



# Transit Fare Integration: Lessons for Toronto from Around the World

## IMFG Graduate Fellow Presentation

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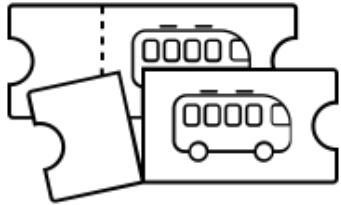
# Presentation Outline

- Transit in Toronto
- Defining Transit Fare Integration
- Objectives
- Case Studies
- Lessons Learned
- Key Challenges
- Concluding Remarks

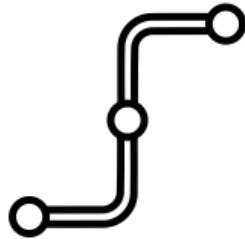
# Taking Transit in the GTHA



# What is transit fare integration?



**Transferability**



**Fare  
Structure**



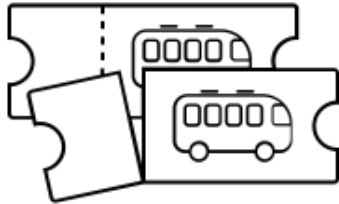
**Transit  
Modes**



**Payment  
Methods**

# What is transit fare integration?

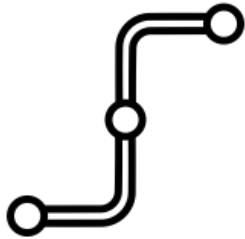
Passengers' ability to transfer between different transit routes and/or methods:



## Transferability

- Time-based
- Distance-based
- Unlimited
- Discounted Fares

# What is transit fare integration?



## Fare Structure

Variation in price according to consumer travel patterns:

- Zones
- Time-based
- Distance-based
- Peak Pricing

At what price does marginal cost = marginal revenue?

# What is transit fare integration?



## Transit Modes

Ability to access available modes of transit:

- Buses
- Subways
- Light rapid-transit
- Cable cars?!

# What is transit fare integration?



## Payment Methods

How customers are able to pay for their transit use:

- Cash
- Tokens or tickets
- Smart Cards
- “Tap and pay”



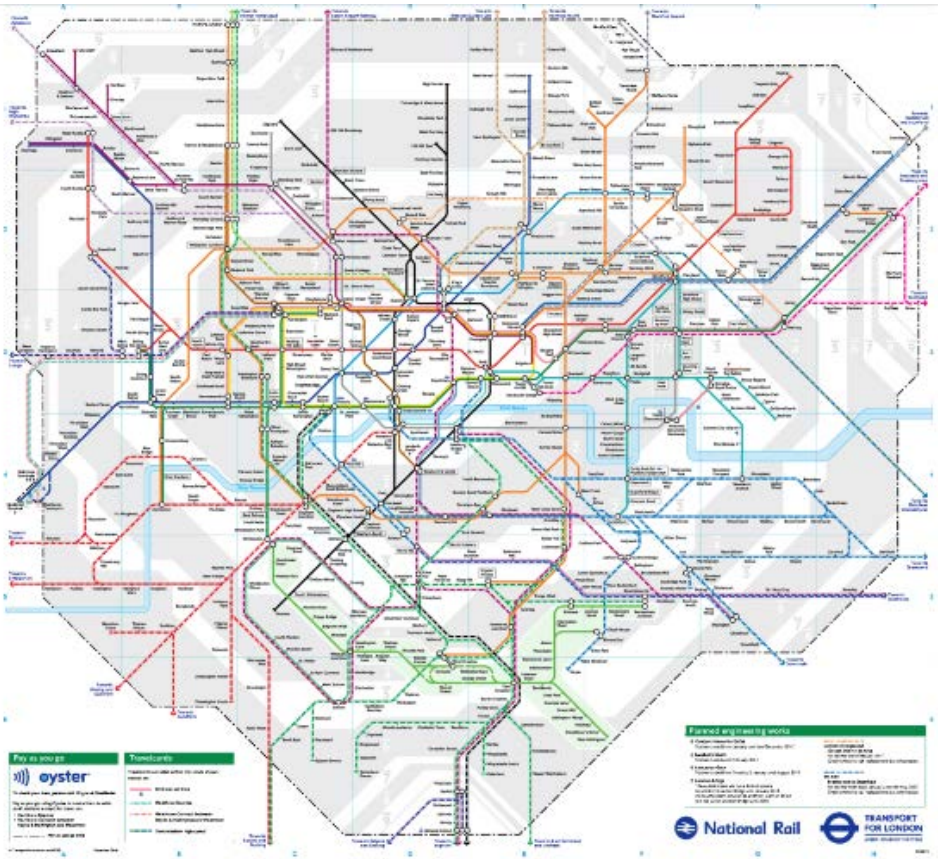
# Why transit fare integration?

- Increased ridership
- Reduced barriers to transit
- Enhanced customer experience
- Consistency across regions
- “Fair” fares: value of trips
- Fiscal sustainability

# How successful is transit fare integration?

- E.g. Haifa, Israel
- Introduced new integrated fare policy, 2008
- Aim: to prevent declining ridership rates
- Fare-box data, surveys and modelling
- 25% increase in single-ticket sales within 1 year
- Overall increase of 7.7% in annual ridership

# Case Study: London, UK



**Population:** 8.67 million  
**Annual Ridership:** 3.96 billion  
**Transit Agency:** TfL  
**Transferability:** no transfers, but capped fares to limit daily costs  
**Fare Structure:** zone-based (6 zones) and flat fares for buses/trams  
**Transit Methods:** bus, underground, over ground, trams, riverboats, cable car  
**Payment:** Oyster card or Tap and Pay

