, or at a Senior CharlieCard event.

Please note that at this time, riders cannot apply for renewal or replacement cards online.


- Apply online ▾
- Apply at the CharlieCard Store ▾
- Apply at a Senior CharlieCard Event ▾

# Senior CharlieCard Online Application

Link to online application:

[CLICK HERE FOR LINK](#)

91% of Senior application survey respondents said that they were **somewhat satisfied** to **extremely satisfied** with the online application

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## Senior CharlieCard Application

Thank you for your interest in a Senior CharlieCard! This form is for **first-time applicants only**. At this time, riders cannot use this form to place a renewal or replacement Senior CharlieCard request, but can do so over the phone by calling **Customer Support** at **617-222-3200**.

To complete your online application, be prepared to:

1. Upload an image of a valid, government-issued photo ID, such as a driver's license, passport, or state ID. Expired IDs will not be accepted. Please ensure that your ID file is either GIF, JPEG, JPG, PDF, or PNG at 25 MB or less.
2. Upload a picture of yourself from the neck up and in front of a solid background. Hats, face coverings, and sunglasses are not permitted. Please ensure that your picture file is either JPEG or JPG at 25 MB or less. Other file formats will not be accepted.

### Personal Information

First Name (required)\*


Middle Initial

Last Name (required)\*

Preferred Name (for communication purposes only)

Date of Birth (required)\*  
  
Format: MM/DD/YYYY

### Applicant Photo



Upload a picture of yourself from the neck up and in front of a solid background (see example above). Hats, face coverings, and sunglasses are not permitted.

**Upload picture below (required).** Please ensure that your picture file is either **JPEG or JPG at 25 MB or less**. Other file formats will not be accepted. *File name will be displayed once successfully uploaded. Click the red X to remove or replace the uploaded file.\**

Add File...



# Project Milestones & Timelines

## What is the Reduced Fares System (RFS)?

Purpose is to create one source of truth for the intake and administration of the MBTA's free and reduced fare programs.

### The Reduced Fares System will:

- Centralize, and securely store data and documents.
- Utilize data and reporting to support decision-making.
- Include API/data connections to other systems.
- Be used through the completion of Fare Transformation

**For Riders:** Accessible and intuitive digital application with self-service options; a transparent and secure application submission, review, and eligibility process, including application status notifications.

**For Program Administrators** (internal and external): An intuitive and efficient dashboard/workflow to review and process applications for eligibility and fulfillment.

- ✓ Released **Reduced Fares System RFP** (*February 2021*)
- ✓ Awarded Reduced Fares System (*May 2021*)
- ☐ Configure and provide training for new Reduced Fares System (*Summer 2021*)
- ☐ Launch Reduced Fares System for Senior, TAP, Blind Access, and Youth (*Fall 2021*)



# Means Tested Fares: Outstanding Questions

## Running the Program

- ☐ Can internal technology systems support the program?
- ☐ Who manages eligibility determination, certification, and recertification?
- ☐ How do we identify participants?
- ☐ How do we provide customer service?



Feedback from Partner Challenge

## Paying for the Program

- ☐ What is the revenue loss from implementing the program?
- ☐ What is the revenue gain from induced demand?
- ☐ Where does the money come from to pay for the program?
- ☐ What are the administrative costs for the MBTA and partners?



How to pay for a MTF Program is still undetermined, revenue impacts have changed



# Lessons from the Partnership Challenge

## Potential Partners asked consider the following logistics:

1. Client intake channels
2. Income verification & eligibility
3. Partner resources
4. Enrollment & fulfillment mechanism
5. Partner program management technology
6. Fiscal implications
7. Timeline & project schedule
8. Monitoring & research
9. Benefits & limitations of the service model



## Challenge Respondents (N=5):

- Strongly support the MBTA's desire to increase option of MTF for more riders
- Community-based social service providers are well positioned to support MBTA's needs for outreach, eligibility, and enrollment
- Depending upon size and scope of a project, respondents suggest 1 to 2 years to full implementation and \$1-2 million/annually for full partner administration



# MTF Research Questions

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- Could a Means Tested Fare pilot with the Gateway Cities induce new commuter rail ridership?
- If the MBTA/state implemented a Means Tested Fare program on commuter rail:
  - How long would it take for housing patterns in the region to shift?
  - Which stations across the system would see increased ridership on commuter rail based on area median income and current transportation patterns?



