


March 5, 2002

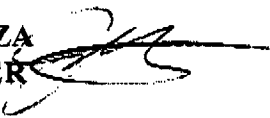


Metropolitan
Transportation
Authority

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Los Angeles, CA
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TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE
CHIEF EXECUTIVE OFFICER 

FROM: JAMES L. DE LA LOZA
EXECUTIVE OFFICER 

SUBJECT: REGIONAL PASS PROGRAM

ISSUE

The purpose of this report is to inform the Board members of the progress made so far towards developing a Regional Pass Program. The report also outlines an action plan for the implementation of the pass for the Los Angeles County Municipal operators and the MTA bus and rail services.

BACKGROUND

Los Angeles County encompasses a large area where transit services are provided by 16 municipal operators, Metrolink and several Los Angeles cities. Operators offer different fares and different pass options. This is extremely confusing for transit riders, especially for those who ride more than one system or transfer from bus to rail to complete a trip.

A regional pass, allowing riders to transfer from one system to another without worrying about transfer payments and fare differentials will be a significant step in providing a seamless transit trip to our transit customers in Los Angeles County. Work effort toward such a pass started in November 2001. An operator task force, the General Managers of the transit systems and MTA staff have been working closely to develop the Regional Pass Program.

The attached draft presentation describes the process and the progress made so far towards developing the regional pass program. The presentation also outlines an implementation plan, a work program, major milestones and an implementation schedule and timeline. The presentation will be forwarded to the Bus Operations Subcommittee members for their review and comments.

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NEXT STEPS

Timeline: March Board Box outlining status of the Regional Program,
BOS to receive Board Box for review

March 2002: Board staff briefing
BOS Action

April 2002: Board approval for budget, implementations plan and set date for
Public Hearing

June 1, 2002: Public Hearing
June 27, 2002: Board Approval

July to September: Implementation

Attachment: Regional Pass Presentation

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REGIONAL PASS

I. Program Approach

A. Phased Approach

B. Program Principles & Framework

C. Relationship to UFS

D. Distribution/Sales Network/Marketing

II. Work Program

A. Process/Progress Update

B. Work Program Details

- Price of Regional Pass
- Revenue distribution
- Cost of the program
- Administrative details

III. Next Steps/Implementation Schedule

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- **PROGRAM APPROACH**

- **A. A Phased Approach Considered**

- **First Phase: include municipal operators and operators willing to participate in the Regional Pass Program (RPP)

 - (all fixed route Municipal Operators except Antelope Valley Transit Authority are participating, i.e. 11 transit operators including MTA Operations)**
- **Second Phase: Include other operators; local systems, Metrolink and other counties like Orange County**

B. Program Principals and Framework

- Keeping Operators Whole: Commitment to keep all operators and MTA Operations whole. In other words, Regional Pass to result in no revenue loss to MTA Operations or the participant operators.
- Revenue Sharing Methodology: Goal to achieve a balance between a methodology which would be simple/easy to administer, yet fair to all participants.
- Price of Regional Pass: Keeping the price affordable yet enough to allow some reasonable payback to the operators
- Use of Regional Funds: To keep the Regional Pass affordable, consider regional funds to subsidize the program participants (if needed)

C. Relationship to UFS

- Select revenue sharing methodology and regional pass price such that it can be directly transferred to or easily modified to continue when the upcoming UFS is implemented.
- Scheduled implementation 2004.