2015\*

# Case Study: Barcelona, ES

**Population:** 5.52 million  
**Annual Ridership:** 625 million  
**Transit Agency:** ATM  
**Transferability:** can transfer to 3 additional rides within zones for free, if within 75 minutes+  
**Fare Structure:** both zone system (6 zones) & time-based services  
**Transit Methods:** buses, metro, funiculars, trams  
**Payment:** No smart card – tickets based on customer needs  
2015\*



# Case Study: San Francisco, US



**Population:** 852,000

**Annual Ridership:** 225 million

**Transit Agency:** SFMTA

**Transferability:** unlimited transfers for 90 minutes, excluding cable car

**Fare Structure:** no variation based on distance or zone, only time-based

**Transit Methods:** buses, light-rail, streetcar & cable car

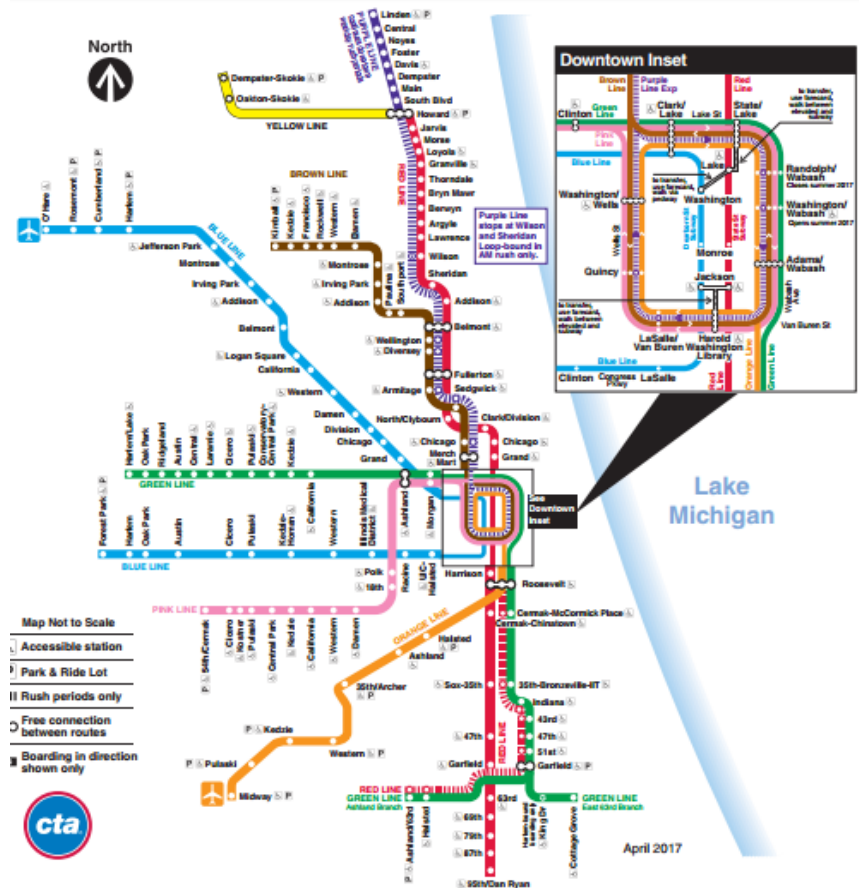
**Payment:** Clipper card with additional ticket options on all transit methods

2015\*

# Case Study: Chicago, US

**Population:** 5.25 million  
**Annual Ridership:** 516 million  
**Transferability:** can transfer, but must pay additional 25 cents  
**Transit Agency:** CTA  
**Fare Structure:** none, but difference in fares for buses and subways  
**Transit Methods:** buses & subways  
**Payment:** Ventra card on all transit methods

2015\*



	<b>London</b>	<b>Barcelona</b>	<b>San Francisco</b>	<b>Chicago</b>	<b>Toronto</b>
<b>Objectives of Fare Integration</b>	Speed boarding times & reduce congestion	Maximize fare-based revenues	Create a “truly seamless network”	Prevent declining ridership	Address the Toronto/905 double fares
<b>Transferability</b>	Low	Medium	High	Low	Low
<b>Fare Structure</b>	High	High	Low	Low	Low
<b>Transit Modes</b>	High	Medium	Medium	Medium	Medium
<b>Payment Methods</b>	High	Low	High	High	Medium
<b>Overall Level of Fare Integration</b>	<b>High</b>	<b>Medium-High</b>	<b>Medium</b>	<b>Medium-Low</b>	<b>Low</b>

# Lessons Learned

- Outcomes-focused approach: measurable goals are important
- Clearly defined geographies
- Strong leadership and governance
- Leverage existing technology
- Communications and marketing



# Toronto's Challenges to Fare Integration: Governance

- 10 transit operators within the GTHA
- Division of roles/responsibilities
- Defined objectives among stakeholders
- How can fare integration be implemented without other components of transit integration?

# Toronto's Challenges to Fare Integration: Finance

Even if governance is struggling, this can perhaps be overcome if the funding is there

However:

- Who is the fare policy impacting?
- Which operator is subsidizing cross-boundary travel?
- Need to consider ridership and revenue impacts

# Toronto's Challenges to Fare Integration: Technology

Presto provides opportunity to implement a new fare policy, however:

- Can it keep up with the latest trends?
- Is Presto the best tool for fare integration?

Additionally, how will the City be using data collected?

# Key Takeaways

- Transit fare integration is challenging, particularly in a geographic area with multiple transit agencies/operators
- While transit fare integration tends to have 4 main components, integration does not have to involve all of them. Incremental or custom policies like peak-pricing may also be an option
- Fare integration can positively impact ridership, enhance the customer's experience and have additional spillover effects such as reduced congestion and positive environmental impacts



# Thank you! Questions?

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