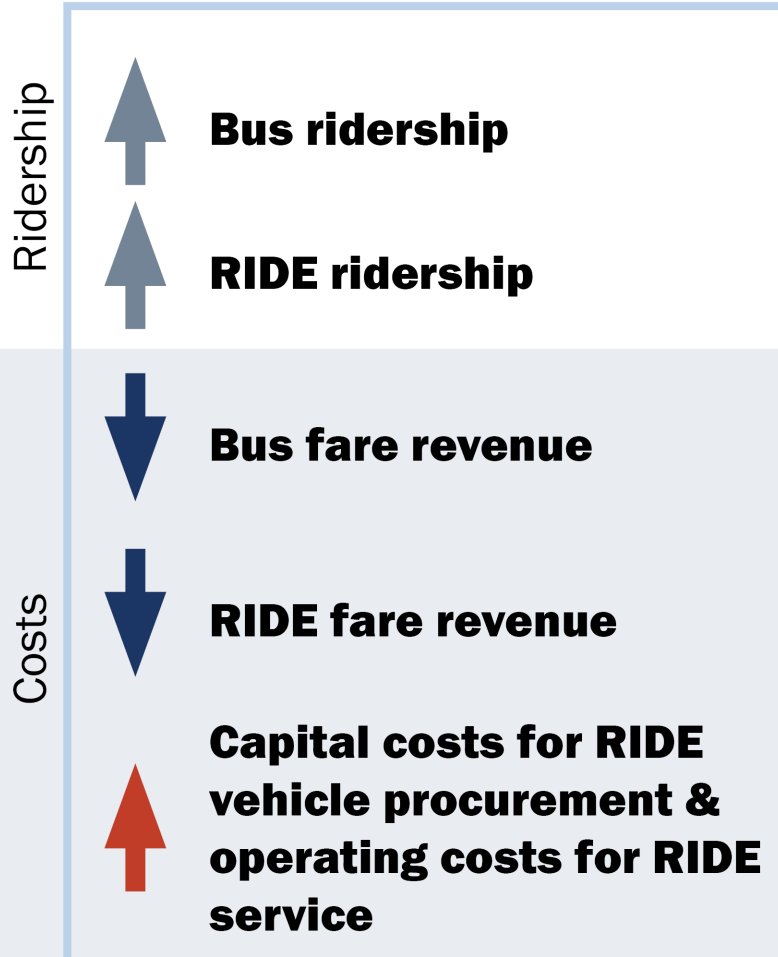
# Cost Estimates for Free Bus





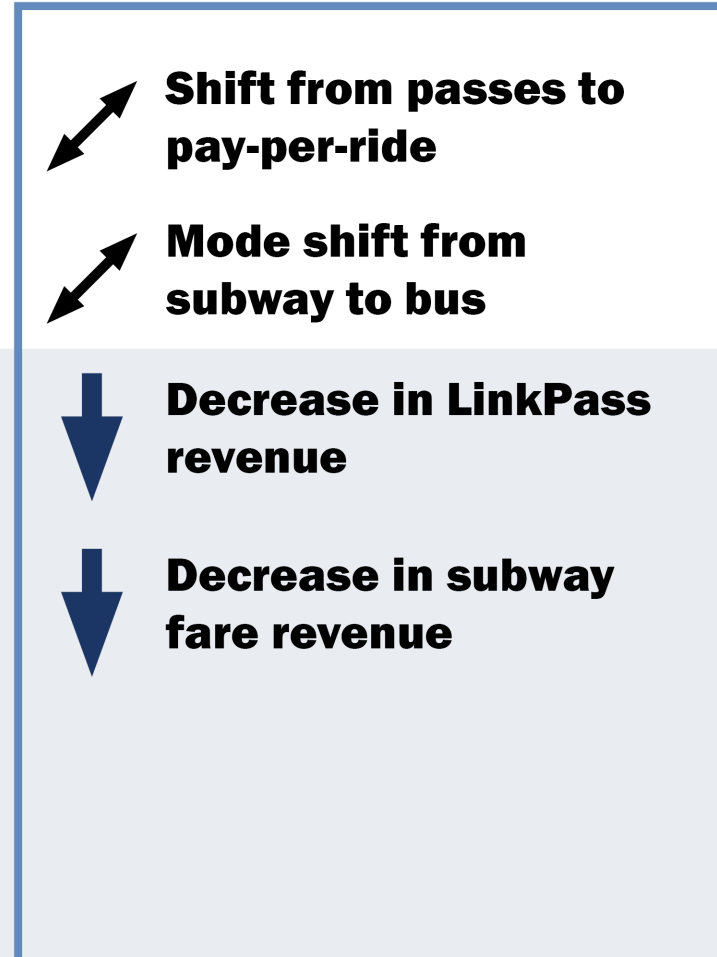
# Free MBTA Bus Fares

## Direct Impact



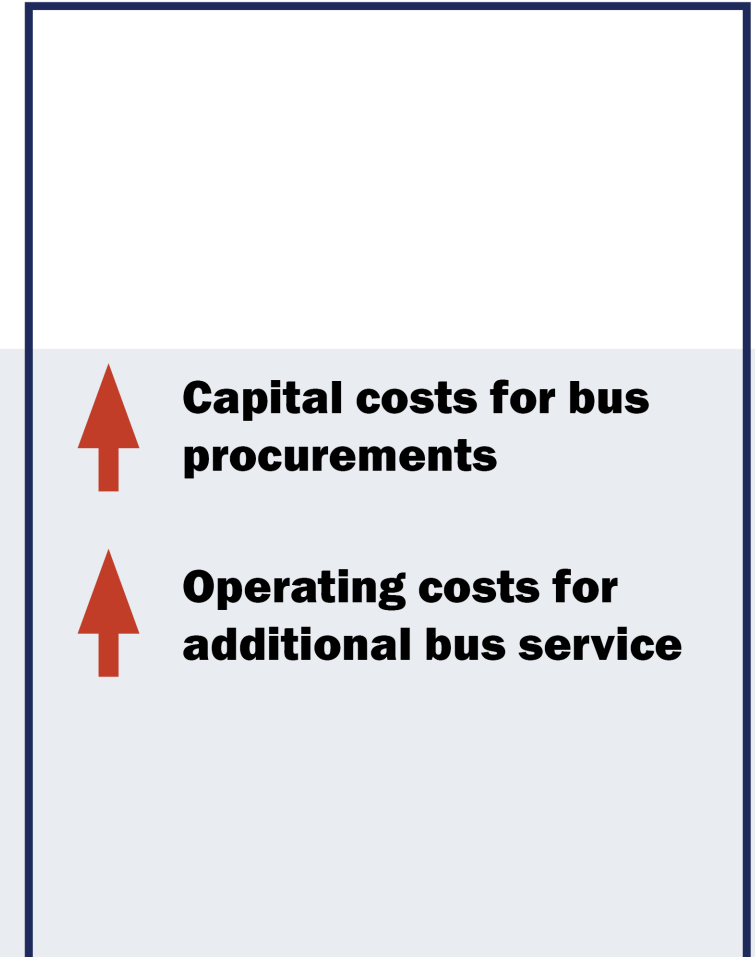
Making buses free would require the MBTA to make overlapping paratransit free. Making these services free has a **direct** impact on ridership and revenue, and on costs for the RIDE to serve additional trips.

## Indirect Impact



Making MBTA buses free would shift some riders from passes to pay-per-ride and from overlapping subway service to bus. This would have an **indirect** impact on LinkPass and subway revenue.