D. Distribution/Sales Network/Marketing

- Everyone participating has the option to sell the pass
- Develop joint Marketing programs to market the Regional Pass Program
- Design and include a regional logo or logos of all participants on the pass [not just MTA]
- Explore advertising options to advertise on the Regional Pass itself

- **WORK PROGRAM**

- **A. Process/Progress Update**

- Working group of transit operators set up November 2000
- Working group includes representative from the UFS Money Committee to ensure close coordination with the upcoming UFS

B. Work Program Details

- Reviewed/discussed all areas listed in Part I above
- Focused on four main areas
 1. Price of Regional Pass
 2. Revenue distribution between operators
 3. Cost of the program/regional subsidy requirement
 4. Administration details— data availability, the need to establish a consistent methodology to collect data on regional pass boardings, revenue reimbursement

1. Price of Regional Pass

- Transit riders likely to buy regional pass are these who have to transfer from one system to another to complete their trips.
- Based on current cost of a trip with transfer to another system
 - \$47 - \$57 for cash paying customers (Table 1 attached)
 - \$52 - \$60 for MTA pass holders (Table 2 attached)
- Recommendation: Recommendation to consider \$58 as the price of the Regional Pass
- A discounted Regional price for seniors/disabled for \$29 or half of the price of the Regional Pass price
- Offer an Express pass with options of 5 zones—each zone at a \$15 price increment

B. Work Program Details (cont'd)

2. Revenue Distribution Between Operators

- Discussed several scenarios and methodologies
- Decision to proceed with the methodology where revenues are distributed based on each operators system average fare/boarding – details described in the table below

Revenue distribution methodology:

Revenue distributed on operators average fare/boarding

OPERATOR	PASS REVENUE COLLECTED-- NUMBER OF REGIONAL PASSES SOLD X PRICE OF PASS	REGIONAL PASS OPERATOR BOARDINGS	OPERATORS AVERAGE REVENUE/BOARDING	REVENUE RETURNED
Long Beach	R1	B1	X1	B1 x X1
Santa Monica	R2	B2	X2	B2 x X2
MTA	R3	B3	X3	B3 x X3
Total	R	BOARDINGS	X (AVERAGE)	Maybe less than or equal to R

- This methodology keeps every operator whole, as the operators are reimbursed the same average revenue/boarding as they are currently collecting
- Since the revenue collected from the sale of the regional passes may be less than the revenue to be returned to the operators, some regional subsidy funds are needed

DRAFT for review only Details of the regional subsidy amount shown in the attached worksheets

3. Cost of the Program: FY2003

• Cost of printing, distribution and processing Estimated	\$ 500,000
• Cost of marketing	\$ 150,000
• Cost of auditing	\$ 50,000
• Projected set aside of regional subsidy (Table 3 attached)	<u>\$1.3 million</u>
TOTAL:	\$2.0 million

- Recommendation to use off the top Prop A/C administration funds or other regional funds
- TDA Law specifically requires MTA in its role as the RTPPE to encourage inter-operator coordination

4. Administrative Details

- **Pass Sales:** Each operator and MTA sells the Regional Pass through the current pass/tickets/token sales outlets
- The operators keep the revenues collected, revenues are reconciled and payments disbursed monthly or quarterly
- The operator's average revenue per boarding is reviewed very fiscal year based on the TDA financial and compliance audits and the NTD report
- Operators send an accounting of revenue collected each month to MTA
- Every operator reports an estimate of Regional Pass boardings for the full fiscal year
- Based on estimated monthly boardings, revenue collected, and operators average fare/boardings, MTA reimburses the operators each month up to 9 months
- MTA reconciles the amounts in the last 3 months based on actual pass boardings reported by the operators for the first 9 months
- The regional boarding and the regional pass revenue collected is reported in each operator's TDA Financial Audit and the methodology to collect the regional pass boarding and regional pass revenue data is audited through the MTA's Triennial Performance Audit
- MTA is responsible for printing and distribution costs of the regional pass
- All participants are committed to marketing the program through their own marketing programs as well as joint countywide programs
- MTA will use regional funds (Prop A/C or TDA administration or other regional funds) funds to subsidize the program
- Regional pass will replace current joint pass programs with Foothill transit and Long Beach transit

