

MEMO

March 5, 2014

TO: WMATA Board of Directors
FROM: Riders Advisory Council

RE: Budget proposal

Recommendation:

The Riders Advisory Council recommend that the fare proposal be modified as described below:

Metrorail:

1. RAC Recommendation

4% Fare Increase to Peak fares, no increase to Off Peak.

Fare Period	Boarding Charge (current)	Boarding Charge (proposed)	Max Fare (current)	Max Fare (proposed)	Total Revenue
Peak	\$2.10	\$2.20	\$5.75	\$6.00	\$16m
Off Peak	\$1.70	\$1.70	\$3.50	\$3.50	\$0

2. Rates Advertised for Public Hearing

Fare Period	Boarding Charge (current)	Boarding Charge (proposed)	Max Fare (current)	Max Fare (proposed)	Total Revenue
Peak	\$2.10	\$2.20	\$5.75	\$6.00	\$16m
Off Peak	\$1.70	\$1.75	\$3.50	\$3.60	\$7m

3. Convention Pass: Additional \$1.5m (unchanged)

4. 28 day pass— no increase. WMATA proposes 4% increase.

Rationale:

- Peak fare increase seems to be in line with 2 year inflation.
- Off peak should not be raised to encourage more off peak usage.
- As the 28 day pass is not widely used a further 4% price increase may discourage its usage. Those whose subsidies have been decreased might discover that it may be good to use.
- The convention pass is a good start of an idea to generate extra revenue at limited marginal cost.

Metrobus:

RAC Recommendation

Service Type	Fare SmarTrip/Cash (current)	Fare SmarTrip/Cash (Proposed)	Total Revenue
Local/Extra	\$1.60/\$1.80	\$1.70/\$1.70*	\$8m
Express	\$3.65/\$4.00	\$4.00/\$4.00	
Airport	\$6.00/\$6.00	\$7.00/\$7.00	

* - Budget Committee agreed to bring forward to the full RAC an increase in the local bus fare to \$1.75 (cash and SmarTrip®), as outlined in the General Manager’s proposal. This would raise \$11m as outlined below.

GM Proposal

Service Type	Fare SmarTrip/Cash (current)	Fare SmarTrip/Cash (Proposed)	Total Revenue
Local/Extra	\$1.60/\$1.80	\$1.75/\$1.75	\$11m
Express	\$3.65/\$4.00	\$4.00/\$4.00	
Airport	\$6.00/\$6.00	\$7.00/\$7.00	

Rationale:

- The council thought that the SmarTrip bus fare increase of 9% was excessive and suggested a smaller increase, more in line with price inflation.
- Cash payers, who are a small minority of riders should not have to pay a premium.

Parking.

RAC agrees with the \$0.25 increase in parking. However, the Prince George’s County appeared to be excessive.

Summary:

The RAC suggests some small changes in the fare increases that we believe would have positive impacts on riders. By not raising the off-peak fare for rail may help encourage more off-peak riders. Holding constant the 28 day pass may also be helpful for riders who are experiencing a decreased subsidy.

Finally, the fare proposal presented by the RAC is recognized to be short of the funds necessary to meet the operating budget. RAC suggest that the Jurisdictions be approached to make up the difference which would be between \$1.5m to \$4.5m.

RAC members believe that it is important to simplify the fare structure. This includes consideration of equalizing fares for cash or SmarTrip on the bus. In addition there was consensus that bus increases should be kept similar to other increases or linked to a specific index.

Members viewed positively the increases in parking fees, the convention pass and the elimination of the cash surcharge on buses.

DRAFT