## Induced Impact



Significantly increasing ridership on bus would necessitate the MBTA to purchase, store, and operate more buses (to maintain current service levels).

# Cost Components of Free Bus

- Making MBTA buses free requires also making The RIDE free
  - Under the ADA, fares for paratransit service can be no more than twice the fares on fixed route service for the same origin and destination pair
  - The MBTA uses the Local Bus fare to set The RIDE fares in the T's bus and subway service area
  - ~20% of The RIDE trips are "Premium" (or "non-ADA") trips outside of the T's bus/subway service area; these would not need to be free *by law*, but as a practical matter we expect they would become free
- The RIDE costs
  - Lost fare revenue
  - Capital cost to expand The RIDE vehicle fleet to serve additional demand
  - Operating cost to serve additional demand
  - *Note: By law, the MBTA must provide all trips requested by eligible riders on The RIDE*
- Bus costs
  - Lost fare revenue
  - Capital cost to expand bus fleet to limit increased bus crowding / lower service quality
  - Operating cost for more service to limit increased bus crowding / lower service quality
  - Significant capital investments in bus infrastructure *takes time to implement*



# Annual Cost of Making Local Bus and The RIDE Free (pre-COVID volumes)

- Midpoint estimated cost of making Local Bus and The RIDE Free –
  - **No additional bus service (significant crowding risk):** \$117 million 1<sup>st</sup> year and \$105M annually
  - **With additional bus service:** \$452 million 1<sup>st</sup> year and \$153 million annually

<b>The RIDE</b> <i>ADA and Premium</i>	<div><div>~\$5M</div><div>LOST FARES</div></div> <div><div>+ \$10-17M 1<sup>st</sup> year (vehicles)</div><div>+ \$1-3M annually (replacement)</div><div>CAPITAL</div></div> <div><div>+ \$25-44M</div><div>OPERATING</div></div> <div><div></div><div>To serve increased demand of +0.4-0.7M trips (+25-45%)</div></div>	<div>= \$41-67M 1<sup>st</sup> year</div> <div>= \$32-52M annually</div>
<b>Local Bus fares</b> <i>Assuming no change to Express</i>	<div>\$56-70M</div> <div>LOST FARES</div>	<div>= \$56-70M</div>
<b>Subtotal</b> <i>with no additional Local Bus service, **significant crowding risk**</i>		<div>\$97-137M 1st year</div> <div>\$88-122M annually</div>
<b>Local Bus <u>service</u>, incremental costs increases</b>	<div><div>\$160-433M 1<sup>st</sup> year (buses + garage)</div><div>\$6-13M annually (bus replacement)</div><div>CAPITAL</div></div> <div><div>+ \$24-53M</div><div>OPERATING</div></div> <div><div></div><div>To serve increased demand of +5-13M rides (+5-11%)</div></div>	<div>= \$184-486M 1<sup>st</sup> year</div> <div>= \$30-66M annually</div>
<b>Total</b> <i>with additional bus service</i>		<div>\$281-623M 1<sup>st</sup> year</div> <div>\$118-188M annually</div>



# Limitations of Free Bus and The RIDE

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- Making buses and The RIDE free may not be the most effective way to increase bus ridership or to improve mobility for low-income residents
- Increase bus ridership
  - Reliability, speed, and frequency are key drivers of bus ridership
  - Fares are secondary to service quality for many riders
- Improve access for low-income riders
  - The MBTA has a bus feeder network—many low-income riders rely on rapid transit and would not benefit directly from free bus; 35-40% of all bus trips include a transfer to/from rapid transit, and many riders do not use bus at all
  - Incentivizing riders to replace subway trips with bus trips to save money isn't an efficient use of time for passengers or use of the MBTA's operating resources



# **Fare Evasion Regulation: Background**



# Prior Status of Fare Evasion Citations on the T

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- Previously, citations for fare evasion on the MBTA were:
  - \$100 for the 1<sup>st</sup> offense
  - \$200 for the 2<sup>nd</sup> offense
  - \$600 for the 3<sup>rd</sup> and subsequent offenses





## Prior to the 2021 Transportation Bond Bill

- Transit Police, prior to the 2021 Transportation Bond Bill, were the only classification of employees issuing fare evasion citations.
- In 2017, there were 2,488 fare evasion citations issues, down from 3,222 in 2016.
- To understand more about the citations that were issued, MBTA did a hand review of the all citations issued in January 2019 (N=150)

Perceived Race/Ethnicity	Number of Citations (%)
White	68 (45.3%)
Black	51 (34%)
Hispanic	28 (18.7%)
Other	3 (2%)

Perceived Gender	Number of Citations (%)
Male	132 (88%)
Female	18 (12%)



## Lower Fines Now & Launch All-Door Boarding With Fare Payment Verification Later

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- In the future, we are moving to all-door boarding on buses and Green Line to deliver faster and more reliable service
- This will require fare verification—a new way of checking fares
- In the meantime, **we are proposing to decrease fine levels now** before formalizing and expanding our fare verification approaches to cover all-door boarding by 2023.
- When the major components of Fare Transformation are implemented, likely in calendar year 2023, the MBTA anticipates an update to its regulations accordingly.





# Proposed Regulations



# Regulatory Process

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- Staff filed proposed regulations with the Secretary of State, and held a hearing as required under law with the public.
- Staff is now requesting that the FMCB vote to finalize our draft regulations.
- Once approved by the board, the final regulations will be filed with the Secretary of State and will take effect after publication in the Massachusetts Register.



# Outline

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Following slides will...

- Summarize public comments on the proposed regulations
- Respond to public comments
- Describe the proposed regulations
  - Explain fare evasion rates and citation amount

Today is for discussion. FMCB will be asked to vote on regulations on May 24, 2021.





