Finance and Capital Committee
Information Item IV-A
July 11, 2019

Fare Evasion Update
TITLE:
Fare Evasion Update

PRESENTATION SUMMARY:
Present to the Board an update on fare evasion.

PURPOSE:
Update the Board on the legal, policy and financial implications of fare evasion

DESCRIPTION:

Key Highlights:

- Fare evasion is a growing challenge across the transit industry
- Metro estimates $36 million in lost annual revenue in addition to lower formula grant receipts due to undercounting of ridership
- Fare evasion laws differ across the region’s jurisdictions
- Metro Transit Police enforce applicable laws and provide training to bus operators to de-escalate fare-related conflicts
- Current technology on Metrobus and future technology on Metrorail will enable better measurement and reporting of fare evasion
- Peer transit agencies employ a range of enforcement measures to address fare evasion

Background and History:

Fare evasion is the act of traveling on public transportation without paying the established fare required to travel. Fare evasion is a challenge in the transit industry, and Metro is no exception.

For Metro, fare evasion poses an operating budget risk from loss of fare revenue, along with underreporting of ridership to FTA which reduces federal funds to Metro. Fare evasion also creates community concerns, is an equity issue for customers and a safety concern for employees.

Discussion:
Metro is committed to the safety and security of its employees, passengers and assets. In furtherance of this goal, Metro Transit Police officers are strategically deployed across the system and participate in the Bus Operator Assault Reduction Program. This program was created to help operators learn de-escalation techniques to reduce the chances of being assaulted. Through May 2019, more than 2,400 bus operators have been trained.

There are two methods used to detect fare evasion on Metrobus. The farebox key pad is used by Bus Operators to record fare evasion. Currently, the number eight (8) key on the farebox key pad is programed for fare evasion. During daily farebox probing, this data is downloaded to our central servers for monthly reporting.

Metro also has Automatic Passenger Counter (APC) technology on its buses that track boarding data. Staff compares APC data to farebox data to further assist with identifying variances in the number of riders and fare collected. Furthermore, data collected from both methods are analyzed to determine bus routes with high fare evasion, assist with fare enforcement actions, and inform technology enhancements to buses, such as the CCTV monitors.

In addition to on-going efforts to secure Emergency Gates, Metrorail is installing Electronic Gate Sensor (EGS) devices throughout the rail system to better track fare evasion. Data provided by EGS will bridge the knowledge gap between the number of riders and fare collected in Metrorail. Metro is also evaluating public display monitors with camera and video analytics that can be deployed at 13 Metrorail mezzanine areas to act as a deterrent to fare evasion and provide data that will assist MTPD resource deployment.

Next Steps:
Management will provide quarterly reports to the Board on fare evasion, revenue impacts and enforcement initiatives.

**FUNDING IMPACT:**

<table>
<thead>
<tr>
<th>Information item only. Estimated annual impact is $36 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Manager: Dennis Anosike</td>
</tr>
<tr>
<td>Project Department/Office: CFO</td>
</tr>
</tbody>
</table>

**TIMELINE:**

<table>
<thead>
<tr>
<th>Previous Actions</th>
<th>June 2017 – Fair Share Pilot</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 2018 – Fair Share Initiative Update</td>
</tr>
</tbody>
</table>

**Anticipated actions after presentation**
Quarterly reports to the Board on fare enforcement efforts, fare evasion and revenue impacts
Fare Evasion Update

Finance and Capital Committee
July 11, 2019
Purpose

Update the Board on the legal, policy and financial implications of fare evasion
Fare Evasion

- Poses Operating budget risk
- Under reports ridership to FTA; reducing federal grant funds
- Creates community concerns
- Is an equity issue for customers
- Safety concern for employees
Fare Evasion is a growing transit industry challenge

- National challenge
- Employee and customer safety concern
- Growing problem

Estimated Annual Fare Evasion Losses*

<table>
<thead>
<tr>
<th>Transit Service</th>
<th>Estimated Losses ($ in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BART</td>
<td>$(15-25)</td>
</tr>
<tr>
<td>MTA</td>
<td>$(36)</td>
</tr>
<tr>
<td>MTA New York City</td>
<td>$(42)</td>
</tr>
<tr>
<td>WMATA</td>
<td>$(215)</td>
</tr>
</tbody>
</table>

* Sources: Rail only (www.bart.gov, accessed June 2019), Commuter rail, Green Line, and bus services (Keolis and MBTA Estimate, 2016) and Subway and bus (Fare Evasion at NYCT, November 2018)
Estimated annual revenue loss from fare evasion

- **Metrobus**, $26M
- **Metrorail**, $10M
Growing Problem on Metrobus

Manual and automated counts show fare evasion is increasing on Metrobus

- Increase in fare evasion recorded by operators
- Automated counts confirm growing delta between total ridership and paid ridership
Jurisdictional distribution of Systemwide Metrobus Fare Evasion

- DC: 16%
- MD: 9%
- VA: 1%
Fare Evasion Laws are different across Jurisdictions

<table>
<thead>
<tr>
<th>District of Columbia</th>
<th>State of Maryland</th>
<th>Commonwealth of Virginia</th>
</tr>
</thead>
</table>
| ▪ Effective May 3, 2019  
  • Civil  
  • ≤$50 Fine | ▪ Montgomery County  
  • Civil and Criminal  
  • $50 - $75 Fine  
  • ≤10 Days Imprisonment | ▪ City of Alexandria  
  • Criminal  
  • ≤$250 Fine |
| ▪ Prince George’s County  
  • Criminal  
  • $10 - $100 Fine  
  • ≤10 Days Imprisonment | ▪ Arlington County  
  • Civil and Criminal  
  • $50 - $75 Fine  
  • ≤10 Days Imprisonment | ▪ Fairfax County  
  • Criminal  
  • ≤$100 Fine |
Transit Policing

- Maintain safety and security commitment to employees, passengers and assets
- Continue de-escalation training for bus operators
- Train police officers after civil fine process is implemented by District of Columbia
- Abide by fare evasion laws in all Metro jurisdictions
Bus Technology

- Fare Evasion Detection Methods
  - Fare box keypad
  - Automatic Passenger Counter

- Data Collection Uses
  - Identify routes with high fare evasion
  - Inform fare enforcement efforts
  - Technology enhancements
Rail Technology

- **System Enhancements**
  - Continuing to secure swing gates
  - Adding gate sensors to count passengers
  - Display monitors with video analytic capabilities

- **Data Collection Uses**
  - Bridge gap between rider and revenue count
  - Deter crime
  - Aide MTPD in deployment strategies
Other Transit Agencies

- Atlanta, GA
  - 12-hour expulsion from system
  - 14/30/60-day suspension from system
  - Suspension violations
    - Additional 30-day suspension
    - Arrest for criminal trespass

- Philadelphia, PA
  - Issue $25 citation
  - Ban from system after 4 citations
  - Arrest for misdemeanor trespass after 5 citations

- New York City, NY
  - Civil - $100 fine
  - Criminal – fine varies

- San Francisco, CA
  - Civilian inspectors
    - Wear body cameras
  - $55 fine for juveniles
  - $75 fine for adults
Future Update

- Provide quarterly updates to the Board of Directors
  - Fare evasion and revenue impacts
  - Fare enforcement efforts