- **Next Steps – Implementation Schedule**

- Develop an MOU between MTA and the operators for legal and MTA management review
- Develop program policy and administrative guidelines
- Discuss areas of implementation with project tasks, milestones and schedule with various MTA departments
- Review/incorporate comments from Board staff, briefing to be scheduled in March
- Receive BOS approval in March
- Present action plan for Board review in April 2002, request authorization for Public Hearing
- Hold Public Hearing in May/June 2002
- Review Public Hearing finding with the Board, June/July 2002
- Regional Pass program implementation – first quarter FY2003
- Discuss future pass reimbursement agreements with LADOT and Montebello

REGIONAL PASS

OPERATORS	FARE	INTER AGENCY TRANSFER	COST OF MORNING TRIP	COST OF RETURN TRIP	COST OF ROUND TRIP W/T OPERATORS/MTA TRANSFER	MONTHLY TOTAL
CULVER MINICIPAL BUS LINES	\$0.75	\$0.25	\$1.00	\$1.60	\$2.60	\$52.00
FOOTHILL TRANSIT	\$0.90	\$0.25	\$1.15	\$1.60	\$2.75	\$55.00
GARDENA MUNICIPAL BUS LINES	\$0.50	\$0.25	\$0.75	\$1.60	\$2.35	\$47.00
L.A.D.O.T	\$0.90	\$0.25	\$1.15	\$1.60	\$2.75	\$55.00
LA MIRADA TRANSIT	\$1.00	\$0.25	\$1.25	\$1.60	\$2.85	\$57.00
LONG BEACH TRANSIT	\$0.90	\$0.35	\$1.25	\$1.60	\$2.85	\$57.00
MONTEBELLO TRANSIT	\$0.90	\$0.25	\$1.15	\$1.60	\$2.75	\$55.00
NORWALK TRANSIT	\$0.60	\$0.25	\$0.85	\$1.60	\$2.45	\$49.00
SANTA CLARITA TRANSIT	\$0.75	\$0.25	\$1.00	\$1.60	\$2.60	\$52.00
SANTA MONICA BIG BLUE BUS	\$0.50	\$0.25	\$0.75	\$1.60	\$2.35	\$47.00
TORRANCE TRANSIT	\$0.75	\$0.15	\$0.90	\$1.60	\$2.50	\$50.00
MTA	\$1.35	\$0.25	\$1.60	\$1.00	\$2.60	\$52.00

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MTA PASS HOLDERS MAKING TRANSFERS TO OTHER OPERATORS

PASS HOLDERS	OPERATORS	FARE	TOTAL MONTHLY ONE-WAY FARE	COST OF MONTHLY ROUNDTrip
\$42.00	CULVER CITY MUNICIPAL BUS LINES	\$0.75	\$15.00	\$57.00
\$42.00	FOOTHILL TRANSIT	\$0.90	\$18.00	\$60.00
\$42.00	GARDENA MUNICIPAL BUS LINES	\$0.50	\$10.00	\$52.00
\$42.00	L.A.D.O.T	\$0.90	\$18.00	\$60.00
\$42.00	LA MIRADA TRANSIT	\$1.00	\$20.00	\$62.00
\$42.00	LONG BEACH TRANSIT	\$0.90	\$18.00	\$60.00
\$42.00	MONTEBELLO TRANSIT	\$0.90	\$18.00	\$60.00
\$42.00	NORWALK TRANSIT	\$0.60	\$12.00	\$54.00
\$42.00	SANTA CLARITA TRANSIT	\$0.75	\$15.00	\$57.00
\$42.00	SANTA MONICA BIG BLUE BUS	\$0.50	\$10.00	\$52.00
\$42.00	TORRANCE TRANSIT	\$0.75	\$15.00	\$57.00

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Regional Pass
Model: 2 Revenues Distributed based on Operators average fare/boardings
 Projected Regional Fare boardings (low)