# Summary of Public Comment

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- **A \$50 fare evasion fine is better than the current \$100 fine, but is still too high.**  
With few exceptions, almost all commenters thanked the MBTA for proposing to decrease the fine level from the current \$100 minimum but they all agreed that \$50 is still too high. Several commenters recommended that the level be set at \$15 to be in line with the lowest parking citations in the City of Boston.
- **The fine level for bus evasion should not be the same as for Commuter Rail fare evasion.**  
Some commenters mentioned that due to the differences in fare levels, the fine level for bus should be much lower than the fine for the Commuter Rail.
- **The provision of marking a driver's licenses for non-renewal should be removed.**  
Almost all commenters mentioned that transit and fare evasion have nothing to do with driving, and that we should not limit someone's ability to travel because they did not or could not pay their MBTA fare.
- **The MBTA should pursue low-income fares or free fares.**  
Several commenters mentioned that the majority of current citations are issued to low-income riders and riders of color, and that this proposal would exacerbate these inequities. Commenters indicated that the MBTA should use resources instead to lower fares or make some fares free in order to allow for more access to the system.



# Response to Public Comment

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- Fine levels
  - Lowering fines below \$50 would create a significant revenue risk when the MBTA moves to all-door boarding on bus and surface Green Line in 2023 (described in upcoming slides)
  - Staff recommend a \$50 fine in preparation for all-door boarding; if the fine is set lower now, it will need to be revisited and increased within the next two years
- Differentiating fine levels by mode
  - The MBTA plans to implement differentiated fines by mode in our next round of fare evasion regulations, likely early in calendar year 2023
- Marking driver's licenses for non-renewal
  - Having heard the concerns of our riders, the MBTA is no longer proposing the marking of licenses for non-renewal due to unpaid citations in this round of regulations
  - We will reevaluate the citation process as we move forward, and may include RMV in the regulatory drafting in the future
- Pursue low-income fares or some free fares
  - The MBTA is continuing to work on implementation feasibility if funding is made available for a low-income fares program



## Proposed Regulations: Grounds for a Noncriminal Citation

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- If a Fare Inspector or Transit Police Officer sees someone **evading payment of the required fare** or **fraudulently misusing a reduced fare card**, or if, upon request, any person **fails or refuses to provide proof of having paid or prepaid the required fare** for any vehicle or ferry owned by or operated for the MBTA, the Inspector or Officer may issue such person a Noncriminal Citation.



# Proposed Regulations: Fare Evasion Citation Amount

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- MBTA is proposing to cut citation levels by more than half
  - **First, second, and third offense would be \$50**
  - **Fourth and subsequent offense would be \$100**
- Fraudulent misuse of a reduced fare credential is a separate citation set at \$70
  - This would be a new category of citation for when one person purposely uses a reduced fare card assigned to another individual in order to avoid paying the full fare. (e.g. using some else's Senior Card, or Student card)

**\*\*By statute, citations cannot be lower than \$10 nor greater \$250.**



# Fare Evasion Citation Amounts at Peer Agencies

Agency	Citation Amounts
King County Metro	\$50
BART	\$75
LA Metro	\$75
MTA	\$100
SFMTA	\$120
TriMet	1 <sup>st</sup> offense = \$75; 2 <sup>nd</sup> offense = \$100; 3 <sup>rd</sup> offense = \$150; 4 <sup>th</sup> + offense = \$175



# Proposed Regulations: Citation Appeals

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- Person has **30 days** to:
  - Pay the fine as indicated
  - Appeal the fine by requesting a hearing or submitting a written appeal:
    - Request a hearing
      - Hearing may be in person or virtual
      - Hearing is informal
      - Decision of the Hearing Officer is final, but subject to judicial review
      - Failure to appear will result in denial.
    - Submit an appeal by mail or electronic means
      - Does not prohibit the right to still “request a hearing”
      - MBTA has 60 days to respond, and will notify in writing.
      - If an appeal is denied, a written explanation must be provided



# Days to Appeal Citation at Peer Agencies

Agency	Days to Appeal
LA Metro	21
SFMTA	21
BART	28
MTA	30
King County Metro	45
TriMet	45



# Proposed Regulations: Annual Citation Report

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- MBTA must issue an annual report on the number of warnings and citations issued in the prior 12 months.
- MBTA shall develop criteria for the content of that report.





## Why a \$50 fine?

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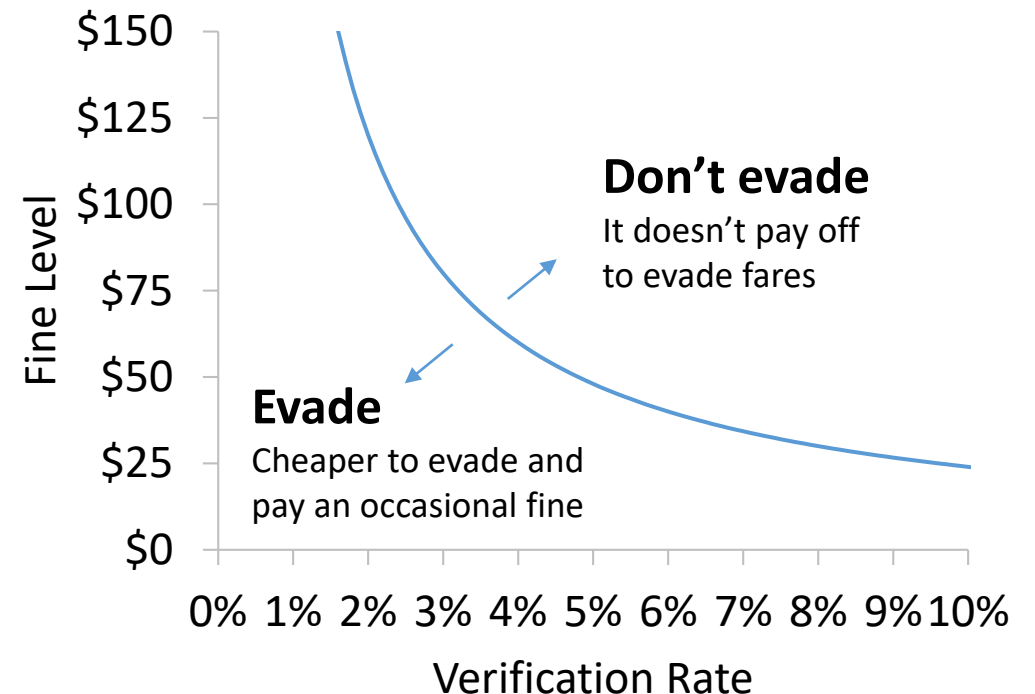
- To limit increased evasion when we move to all-door boarding on bus and Green Line, we will need fare verification and fines for fare evasion
  - The biggest “return” on fare verification and fines is deterrence – the goal is NOT 1:1 recovery of lost fares through fine revenue
  - Awareness of fines and being inspected periodically increases willingness to voluntarily pay the fare
- \$50 is the lowest fine that we expect would provide an effective deterrent under future all-door boarding



