Fare Increase Proposal

January 28, 2019
Why Raise Fares?

• Industry best practice is modest increases at regular intervals
  • MBTA continues to focus on own-source revenue and cost controls
  • Proposal is consistent with inflation in the Boston area over past 3 years
  • Supports equitable compensation for our workforce

• Enables further investments to increase service
  • Silver Line 3, new early-morning/late-night bus service
  • Additional commuter rail service

• Maintains additional capital funding source for near-term customer-facing improvements; examples of projects supported by last fare increase:
  • Vehicles for The RIDE
  • Additional funds to help completely replace Red Line fleet
  • Accessibility improvements to bus stops and commuter rail stations
Proposal Overview

• State law permits the MBTA to raise fares at most every two years and a maximum of 7% for each fare product
  • Last time the MBTA raised fares was July 1, 2016
  • Proposed increase to take effect July 1, 2019

• Proposal averages 6.3% increase across all MBTA fares
  • Estimated to increase FY20 fare revenue by $32 million, or 4.5%
  • Model estimates ridership loss of 1.3%

• Proposal passes Title VI equity analysis
  • Relative increase in average fare for minority riders is 98% of the increase for all riders
  • Relative increase in average fare for low-income riders is 93% of the increase for all riders
Fare Increase Proposal

• Each MBTA fare raised less than 7%

• A few fares not changed or will decrease as part of simplification of the fare structure in advance of AFC 2.0
  • Cash bus fare remains at $2 to avoid impacting dwell times caused by cash in the farebox; cash/CharlieTicket fares will be eliminated in AFC 2.0
  • Outer Express fares held constant to move toward merging Inner and Outer Express bus
  • Reduced fares on express bus changed to half of CharlieCard fare from half of cash fare
  • Hingham/Hull fare to Logan reduced to match fare to Boston in order to avoid tap in/tap out on ferries in AFC 2.0
## Key Fares

<table>
<thead>
<tr>
<th>CharlieCard fares</th>
<th>Current</th>
<th>Proposed</th>
<th>Absolute Increase</th>
<th>Percent Increase*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Local Bus</td>
<td>$1.70</td>
<td>$1.80</td>
<td>$0.10</td>
<td>5.9%</td>
</tr>
<tr>
<td>Adult Rapid Transit</td>
<td>$2.25</td>
<td>$2.40</td>
<td>$0.15</td>
<td>6.7%</td>
</tr>
<tr>
<td>LinkPass</td>
<td>$84.50</td>
<td>$90.00</td>
<td>$5.50</td>
<td>6.5%</td>
</tr>
<tr>
<td>7-Day LinkPass</td>
<td>$21.25</td>
<td>$22.50</td>
<td>$1.25</td>
<td>5.9%</td>
</tr>
<tr>
<td>Senior/TAP/Student Pass</td>
<td>$30</td>
<td>$32</td>
<td>$2</td>
<td>6.7%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Example Commuter Rail Fares</th>
<th>Current</th>
<th>Proposed</th>
<th>Absolute Increase</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone 1 Ticket</td>
<td>$6.25</td>
<td>$6.50</td>
<td>$0.25</td>
<td>4.0%</td>
</tr>
<tr>
<td>Zone 1 Pass</td>
<td>$200.25</td>
<td>$214.00</td>
<td>$13.75</td>
<td>6.9%</td>
</tr>
<tr>
<td>Zone 4 Ticket</td>
<td>$8.25</td>
<td>$8.75</td>
<td>$0.50</td>
<td>6.1%</td>
</tr>
<tr>
<td>Zone 4 Pass</td>
<td>$263.00</td>
<td>$281.00</td>
<td>$18.00</td>
<td>6.8%</td>
</tr>
<tr>
<td>Zone 8 Ticket</td>
<td>$11.50</td>
<td>$12.25</td>
<td>$0.75</td>
<td>6.5%</td>
</tr>
<tr>
<td>Zone 8 Pass</td>
<td>$363.00</td>
<td>$388.00</td>
<td>$25.00</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

*Increase percent varies due to constraints of rounding
Addressing Gap between Zone 1A and Rest of the Zones

• For historical reasons, a large gap exists between Zone 1A and the rest of the zones
• At the direction of the Legislature, the MBTA is conducting a commuter rail zone study examining:
  • Where bus and rapid transit act as a substitute for commuter rail service, travel time differences
  • Competitiveness with driving times and parking pricing
  • Population and jobs around stations, where interzone fares will increase demand
  • Option to introduce a new zone
Medium and Long Term Opportunities

• The MBTA’s existing fare collection system limits changes to the commuter rail zone structure; commuter rail tickets and passes are purchased on existing Fare Vending Machines with limited options on screens

Opportunities created with new fare collection system

• **Medium term**: Exploring options for Day 1 of AFC 2.0 including a new zone between Zone 1A and Zone 1

• **Long term**: After AFC 2.0 and completion of Rail Vision, consider larger changes to CR zone structure to match future service model
Timeline for Fare Proposal

• Details of the proposal posted at mbta.com/fareproposal
  • online comment form and look-up table for all fares
• Public comment period until Feb 28, 2019
• Public hearing on the fare proposal
  February 27, 2019 at 6:30 pm
  State Transportation Building, 10 Park Plaza, Boston
• Public comment and information also available at MBTA
  Coordinated Community Meetings throughout February 2019
• Proposed FMCB vote as part of preliminary FY20 budget on
  March 11, 2019