Operators	Regional Pass Boardings	Revenue	Average Fare/Boardings	Revenue Returned to operators	Revenue subsidized	rev earned from RP per operator	Actual RP fare rev/bding
Norwalk Transit	56,901	\$ 780,880	\$ 0.45	\$ 25,605.45	\$ (3,702.19)	\$ 21,903.26	\$ 0.38
Gardena Muni bus Lines	243,968	\$ 780,880	\$ 0.40	\$ 97,587.20	\$ (15,873.44)	\$ 81,713.76	\$ 0.33
Montebello Bus Lines	547,712	\$ 780,880	\$ 0.57	\$ 312,195.84	\$ (35,636.13)	\$ 276,559.71	\$ 0.50
Long Beach Transit	1,615,483	\$ 780,880	\$ 0.50	\$ 807,741.50	\$ (105,109.18)	\$ 702,632.32	\$ 0.43
Santa Monica Big Blue Bus	688,810	\$ 780,880	\$ 0.36	\$ 247,971.60	\$ (44,816.48)	\$ 203,155.12	\$ 0.29
Foothill Transit	3,078,309	\$ 780,880	\$ 0.80	\$ 2,462,647.20	\$ (200,285.95)	\$ 2,262,361.25	\$ 0.73
Culver City	335,817	\$ 780,880	\$ 0.50	\$ 167,908.50	\$ (21,849.47)	\$ 146,059.03	\$ 0.43
MTA	5,055,394	\$ 780,880	\$ 0.57	\$ 2,881,574.58	\$ (328,922.26)	\$ 2,552,652.32	\$ 0.50
Total	11,622,394	\$ 6,247,037	\$ 0.59	\$ 7,003,231.87	\$ (756,195.10)	\$ 6,247,036.78	

Assumed the average pass price per passenger to be \$43-(55%regular,45%discounted,)

Regional funds required: \$ 756,195.10

number of passes sold 145,280

The subsidy estimate is projected to be \$1.3 million based on data anticipated from LADOT, Torrance and Santa Clarita.

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APPENDIX

**Regional Pass
Operators Data**

Operators	Number of Passes Sold	Number of Passes Accepted	Number of MTA Boardings
Culver City	1,119,391	1,119,391	2,238,782
Gardena Muni Bus Lines	925,380	701,076	1,626,456
Foothill Transit	600,000	571,343	1,171,343
Long Beach Transit	1,435,557	2,419,447	3,855,004
Montebello Bus Lines	944,908	1,515,482	2,460,390
MTA	2,429,000	3,817,000	6,246,000
Norwalk Transit	299,122	80,221	379,343
Santa Monica Big Blue Bus	2,585,130	2,006,935	4,592,065

Operators	Joint Passes Sold	Total Joint Pass Boardings	MTA Share of Boardings	Operator Share of Boardings
Montebello	N/A	397,008	198,504	198,504
MTA - Long Beach Transit	28,812	2,364,960	1,152,480	1,152,480
MTA - Foothill Transit	80,628	6,450,240	3,225,120	3,225,120

***Foothill reported its share of joint pass boarding as \$2,179,388.

REGIONAL PASS
OPERATOR DATA

Operators	Number of IAT's sold/accepted	Total Joint Pass Boardings	Total Interoperator boardings	A:15% of IAT's sold/accepted	B:40% of IAT's sold/accepted	C:90% of Joint Pass Boardings	D:100% of Joint Pass Boardings	proj RegPass brdngs(lower) A+C	proj RegPass brdngs(med) B+D
Culver City	2,238,782		2,238,782	335,817	895,513	-	-	335,817	895,513
Gardena Muni Bus lines	1,626,456		1,626,456	243,968	650,582	-	-	243,968	650,582
Foothill Transit	1,171,343	3,225,120	4,396,463	175,701	468,537	2,902,608	3,225,120	3,078,309	3,693,657
Long Beach Transit	3,855,004	1,152,480	5,007,484	578,251	1,542,002	1,037,232	1,152,480	1,615,483	2,694,482
Montebello Bus Lines	2,460,390	198,504	2,658,894	369,059	984,156	178,654	198,504	547,712	1,182,660
MTA	6,246,000	4,576,104	10,822,104	936,900	2,498,400	4,118,494	4,576,104	5,055,394	7,074,504
Norwalk Transit	379,343		379,343	56,901	151,737	-	-	56,901	151,737
Santa Monica Big Blue Bus	4,592,065		4,592,065	688,810	1,836,826	-	-	688,810	1,836,826
Total	22,569,383	9,152,208	31,721,591	3,385,407	9,027,753	8,236,987	9,152,208	11,622,395	18,179,961