# Fare evasion, fines, and fare verification

- Most riders will always pay their fares, but some will choose whether to evade fares based on...
  - how **easy** and inconspicuous it is (do I have to jump over a fare gate? will I set off an alarm or be called out publicly?)
  - the **fare level** (how much will I save?)
  - the **verification rate** (how likely am I to be checked?)
  - the **fine level** (how much will I have to pay if I evade and get checked?)

**Will I save money by always evading my \$2.40 Green Line fare and paying the fine if I get caught?**  
*It depends on the verification rate and the fine level*



# Fare Evasion in the Current System

- Evasion and cash underpayment on buses and surface Green Line was estimated at about \$5 million in FY14

## MBTA Fare Evasion and Cash Underpayment with Current Fare System

Service	% of Rides	Revenue Loss	% Revenue Loss
Bus	~1% / ~3%*	~\$2.5M	~2.7%
Rapid Transit fare gates	~1%	~\$2.2M	
Green Line Surface <u>front-door</u>	~1% / ~3%*	~\$0.6M	~1.4%
Green Line Surface <u>rear-door</u>	4-9%	~\$1.7M	
Commuter Rail (including non-collection)	Not estimated	\$10-20M	4-8%

**Bus and rapid transit:** CTPS estimates for FY14. OPMI revenue estimate for Green Line rear-door revenue.

\* Second % includes cash underpayments

**Commuter Rail:** OPMI comparison of actual to potential revenue for FY18.

**Annual Revenue Loss** is at the time of each estimate.

**% Revenue Loss** is % of NTD allocated revenue for the service at the time of each estimate.



## Risk of Fare Evasion in the Future System (All-Door Boarding)

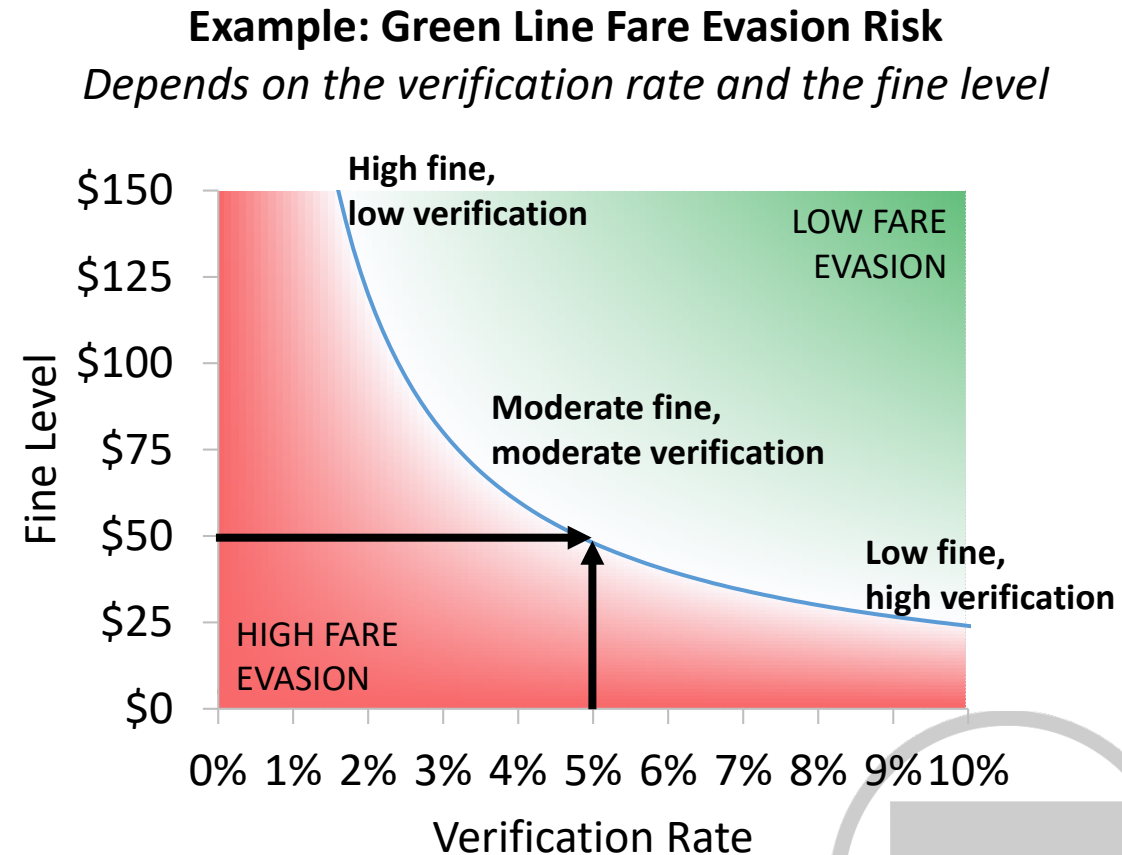
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- All-door boarding on buses and Green Line without fare verification could lead to a large increase in fare evasion
- We estimate that about \$72 million in annual pre-pandemic fares on bus and surface Green Line is “at risk”—possible to evade with all-door boarding
- With no verification of any kind, evasion rates on bus and surface Green Line could plausibly increase to 12-14% overall (28-34% of “at risk” fares), an additional revenue loss of \$20-25 million
  - Even *with* fare verification, SFMTA estimated a system-wide evasion rate of 8% in 2014
  - With a breakdown in norms of fare payment, overall evasion rates on buses in Santiago de Chile have been as high as 28%



