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November 4, 1996

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Los Angeles County
Metropolitan
Transportation
Authority

TO: BOARD OF DIRECTORS
FROM: JOSEPH E. DREW, CHIEF EXECUTIVE OFFICER
SUBJECT: ESTABLISHMENT OF AN OFF-PEAK BASE FARE OF \$0.75 ON LINE 40 BETWEEN THE HOURS OF 10 A.M. - 2 P.M ON WEEKDAYS ONLY

One Gateway Plaza
Los Angeles, CA
90012

RECOMMENDATION

213.922.6000

That the Board approve the establishment of an off-peak base fare of \$0.75 on MTA Line 40 (Hawthorne Boulevard-Union Station), between the hours of 10 a.m. - 2 p.m. on weekdays only, commencing Monday, December 2, 1996, in accordance with the terms of the Consent Decree approved by the Board of Directors on September 25, 1996.

Mailing Address:
P.O. Box 194

This item was approved by the Operations Committee at their October meeting, and staff has amended the report to reflect a change in the implementation date consistent with an amendment in the Consent Decree between the MTA and the Labor/Community Strategy Center, et. al.

Los Angeles, CA 90053

ORGANIZATIONAL IMPACT

The establishment of an off-peak fare on Line 40 is consistent with the Authority's commitment to improve bus service for the transit dependent.

BUDGET IMPACT

The reduction of the base fare to \$0.75 on Line 40 between the hours of 10 a.m. - 2 p.m. will result in a net annual revenue loss of approximately \$44,000 in farebox revenue for FY97. The estimated net annual revenue loss in subsequent fiscal years is approximately \$58,000.

ALTERNATIVES CONSIDERED

Alternatives included a more extensive program on a number of routes or a more conservative program on a minor route. Since we have not had the opportunity to develop a long-term methodology or discuss this fare concept with any other affected groups, the former was rejected. Similarly, it appeared that a demonstration program on a major crosstown route would provide us with more information for consideration on future recommendations.

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BACKGROUND

At its September 25, 1996 meeting the Board of Directors approved a proposed Consent Decree between the MTA and the Labor/Community Strategy Center, et. al., designed to improve bus service in Los Angeles County. One element of the Consent Decree requires the MTA to provide an off-peak discount of \$0.75 on lines that it selects that are heavily used by transit dependent riders.

Given the short timeframe to measure transit dependency on a line-level basis, staff reviewed preliminary on-board survey data currently being processed for the Service Planning Market Research Project. A transit dependent passenger was defined as one who indicated on the survey that they would have no means of transportation if bus service was not available. Using this methodology, four MTA lines (Lines 4, 20, 40 and 204) were found to have the highest number of transit dependent passengers in each off-peak time period (weekday midday, weekday evenings and weekends). Of these four lines, Line 40 was the only line with available capacity to accommodate the additional riders anticipated from a reduced cash fare program. Line 40 operates between the South Bay Galleria in the City of Redondo Beach and the Patsaouras Transit Plaza, serving the communities of Hawthorne, Lennox, Inglewood and South Central Los Angeles.

The establishment of a \$0.75 off-peak base fare on Line 40 during this midday period will result in a loss of approximately \$45,000 in farebox revenue for the remainder of FY97. It is anticipated that the reduction in the base fare will increase Line 40 patronage by approximately 100,000 passengers annually, representing a 1.5% increase in ridership.

At this time, staff recommends implementing this program on a demonstration basis due to several outstanding issues such as the need to fully analyze the operational and revenue impacts of implementing such a program on a greater number of lines and time periods, and the need for additional time to consider alternative methods to identify the needs of the transit dependent as they relate to this fare reduction program. However, the terms of the Consent Decree require that the initial program be established by December 2, 1996. This limited implementation will provide valuable experience for the development of a broader program of off-peak reduced fares. It is staff's intent to return to the Board in January, 1997, with proposals for implementing an expanded program no later than March, 1997.

Prepared by: Dana Woodbury, Scheduling & Operations Planning



**JAMES L. de la LOZA -- Executive Officer,
Regional Transportation Planning and Development**

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