STRATEGIC INITIATIVE AND UPDATE

Regional Smart Fare Update on the Market Research Conducted

Report Purpose
To update Priorities Committee on the Regional Smart Fare System (RSFS) project and the market research completed on the fare options being considered.

Council History

Feb. 13, 2018	Priorities Committee received an update on the Regional Smart Fare Project and fare options being considered.
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.

Summary
Administration is working with our regional partners on a regional fare strategy for the RSFS to be implemented in 2020. This report provides additional information on the new faring approaches made possible by the RSFS such as fare capping, Pay-As-You-Go, and distance-based fares, and a range of possible impacts on transit customers. The report will also provide information from the regional market research that was conducted in April and May 2018.

The RSFS will have the ability to incorporate 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 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.

Being an open-payment, account-based electronic fare payment system, the RSFS will allow municipalities to consider fare payment options that were previously not available or practical to implement. As a result, the RSFS project team is looking to implement an alternative fare strategy that will include Pay-As-You-Go, fare capping and distance based fares.

These approaches represent a significant departure from existing fare structures and pricing methods. As a result, the regional project team conducted market research in each municipality in late April and early May to determine the public's perception of the challenges and opportunities related to implementing these fare options.

The results of this market research indicated that many people are familiar with the concept of smart fare through travelling to other cities where similar systems are already in place. While they were familiar with smart fare systems there were still a number of questions people had such as:
- How fast would the tap on/off be?
- What happens if you forget to tap off?
- What happens to the data?
- Will it be cheaper or will they raise fares?
- What happens if you run out of funds and you try to get on the bus?
- What happens if you lose your card?
- Can I still pay cash?

Three themes that emerged from the market research were concerns over privacy of the origin/destination data, adding complexity that could be difficult for some users to manage and a fear that the cost to implement the system will drive up fares.

Some specific feedback to each of the fare options were:
- "Pay-As-You-Go" (PAYG)
    - This made sense to most people
    - Recognized that infrequent users would benefit
    - Saw the benefit for low income users to better manage their cash flow
    - Monthly pass holders like this as they would not have to figure out when going on vacation whether a monthly pass or tickets were the more viable option
    - Also saw advantages if they got sick and didn't use transit for a week or more that this could save them money

- Fare capping
  - People were very positive of this as it provided price certainty in how much transit would cost in a month similar to the current monthly pass
- Distance Based fares
  - At the start this was not well received as there was an assumption they would end up paying more
  - Many people suggested a zone based system similar to what they had experienced in other cities
    - Some people though pointed out how a zone system can be unfair as just changing zones, which is usually just crossing an intersection, increases the cost
  - When the fare capping was discussed as part of a distance based fares people were more open to the concept

With the implementation of Smart Fare and distance based fares, passengers would be charged for each portion of their trip. Fare capping will not apply to multi-agency trips, therefore Strathcona County Transit (SCT) passengers may see an increase to their fare when using another transit agency to complete their trip. This was not formally addressed in the market research, as there is only a small percentage of County residents who transfer onto an Edmonton bus, however there was some feedback that for those who do transfer this would not be received well.

This information will be used to develop a robust regional education program to aid in the implementation of Smart Fare. SCT will also use this information to develop a public engagement plan for the fall 2018 to engage County residents on these fare options. Transit will provide an update to Council upon completion of this public engagement.

Enclosure
1   Regional Smart Fare Update on Market Research Presentation