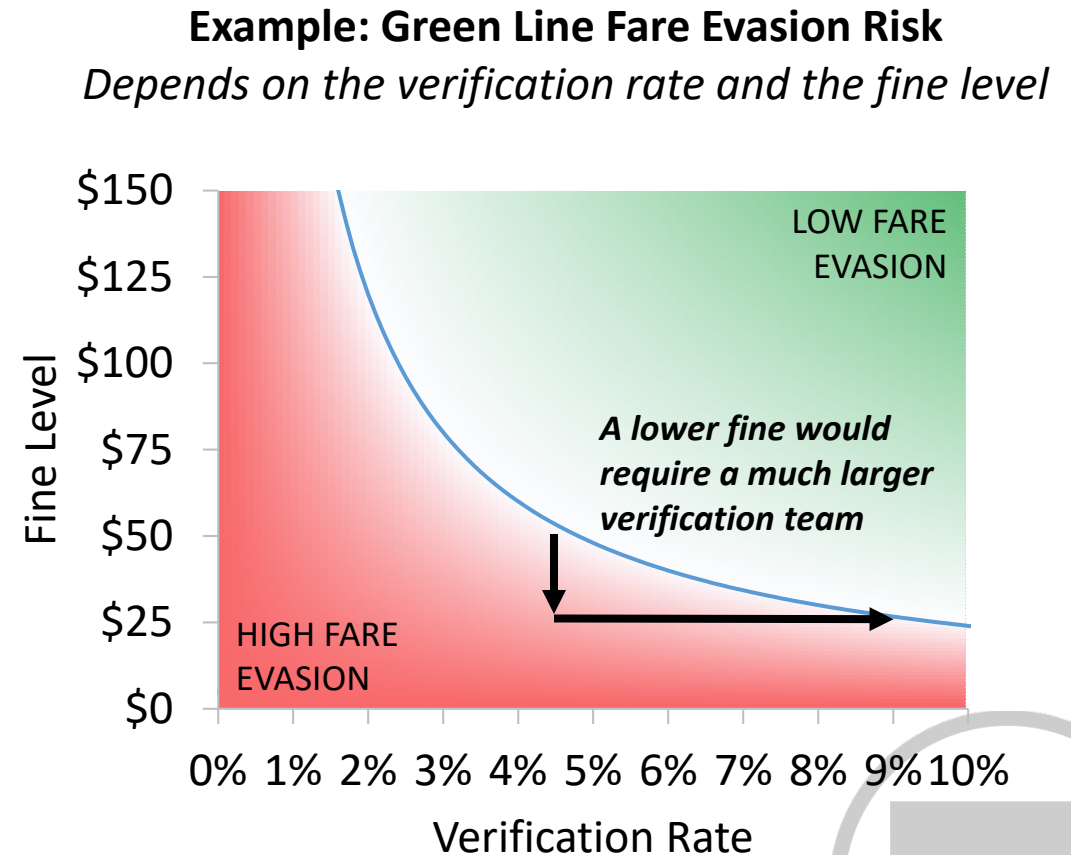
# Setting fine levels and verification rates for all-door boarding

- **Goal: Limit fare evasion in a cost-effective manner without being punitive**
  - The most cost-effective way to limit fare evasion would be high fines and low verification rates (a small verification team)
  - A low fine level would require a high verification rate (large team), which could cost more than the fare evasion benefit
- **Proposal: Relatively low fine of \$50 and verification team with 80-100 field staff**
  - Would result in a verification rate of roughly 3-5% of bus and Green Line trips
  - At this verification rate, lowering the fine level below \$50 would make fare evasion attractive for many riders



# Verification costs and benefits under all-door boarding

- A fare verification team with 80-100 field staff would cost an estimated \$10-12 million per year
- With a \$50 fine, this is expected to be the most cost-effective team size and could reduce potential fare evasion losses on bus and surface Green Line by roughly \$14-22 million per year
- Lowering the fine to \$25 could require a team twice as large to limit evasion by the same amount
- The ultimate benefit of verification: enabling all-door boarding and faster service!



# What about parking fines?

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- Similar to fare evasion, most people always comply with parking rules, but some people choose whether to comply based on...
  - the time or cost savings
  - the enforcement rate (likelihood of getting ticketed)
  - the ticket amount
- Parking rules and enforcement are much more varied than MBTA fare rules and future verification, and fines are often lower in cases where the enforcement rate is high
- For example, a street cleaning parking violation in Cambridge has a \$25 fine, but the likelihood of getting ticketed is very high—much higher than anticipated future fare verification rates on the MBTA



# Parking Citation Amounts at Local Jurisdictions

Jurisdiction	Citation Amount Range
City of Boston	\$35-\$100
Town of Brookline	\$25-\$100
City of Cambridge	\$25-\$120
City of Chelsea	\$15-\$100
City of Quincy	\$25-\$150
City of Somerville	\$30-\$200
MBTA Parking	\$15-\$200





## Recap: Why a \$50 fine?

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- Lowering fines below \$50 would not allow the MBTA to limit fare evasion in a cost-effective manner when we move to all-door boarding on bus and surface Green Line in 2023
- As a short-term measure *before* all-door boarding, bus and subway fines could be temporarily lowered below \$50 – however, this could still result in an increase in current fare evasion and would need to be revisited before all-door boarding



