



Finance and Capital Committee

Action Item III-A

October 28, 2021

Fare Policy Principals and Strategy Framework

Washington Metropolitan Area Transit Authority

Board Action/Information Summary

☒ Action ☐ Information

MEAD Number:
202304

Resolution:
☒ Yes ☐ No

TITLE:

Fare Policy Principles

PRESENTATION SUMMARY:

Consideration of updated fare policy principles.

PURPOSE:

Board consideration and adoption of updated fare policy principles.

DESCRIPTION:

For purposes of conflicts of interest, there are no interested parties associated with this action item.

Key Highlights:

- The draft updated Fare Policy Principles emphasize that Metro's fares should be customer-focused, simple and convenient, equitable, seamless, and built to drive ridership.
- Metro's existing fare policy principles were adopted in 2010.
- Fare policy principles guide the development and evaluation of potential fare policy changes.

Background and History:

Existing fare policy principles were adopted by Resolution 2010-66 in 2010. In July 2021, the Finance and Capital Committee reviewed Metro's existing fare policy, structures and concepts. In September 2021, the Committee held a work session on updates to the fare policy principles and potential fare concepts for further development.

Discussion:

Fare policy principles provide a framework for the development and evaluation of potential fare policy changes. The draft updated fare policy principles for Board consideration are shown below.

- **Customer Focused** -- Adopt customer-focused fare policies and systems to position Metro as an attractive choice in a competitive travel market
- **Simple and Convenient** -- Make it simple, intuitive, and convenient for customers

- to purchase fares and take transit
- **Equitable** -- Maintain equitable fares and practices that promote broad access to regional destinations
- **Seamless** -- Create a seamless customer experience across modes and operators to promote regional mobility
- **Built to Drive Ridership** -- Maximize ridership while ensuring adequate revenue and cost efficiency to sustain service

FUNDING IMPACT:

There is no direct impact to funding based on updating fare policy principles.

TIMELINE:

Previous Actions	November 2010 – Board Adoption of current Fare Policy Principles July 2021 – Staff presented overview of existing fare policy principles and structure and outlined fare concepts for future consideration September 2021 - Work session on fare policy principles updates and potential fare concepts for further development
Anticipated actions after presentation	November 2021 – Presentation of GM/CEO's FY2023 Budget Recommendation

RECOMMENDATION:

Staff recommends adoption of updated fare policy principles.

Fare Policy Principles

Finance and Capital Committee
October 14, 2021



Background and Purpose

- July 2021 – Committee reviewed existing fare policy principles, structures and concepts
- September 2021 – Work Session on updates to fare policy principles and potential fare concepts
- October 2021 – Board consideration and adoption of updated fare policy principles to guide development of future fare changes

Draft Fare Policy Principles for Consideration



Customer Focused

Adopt customer-focused fare policies and systems to position Metro as an attractive choice in a competitive transit market



Simple and Convenient

Make it simple, intuitive, and convenient for customers to purchase fares and take transit



Equitable

Maintain equitable fares and practices that promote broad access to regional destinations



Seamless

Create a seamless customer experience across modes and operators to promote regional mobility



Built to Drive Ridership

Maximize ridership while ensuring adequate revenue and cost efficiency to sustain service

Fare policy principles guide development and evaluation of potential fare policy changes

Recommendation

- Adopt updated fare policy principles



Appendix

Fare Policy Principles

Adopted by Board of Directors, November 2010

Metro Fare Policy Principles

Ensure and enhance customer satisfaction

Establish a mechanism to allow customers to determine their fares easily

Optimize the use of existing capacity

Establish equitable fares and ensure compliance with federal regulations

Facilitate movement between modes and operators throughout the region

Encourage the use of cost-effective media

Generate adequate revenue while maximizing ridership

SUBJECT: REVISION OF FARE POLICY PRINCIPLES

RESOLUTION
OF THE
BOARD OF DIRECTORS
OF THE
WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

WHEREAS, Pursuant to Compact Section 60 the Board of Directors has sole and exclusive jurisdiction over the Authority's rates and fares; and

WHEREAS, Pursuant to Resolution 2010-66 the Board adopted Fare Policy Principles; and

WHEREAS, Staff recommends updates to the Fare Policy Principles to reflect the changing needs of the Authority, our funding jurisdictions, and our customers;

NOW, THEREFORE, be it

RESOLVED, That the Board rescinds the Fare Policy Principles established in Resolution 2010-66; and be it further

RESOLVED, That the Board adopts the following Fare Policy Principles:

1. Customer Focused -- Adopt customer-focused fare policies and systems to position Metro as an attractive choice in a competitive travel market;
2. Simple and Convenient -- Make it simple, intuitive, and convenient for customers to purchase fares and take transit;
3. Equitable -- Maintain equitable fares and practices that promote broad access to regional destinations;
4. Seamless -- Create a seamless customer experience across modes and operators to promote regional mobility;
5. Built to Drive Ridership -- Maximize ridership while ensuring adequate revenue and cost efficiency to sustain service; and be it finally

RESOLVED, That this Resolution shall be effective 30 days after adoption in accordance with Compact Section 8(b).

Reviewed as to form and legal sufficiency,

/s/
Patricia Y. Lee
Executive Vice President and General Counsel

WMATA File Structure No.:
9.12.9 Tariff (WMATA Fare Structure)

PROPOSED