STRATEGIC INITIATIVE AND UPDATE

Regional Smart Fare Project Update

Report Purpose
To update Priorities Committee on the Regional Smart Fare project and fare options being considered.

Council History

Nov. 21, 2017	Priorities Committee received an update on the Regional Smart Fare. Project.
June 6, 2017	Council approved a Capital Budget amendment to increase the Smart Fare budget.
December 8, 2015	Council approved the Smart Fare and Smart Bus project budget as part of the 2016 Capital Funding Plan.
Sept. 23, 2014	Council formally endorsed the regional transit grant submission for Smart Fare and Smart Bus technologies.
April 9, 2013	Council formally endorsed a joint application between the City of Edmonton, the City of St. Albert and Strathcona County to the provincial GreenTRIP program to help fund a Smart Fare system.

Strategic Plan Priority Areas
Economy: A regional Smart Fare system will enhance our transit services to promote Strathcona County as a place for businesses and investments and provide seamless travel across transit agencies within the Edmonton Metropolitan Region which will improve labour mobility and access to jobs with affordable transit fares. It will support a sustainable transit system for our community.
Governance: As a collaborative and valuable partner of this regional project, Strathcona County will continue developing and maintaining strong relationships with our neighbouring municipalities through an integrated Smart Fare system.
Social: Enhance community connectivity and access to services by providing affordable regional transportation options to all residents in the community including seniors, youth and low-income families.
Culture: N/A
Environment: Improve efficient resource usage and reduce environmental footprint by promoting more sustainable transportation modes.

Other Impacts
Policy: N/A
Legislative/Legal: N/A
Interdepartmental: A Regional Smart Fare system may impact Information Technology Services and Financial Services.

Author: Wade Coombs, Transit
Director: Wade Coombs, Transit
Associate Commissioner: Gord Johnston, Community Services
Lead Department: Transit

Page 1 of 3

Summary

The Regional Smart Fare System incorporates fare payment technologies that are becoming more common throughout the world. This includes "open payment" functionality, which allows transit trips to be paid for with credit or debit cards and compatible mobile devices. The system will also be "account-based," which allows for easier integration with educational programs (U-Pass) and allows customers to purchase transit fares and rides immediately. Customers will be able to manage their accounts using web-based applications, through a customer call centre, at Smart Fare Vending Machines, and hundreds of regional retailers where they can choose fare products that best suit their needs or for which they are eligible. Management of fare programs, such as U-Pass, will also be streamlined.

In terms of regional integration, transit customers will be able to use a single "smart card" or compatible mobile device when boarding any transit vehicle operated by the participating transit agencies. The regional smart fare agencies have been evaluating potential regional integration options and have agreed to the following:

- Customers perceive and experience transit in the region as a seamless network.
- Transfer rules are consistent and scalable to include other agencies in the future.
- Each municipality receives revenue from passengers that use their transit system.
- Each municipality will have the autonomy to establish fares for travel on their system, which allows the municipalities to set fares and subsidies that meet the needs of the individual communities.

Being an open-payment, account-based electronic fare payment system, the Transit Smart Fare System will allow municipalities to consider fare payment options that were previously not available or practical to implement. As a result, the Smart Fare project team is considering an alternative fare strategy that will include:

- Distance Based fares
    - With this approach, the fare paid for each trip could be charged based on the distance travelled.
    - To ensure passengers only pay for the distance of their trip, the distance could be calculated based on the straight line distance between the start and end points of the passenger's transit trip.
    - Minimum and maximum fares could be applied for very short and long trips, respectively.
    - The fare for short trips would be less than for longer trips.
    - Distance based fares eliminate the need for transfers, complex transfer rules between agencies, or transfer surcharges for customers making inter-municipal trips.

- "Pay-As-You-Go (PAYG)
    - With this approach, customers will pay one trip at a time.
    - If applied in conjunction with fare capping, the customer would pay for each trip when it is made up to the fare cap for the daily, weekly or monthly period.
        - For example, customers who are using a monthly fare product would not have to load the full value of that fare product at the beginning of the period, but could load value in their account as needed.
        - This could benefit people with lower incomes who might not be able to afford the price of a monthly pass up-front.

- Fare capping
  - Maximum payment limits could be placed on daily, weekly and/or monthly periods.
  - This benefits frequent transit users.
  - Different fare caps can be set for seniors, youths, and low income individuals in support of the County's social sustainability goals.
  - When done in conjunction with distanced based fares, customers that regularly travel longer distances would reach the cap amounts sooner compared to those travelling shorter distances.
  - Trips made after a cap is reached would be free.

To support this fare strategy work, the project team is modelling fare payment and revenues region-wide, using the results of the Edmonton Region Household Travel Survey and other available system data to develop the fare model, and, subsequently, the impacts of different scenarios will be assessed. Concurrently, the project team will continue work on the development of a regional transit fare strategy.

With the implementation of Smart Fare and distance based fares, passengers would be charged for each portion of their trip. Fare capping will most likely not apply to multi-agency trips, therefore Strathcona County Transit passengers may see an increase to their fare when using another transit agency to complete their trip.

These approaches represent significant departures from existing fare structure or pricing methods. As a result, the regional project team will undertake further market research in the upcoming months to determine the public's perception of challenges and opportunities related to the faring approach, in order to develop a robust education program to aid in the implementation of Smart Fare.

Enclosure:
I   Regional Smart Fare System Presentation