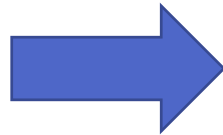
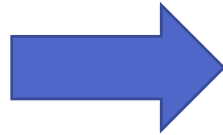
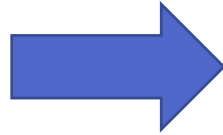
# Tariff Changes



# Proposed Fare Rule Changes for July 1<sup>st</sup>

## To advance Fare Transformation and fare policy goals...

- Transition from magnetic-stripe CharlieTickets to CharlieCards in every fare vending machine
- Standardize and improve our reduced fare programs
- Simplify fares where possible to reduce complexity for customers and operations



## ...we're proposing 3 "clean-up" fare rule changes on July 1<sup>st</sup>:

1. Shorten the expiration of magnetic-stripe CharlieTickets sold after July 1<sup>st</sup> to 6 months
2. Make Youth Pass valid on Commuter Rail, Express Bus, and Ferry
3. Convert all Outer Express Bus routes to Inner Express Bus



# Implications of Proposed Fare Rules

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- *Youth Pass & Outer Express changes require Title VI equity analysis*
- **Riders:** Changes expand reduced fares for ~2,200 current Youth Pass participants (~4,600 pre-COVID) and lower fares for ~100 daily Outer Express Bus rides (~1,500 pre-COVID)
- **Revenue:** Potential revenue loss of \$0.1-0.3 million annually, depending on future Express Bus service and ridership
- **Equity:** Changes pair a benefit to mostly non-minority/non-low-income Outer Express Bus riders with expanded benefits for low-income youth



# Title VI Analysis and Proposed Mitigation

- CTPS Title VI equity analysis finds the proposed changes provide a *potential disproportionate benefit to non-low-income riders* due to the Outer Express change
- On balance, these two changes are worth making despite this finding
  - They are fare *decreases* and impact a very small subset of riders.
  - There are customer and operational benefits to simplifying Express Bus fares, and there is not a practicable alternative that would achieve these benefits.
  - Benefits to future new Youth Pass Commuter Rail riders are not included in the Title VI analysis
- Per our policy, MBTA should take steps to avoid, minimize, or mitigate this potential disproportionate benefit, where practicable. We propose active recruitment of new Youth Pass municipal partners located on the MBTA's Commuter Rail network:
  - Publish eligibility requirements and responsibilities for Youth Pass partner municipalities.
  - Prioritize processing of partner applications Gateway Cities within the Commuter Rail network, which are not currently a Youth Pass partners.
  - MBTA staff will contact the following municipalities to share the Youth Pass eligibility requirements and to invite them to apply: **Attleboro, Brockton, Fitchburg, Haverhill, Lawrence, Leominster, Lowell and Worcester**



# Summary of Public Comment

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- **The Youth Pass pilot on Commuter Rail and inclusion of Ferry and Express Bus should be made permanent.**

All commenters expressed positive sentiment about the existing Youth Pass Program, and supported the permanent inclusion of Commuter Rail, Express Bus, and Ferry. Many commenters discussed how the reduced fares on those modes would impact their employment options and access.

- **Limited comments were received on the elimination of Express Bus fares, but there seems to be positive reception to the change.**

There were not enough comments to broadly gauge public perception on the elimination of Express Bus fares, but there seems to be general positive reception to the change.



# Board Vote on Mid-Year Tariff

- **WHEREAS**, the Massachusetts Bay Transportation Authority (“MBTA”) has proposed to make two changes to its tariff including the following: (1) Extending the validity of the Youth Pass to Commuter Rail, Express Bus, and Ferry; and (2) Converting all Outer Express Bus routes to Inner Express Bus routes (together, the “Tariff Changes”); and
- **WHEREAS**, Extending the validity of the Youth Pass to Commuter Rail, Express Bus, and Ferry and converting all Outer Express Bus routes to Inner Express Bus routes (together, the “Title VI Fare Changes”) are fare changes that will last longer than six months; and
- **WHEREAS**, the Federal Transit Administration (“FTA”) Title VI Circular 4702.1B requires the MBTA to conduct a fare equity analysis for fare changes that last longer than six months to evaluate the impacts of such fare changes and determine whether such fare changes would have a discriminatory impact based on race, color, or national origin, low-income populations would bear disproportionate burdens of the fare changes, or non-low-income populations would receive disproportionate benefits because of the fare changes; and
- **WHEREAS**, the Title VI Fare Changes are fare changes requiring a fare equity analysis under FTA Title VI Circular 4702.1B; and
- **WHEREAS**, a fare equity analysis as to the Title VI Fare Changes was completed; and
- **WHEREAS**, the fare equity analysis demonstrated that the Title VI Fare Changes, taken together, do not have a discriminatory impact on race, color, or national origin; and
- **WHEREAS**, the fare equity analysis further demonstrates that, under the MBTA’s Disparate Impact/Disproportionate Burden Policy (“DI/DB Policy”), non-low-income populations may receive disproportionate benefits from the Title VI Fare Changes because the conversion of Outer Express Bus routes to Inner Express Bus routes tends to benefit riders with higher incomes; and
- **WHEREAS**, pursuant to the MBTA’s DI/DB Policy and Title VI Circular 4702.1B, such potential disproportionate benefits to non-low-income riders will be mitigated by actively recruiting new Youth Pass municipal partners, which may increase the level of participation in the program and thereby increase access to reduced fares among low-income populations; and
- **WHEREAS**, Fiscal and Management Control Board (“FMCB”) has considered and reviewed the Title VI Equity Analysis and the proposed mitigation;
- **NOW, THEREFORE, IT IS VOTED THAT:** The FMCB hereby approves the Title VI Equity Analysis for the Title VI Fare Changes and directs the MBTA, through the General Manager, to take all steps necessary to provide such acceptance to the FTA, as appropriate.
- **IT IS FURTHER VOTED:** The FMCB hereby approves the Tariff Changes as presented at its meeting of May 10, 2021 and as set out herein.



