



REGIONAL FARE POLICY AND COMPREHENSIVE FARE ORDINANCE

Purpose:

To establish guidelines for setting a uniform, fair, and equitable areawide fare structure consistent with revenue-producing requirements and established budgets.

Background

With the approval of Senate Bill (SB) 1703, the planning and programming functions of the San Diego Metropolitan Transit Development Board (MTDB), which is now the Metropolitan Transit System (MTS), and the North San Diego County Transit Development Board, which is now North County Transit District (NCTD), were consolidated under the San Diego Association of Governments (SANDAG). Contained within these functions is the responsibility for developing a Regional Fare Policy, including setting fares for transit services in the region through a Comprehensive Fare Ordinance. The Initial Transition Plan for the regional consolidation specifies that SANDAG will develop the Regional Fare Policy, carried out in consultation with the transit agencies and operators.

Regional Participation

For this policy to be effective, it will be necessary for all transit agencies and operators in the region to implement the regional policy according to the following guidelines:

1. A single, unified, regionwide fare policy and transfer system shall be maintained for all publicly subsidized operators.
 - 1.1 All publicly supported transit operators shall participate in the system to be eligible for public subsidy.
 - 1.2 All publicly supported transit operators shall use and accept regional fare media.

Production

Fare revenues shall meet or exceed the level necessary to support the level of service provided given the current public subsidies available.

2. SANDAG shall adopt a specific farebox recovery ratio objective for each transit agency each fiscal year, consistent with the requirements of the Public Utilities Code regarding the disbursement of Transportation Development Act funds. SANDAG's farebox recovery ratio shall be higher than that set by the Public Utilities Code to encourage revenue growth and ridership.

- 2.1 The fare-pricing schedule shall be set to be consistent with meeting or exceeding the specified farebox recovery requirements.
- 2.2 The annual average fare (per passenger), over time, shall generally be consistent with annual increases in regionwide transit cost indicators and/or the rate of inflation.
- 2.3 SANDAG shall consider the financial and Title VI impacts of a fare change upon ridership, service provision, and operating budgets.
- 2.4 User-side subsidies and direct public/private funding shall be encouraged as sources of operating revenue, particularly for services with lower cost-effectiveness.

Fairness

The fare structure should be fair and equitable to all operators and passengers in the region.

- 3. Fare levels shall be consistent for similar types of service and similar service areas.
 - 3.1 Fare levels shall reflect a combination of the type of service, distance, speed of travel, and customer amenities provided to the customer, with higher fares set for premium services.
 - 3.2 There shall be a unified policy on transfers within the region and any supplementary charges or upgrades for transfers shall be related to differences between the types of service and respective fare levels.
 - 3.3 Regionwide fare discounts shall generally be limited to youth and senior patrons and patrons with disabilities, and prepaid fare programs, and any mandated federal, state, and local program.

Simplicity

The fare policy shall promote seamless travel throughout the region by developing one common and easily understood fare structure throughout the region.

- 4. The fare structure and transfer system shall be as simple and easy to understand for users as possible.
 - 4.1 The number of fare, transfer, and pass options shall be minimized to promote user friendliness and efficient fare validation.
 - 4.2 The pricing structure shall be based upon equal or easily identified coin increments.
 - 4.3 The fare collection process aboard a transit vehicle shall be designed to be as expeditious as possible.

- 4.4 Vehicle driver/operator involvement in the fare collection process onboard the transit vehicle should be minimized.
- 4.5 Use of prepaid fares including passes and stored value (e.g., daily and monthly passes) shall be encouraged to speed the patron boarding process.
- 4.6 The automated fare collection system shall be developed to simplify fare payment and collection, while providing the region with the opportunity to develop specialized fare structures that will be transparent to the user and driver/operator.

Responsibilities

SANDAG, the transit agencies, and transit operators all have roles and responsibilities to ensure successful implementation of the Regional Fare Policy.

- 5. SANDAG develops and adopts the Regional Fare Policy and Comprehensive Fare Ordinance which incorporates a uniform fare structure, a transfer policy, and agreement for revenue sharing of regional tickets, tokens, and passes, while also allowing for adoption of specialized fare procedures for travel within each operator's service area. SANDAG will regularly update the Regional Fare Policy and set the basic fare pricing for transit services in the region through updates to the Comprehensive Fare Ordinance.
 - 5.1 A Regional Fare Structure Working Group (comprised of staff from SANDAG, transit agencies, and operators) shall review the comprehensive fare ordinance each year during the annual budget process and propose changes to the ordinance, if appropriate.
 - 5.2 Transit agency boards shall review and provide input on proposed changes to the fare ordinance and solicit public input in accordance with transit agency policies prior to SANDAG Board action.
 - 5.3 SANDAG's Transportation Committee shall review the fare ordinance and develop fare recommendations as part of the annual budget process, unless needed at other times for special circumstances.
 - 5.4 SANDAG may adopt specialized fares and procedures for travel within each transit agency's service area.
 - 5.5 Public notice of fare changes shall be provided as legally required, including written notice on all public transit vehicles, and legal notices to newspapers. The public will be provided with an opportunity(ies) to comment on proposed fare changes in accordance with SANDAG Policy No. 025, Public Participation/Involvement Policy.
 - 5.6 Transit operators shall implement and adhere to this Regional Fare Policy and Comprehensive Fare Ordinance. Transit operators shall take the necessary actions to authorize enforcement of the Comprehensive Fare Ordinance.

- 5.7 The two transit agencies shall have the ability to set special event fares. For special events the transit agencies are encouraged to achieve full recovery of their operational expenses. These fares because of their short-term/temporary nature would not need to be included in the Comprehensive Fare Ordinance and would not require a public hearing.
- 5.8 The two transit agencies shall have the ability to set temporary, promotional, and experimental fares. Temporary, promotional, and experimental fares are defined as fares implemented for no more than twelve months for seasonal events or for marketing purposes. These fares, because of their short-term/temporary nature, would not need to be included in the Comprehensive Fare Ordinance or require a public meeting as provided in SANDAG Policy No. 025, and the operators shall be responsible for any necessary Title VI or financial impacts analysis related to such fares.
- 5.9 The Regional Fare Policy should be reviewed every two years by SANDAG.

Adopted October 2004
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