

# Regional Smart Fare Update

Priorities Committee Meeting  
Tuesday June 12<sup>th</sup>, 2018

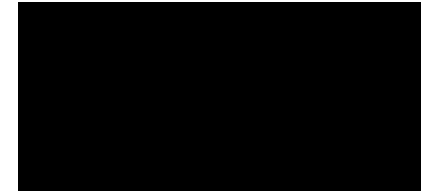
# Presentation Objectives

1. Review the fare options being considered
2. Provide an update on the market research conducted
3. Provide an update on next steps

# Review

## Regional Smart Fare System is **Account Based**

- ▶ Customer's transit account is stored in "the cloud"
- ▶ Allows customers to manage their account online and through a large retail network
- ▶ Allows fast boarding using the bus validator
- ▶ Simplifies the implementation of fare programs such as universities, schools, and employer benefit programs.



## Regional Smart Fare System supports **Open Payments**

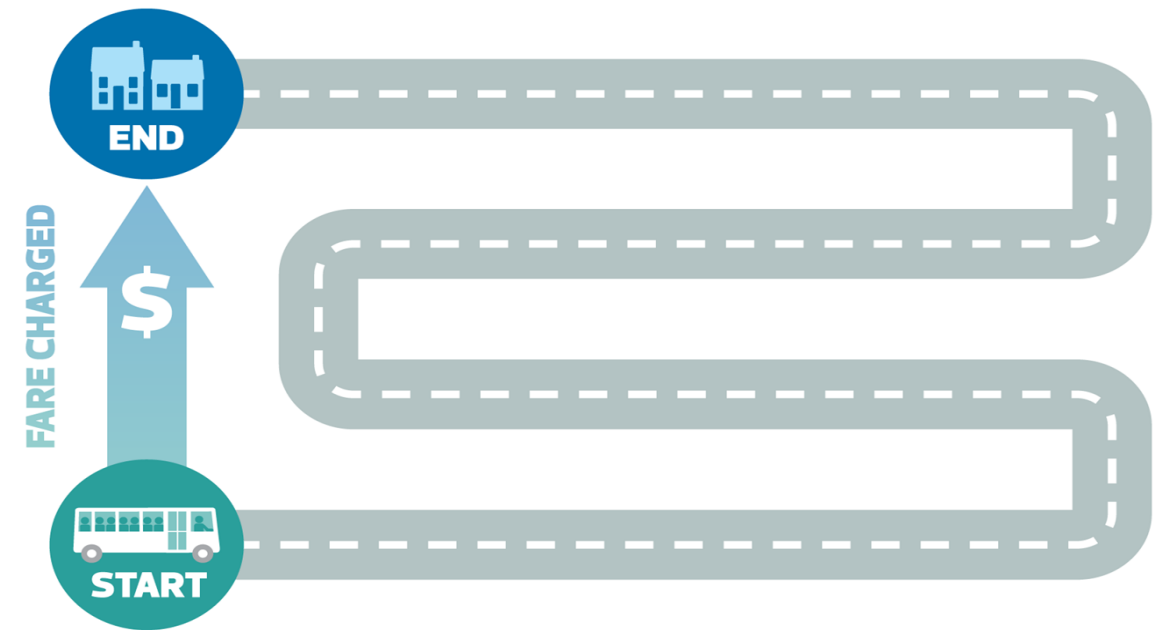
- ▶ Customers can use what's already in their wallets
- ▶ System will support mobile platforms like Apple Pay, Google Pay



# Review

## 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



# Review

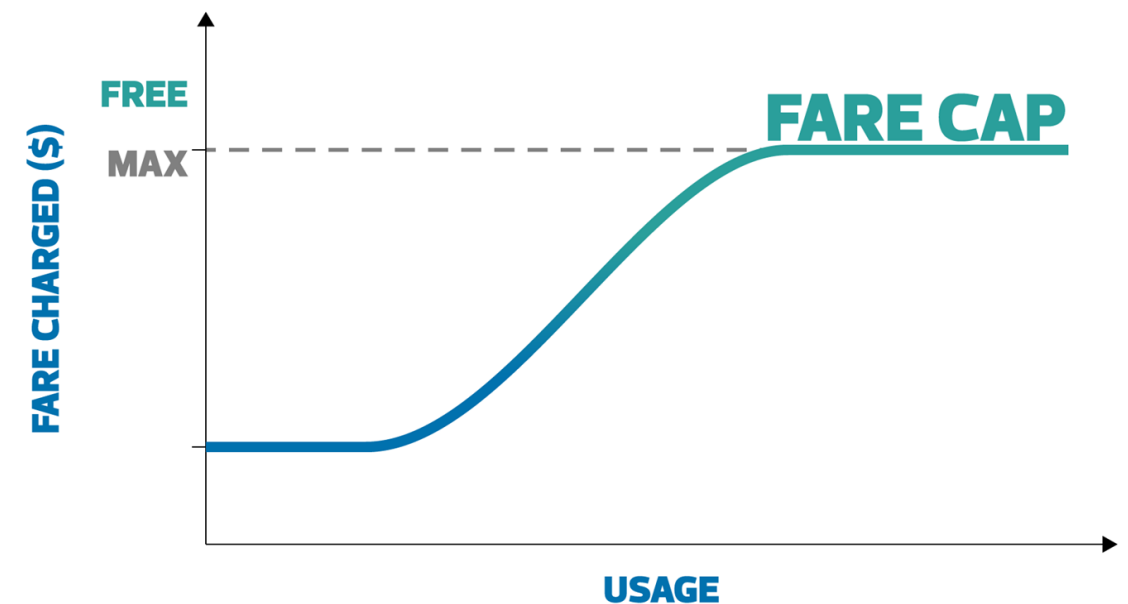
## Pay-As-You-Go (PAYG)

- 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.

# Review

## 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.



# Market Research

- Market research was conducted in April and May
- Sessions were held in Edmonton, St Albert and Strathcona County
  - Two sessions were held in Sherwood Park
  - Nine County residents attend each session





# Market Research

- 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.
- Many liked the idea of being able to pay via credit/debit as well as the phone and dedicated card option
  - Primarily they believed having more options to pay was considered a strong benefit
- On balance, riders were generally positive about the idea and/or felt it was inevitable



# Market Research

- 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?



# Market Research

Three themes that emerged from the market research were:

1. Concerns over privacy of the origin/destination data
2. By adding complexity it could be difficult for some users to manage the new system
3. A fear that the cost to implement the system will drive up fares.

# Market Research

## 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

# Market Research

## Fare capping

- People were very positive of this
- They felt it provided price certainty in how much transit would cost in a month similar to the current monthly pass





# Market Research

## 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
- When the fare capping was discussed as part of a distance based fare system people were more open to the concept



# Next Steps

- This information will be used to develop a robust education program to aid in the implementation of Regional Smart Fare System
- Transit will develop a public engagement plan for the fall of 2018 to further engage local residents in these fare options
- That Transit will provide Council with an update on the results of the public engagement once completed

# Questions?