# Appendix





# Cost of making The RIDE free

<b>THE RIDE</b> (ADA and Premium)	
<b>Fare Revenue Loss</b>	~\$5.4M
<b>Increased Demand</b>	+0.4-0.7M trips (+25-45%)
<b>Capital Cost of Increased Service</b>	\$10-17M 1 <sup>st</sup> year (vehicles) \$1-3M annually (replacement)
<b>Operating Cost of Increased Service</b>	\$25-44M
<b>TOTAL</b>	<b>\$41-67M 1<sup>st</sup> year</b> <b>\$32-52M annually</b>

- Fare revenue loss: ~\$5.4 million
  - In FY 2019, The RIDE directly served ~1.6 million trips (~80% ADA and 20% Premium) for which riders paid ~\$5.4 million in fares
  - The RIDE also provides on-demand service pilots with other providers like Uber, Lyft, and Curb; we assume copays for on-demand service would be unchanged
- **Cost to serve additional trips: \$10-17 million up-front for vehicles, \$27-47 million annually for operations and vehicle replacement**
  - Use of The RIDE is highly sensitive to changes in fares -- based on ridership response observed in prior fare changes, ridership could increase by 25-45% (0.4-0.7 million trips per year)
  - Increased ridership would require capital investment in additional vehicles and substantial increase in operating costs for a heavily-subsidized service
  - The RIDE is required to provide all trips requested by eligible riders, so high-end ridership and cost estimates should be considered for resource planning



# Cost of making Local Bus free

<b>LOCAL BUS</b> (no change to Express Bus)	
<b>Fare Revenue Loss</b>	\$56-70M
<b>Increased Demand</b>	+5-13M rides (+5-11%)
<b>Capital Cost of Increased Service</b>	\$160-433M 1 <sup>st</sup> year (buses + garage) \$6-13M annually (bus replacement)
<b>Operating Cost of Increased Service</b>	\$24-53M
<b>TOTAL</b>	<b>Fares:</b> <b>\$56-70M</b>  <b>Service:</b> <b>\$184-486M 1st year</b> <b>\$30-66M annually</b>

- Fare revenue loss: \$56-70 million
  - Per-ride bus fares and Local Bus Passes would be free: \$37 million *direct* loss
  - Some pass users would switch to pay-per-ride to capture free bus fares: \$14-23 million revenue loss
  - Some pay-per-ride subway trips would shift to parallel bus: \$5-10 million loss
- Additional Local Bus service
  - Based on standard MBTA fare sensitivities and potential shifting from subway, free buses could increase bus ridership by 5-13 million rides per year (+5-11%)
  - Any ridership increase at peak times on already-crowded routes (pre-COVID) could require additional vehicles and service to meet MBTA crowding standards
  - As rough estimates, if service were increased proportionally to ridership, could require \$160-433 million in up-front vehicle/garage investment and \$30-66 million in annual operating and vehicle replacement costs
  - It should be noted, additional buses, operators and garages are not quick or easy to implement.



# Pre-COVID Fares “At Risk” of Evasion (possible to evade) Under All-Door Boarding on Bus and Green Line

	Estimated Rides	Estimated Revenue or Value of Rides	Approx. Revenue per Ride	Assumed % "at risk" of nonpayment	Notes
<b>Bus-only Trips (Including Express, no RT transfers)</b>					
Local Bus Pass	4,700,000	\$6,100,000	\$1.30	100%	FY18 sales (111,722 passes), ridership from CTPS Mar 2019
Express Bus Pass	1,100,000	\$4,100,000	\$3.73	92%	FY18 tap data and current fares; "at risk": >50% of pass value
LinkPass (Monthly and 7-day)	21,100,000	\$27,900,000	\$1.32	45%	could be evaded
Pay-per-ride	21,500,000	\$34,300,000	\$1.60	100%	CTPS May 2019 analysis of FY18 data, scaled to current fares
<i>Total "at risk" of nonpayment</i>	<i>36,702,202</i>	<i>\$56,709,116</i>	<i>\$1.55</i>		
<b>Trips with Surface Light Rail Boarding (excluding Riverside)</b>					
LinkPass (Monthly and 7-day)	6,100,000	\$12,200,000	\$2.00	44%	CTPS May 2019 using FY18 data, scaled to current fares; "at risk": >50% of pass value could be evaded
Pay-per-ride	4,700,000	\$10,400,000	\$2.21	100%	CTPS May 2019 using FY18 data, scaled to current fares
<i>Total "at risk" of nonpayment</i>	<i>7,384,000</i>	<i>\$15,768,000</i>	<i>\$2.14</i>		

# Potential Additional Revenue Loss with All-Door Boarding *and No Fare Verification*

Assumed Evasion Rate ( <u>Overall</u> by service)	Service	Approximate Annual Ridership (millions)	Implied Rides Evaded (millions)	Estimated Average Revenue Loss per Ride Evaded	Implied Total Revenue Loss (\$millions)	Increase from Existing Revenue Loss Estimates (\$millions)	Implied Evasion Rate For <u>Currently-Paid Rides "At Risk"</u> of Fare Evasion
<b>12%</b>	Bus	115	13.8	\$1.55	\$21	+\$19	33%
	Surface Light Rail <i>boardings</i>	15	1.8	\$2.14	\$4	+\$2	10%
	<b>Total</b>	<b>130</b>	<b>15.6</b>		<b>\$25</b>	<b>+\$20</b>	<b>28%</b>
<b>14%</b>	Bus	115	16.1	\$1.55	\$25	+\$22	39%
	Surface Light Rail <i>boardings</i>	15	2.1	\$2.14	\$4	+\$2	14%
	<b>Total</b>	<b>130</b>	<b>18.2</b>		<b>\$29</b>	<b>+\$25</b>	<b>34%</b>



# Convert all Outer Express Bus routes to Inner Express Bus

**Express Bus  
Routes Before  
the COVID-19  
Pandemic**