Regional Pass
Model: 2 Revenues Distributed based on Operators average fare/boardings
 Projected Regional Fare boardings (high)

Operators	Regional Pass Boardings	Revenue	Average Fare/Boardings	Revenue Returned to operators	Subsidy Required	rev from RP per operator	Act fare rev/bding from RP
Norwalk Transit	379,343	\$ 2,131,294	\$ 0.50	\$ 189,671.50	\$ (3,199.07)	\$ 186,472.43	\$ 0.49
Gardena Muni Bus Lines	1,626,456	\$ 2,131,294	\$ 0.40	\$ 650,582.40	\$ (13,716.22)	\$ 636,866.18	\$ 0.39
Montebello Bus Lines	2,658,894	\$ 2,131,294	\$ 0.57	\$ 1,515,569.58	\$ (22,422.97)	\$ 1,493,146.61	\$ 0.56
Long Beach Transit	5,007,484	\$ 2,131,294	\$ 0.50	\$ 2,503,742.00	\$ (42,229.09)	\$ 2,461,512.91	\$ 0.49
Santa Monica Big Blue Bus	4,592,065	\$ 2,131,294	\$ 0.36	\$ 1,653,143.40	\$ (38,725.78)	\$ 1,614,417.62	\$ 0.35
Foothill Transit	4,396,463	\$ 2,131,294	\$ 0.80	\$ 3,517,170.40	\$ (37,076.23)	\$ 3,480,094.17	\$ 0.79
Culver City	2,238,782	\$ 2,131,294	\$ 0.50	\$ 1,119,391.00	\$ (18,880.09)	\$ 1,100,510.91	\$ 0.49
MTA	10,822,104	\$ 2,131,294	\$ 0.57	\$ 6,168,599.28	\$ (91,264.93)	\$ 6,077,334.35	\$ 0.56
Total	31,721,591	\$ 17,050,355	\$ 0.60	\$ 17,317,869.56	\$ (267,514.40)	\$ 17,050,355.16	

Assumed the average pass price per passenger to be \$43(55%regular,45%discounted,)
 regional funds required \$ 267,514.40

Number of passes sold 396,520

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Regional Pass
Model: 2 Revenues Distributed based on Operators average fare/boardings
Projected Regional Fare boardings (medium)

Operators	Regional Pass Boardings	Revenue	Average Fare/Boardings	Revenue Returned to operators	Revenue subsidized	rev before subsidy ret to operators	Actual fare rev/bding
Norwalk Transit	151,737	\$ 1,221,466	\$ 0.50	\$ 75,868.50	\$ (5,693.37)	\$ 70,175.13	\$ 0.46
Gardena Muni Bus Lines	650,582	\$ 1,221,466	\$ 0.40	\$ 260,232.80	\$ (24,410.70)	\$ 235,822.10	\$ 0.36
Montebello Bus Lines	1,182,660	\$ 1,221,466	\$ 0.57	\$ 674,116.20	\$ (44,374.97)	\$ 629,741.23	\$ 0.53
Long Beach Transit	2,694,482	\$ 1,221,466	\$ 0.50	\$ 1,347,241.00	\$ (101,100.53)	\$ 1,246,140.47	\$ 0.46
Santa Monica Big Blue Bus	1,836,826	\$ 1,221,466	\$ 0.36	\$ 661,257.36	\$ (68,920.14)	\$ 592,337.22	\$ 0.32
Foothill Transit	3,693,657	\$ 1,221,466	\$ 0.80	\$ 2,954,925.60	\$ (138,590.90)	\$ 2,816,334.70	\$ 0.76
Culver City	895,513	\$ 1,221,466	\$ 0.50	\$ 447,756.50	\$ (33,600.83)	\$ 414,155.67	\$ 0.46
MTA	7,074,504	\$ 1,221,466	\$ 0.57	\$ 4,032,467.28	\$ (265,444.75)	\$ 3,767,022.53	\$ 0.53
Total	18,179,961	\$ 9,771,729	\$ 0.60	\$ 10,453,865.24	\$ (682,136.20)	\$ 9,771,729.04	

Assumed the average pass price per passenger to be \$43-(55%regular,45%discounted)

Regional funds required \$ 682,136.20

number of passes sold 227,250

OPERATORS OFFERING A PASS

OPERATORS	MONTHLY PASS	EXPRESS ZONE PASSES	JOINT PASSES
CULVER MINICIPAL BUS LINES	N/A	N/A	N/A
FOOTHILL TRANSIT	\$37.00	\$81.00, \$90.00, \$99.00*	\$52.00** (\$69.00, \$85.00, \$102.00, \$119.00, \$135.00)***
GARDENA MUNICIPAL BUS LINES	N/A	N/A	N/A
L.A.D.O.T	\$40.00	\$56.00, \$71.00, \$86.00, \$89.00	N/A
LA MIRADA TRANSIT	N/A	N/A	N/A
LONG BEACH TRANSIT	\$40.00	N/A	\$61.00
MONTEBELLO TRANSIT	N/A	N/A	\$42.00****
NORWALK TRANSIT	N/A	N/A	N/A
SANTA CLARITA TRANSIT	\$20.00	\$100.00	N/A
SANTA MONICA BIG BLUE BUS	N/A	N/A	N/A
TORRANCE TRANSIT	\$30.00	\$60.00	N/A
MTA	\$42.00	\$57.00 - \$117.00	N/A

* EXPRESS ZONE 3,4,5

** REGULAR, (***) EXPRESS 1-5)

**** MTA'S PASS ACCEPTED ON MONTEBELLO SYSTEM.

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CURRENT ZONE FARES LA COUNTY FIXED ROUTE SERVICES

	LADOT	AVTA	SANTA CLARITA	TORRANCE	FOOTHILL	MTA	MTA/Foothill	MetroLink
BASE	\$40	\$36	\$25	\$30	\$37	\$42	\$52	-
+ Increment	\$16	\$113	\$75	\$30	-	\$15	\$17	-
ZONE 1	\$56	\$149	\$100	\$60	-	\$57	\$69	\$86.50
+ Increment	\$15	\$22	\$20	-	-	\$15	\$16	\$34.50
ZONE 2	\$71	\$171	\$120	-	-	\$72	\$85	\$121.00
+ Increment	\$15	\$16	-	-	\$44	\$15	\$17	\$34.75
ZONE 3	\$86	\$187	-	-	\$81	\$87	\$102	\$155.75
+ Increment	\$13	-	-	-	\$9	\$15	\$17	\$34.75
ZONE 4	\$99	-	-	-	\$90	\$102	\$119	\$190.5
+ Increment	-	-	-	-	\$9	\$15	\$16	\$34.50
ZONE 5	-	-	-	-	\$99	\$117	\$135	\$225.00
+ Increment	-	-	-	-	-	-	-	\$34.75
ZONE 6	-	-	-	-	-	-	-	\$259.75
+ Increment	-	-	-	-	-	-	-	\$34.50
ZONE 7	-	-	-	-	-	-	-	\$294.25

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