



# 39

PLANNING & PROGRAMMING COMMITTEE  
April 18, 2002

# 39

Metropolitan  
Transportation  
Authority

**SUBJECT: LOS ANGELES COUNTY'S FIRST REGIONAL PASS PROGRAM**

**ACTION: APPROVAL**

One Gateway Plaza  
Los Angeles, CA  
90012-2952

**RECOMMENDATIONS**

- A. Authorize the MTA participation in a multi-agency Regional Pass Program, as described in Attachments A & B.
- B. Allocate \$2 million in fiscal year 2003 from the current Prop A & C /TDA administrative funds to implement this program.

**ISSUE**

MTA and the twelve Los Angeles County municipal operators have been working closely together to establish the first Regional Pass in the Los Angeles region. MTA Board approval is required prior to its implementation. The recommended actions will not change the present MTA bus or rail fare structure, but will add a regional pass option for the MTA and all municipal transit operators in Los Angeles County.

**POLICY IMPLICATIONS**

Development of this program is consistent with MTA's regional planning role to provide a coordinated transit system. The Regional Pass, the first of its kind in Los Angeles, is an important step toward making transit more customer friendly and inviting for our transit customers. This is also an initial step as we move forward with the Universal Fare System (UFS) implementation. The Regional Pass program is designed such that it can be easily integrated into the UFS system.

**OPTIONS**

The primary alternative is not to implement this program until the Universal Fare system is ready. This alternative is not recommended, as the Regional Pass Program has been coordinated and is consistent with the implementation of UFS. Moreover, the Regional Pass Program lays the framework for UFS and will be continued and integrated into the UFS.

## **FINANCIAL IMPACT**

The cost of the program is estimated at approximately \$2 million for fiscal year 2003. Funds are available in the Proposition A and C/TDA administration fund balance. TDA law specifically requires MTA as the regional planning entity to provide a coordinated transit system.

## **BACKGROUND**

Los Angeles County is a large area where transit services are provided by 16 municipal operators, Metrolink, and numerous cities. Operators offer a variety of fares and different pass options. This is extremely confusing and inconvenient for transit riders who use more than one system or transfer from bus to rail to complete a trip. The multiplicity of fare instruments discourages new riders from sampling transit as a means of completing local travel needs. 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 towards such a pass started in November 2001. A multi-operator task force, the general managers of the Transit Systems and MTA staff have been working closely to develop the Regional Pass program. The Bus Operations Subcommittee (BOS) has approved the program in concept, with the understanding that staff will work with them to develop the administrative details.

The main elements of the program are outlined below:

### **A. Two-phased Approach:**

- Phase 1: 12 fixed-route municipal operators and MTA
- Phase 2: invite participation from local systems, Metrolink and other counties

### **B. Price of Pass:**

- Monthly Regional Pass - \$58;
- Elderly and disabled pass - \$29 (meets Federal requirements for a half-fare option for elderly and disabled);
- Zone premium priced - \$15 per zone increment;
- Elderly and disabled zone premium - \$7.50 per zone increment

**C. Distribution and Sales:** All operators will sell the pass from their current outlets and transit stores. All operators will market the pass from their current marketing programs and joint marketing efforts.

**D. Revenue Sharing:** Each operator is reimbursed at the rate of its current average fare per boarding times the operator's Regional Pass boardings. This methodology results in no revenue loss to the operators.

- E. Cost of the Program: The cost is estimated at \$2 million, to be funded from TDA/Prop A and C “off the top” administrative funds. MTA is responsible for the printing and distribution cost of the pass. The program is described in detail in Attachments A and B.

### **NEXT STEPS**

- Develop MOU Agreements with the transit operators (April 27, 2002 to June 27, 2002)
- Scheduled implementation – July 2002

### **ATTACHMENTS**

- A. Program Approach
- B. Program Elements

Prepared by: Nalini Ahuja  
Project Manager

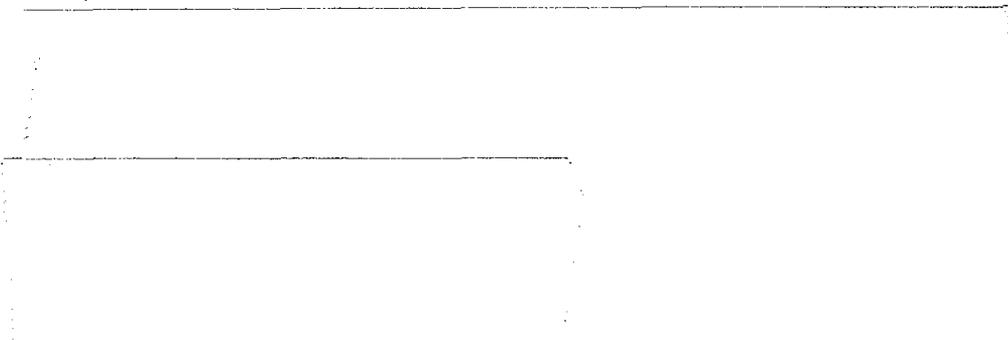
#### Working Group:

Brynn Kernaghan, Long Beach  
Dana Lee, Norwalk Transit  
Connie Hill, Santa Clarita Transit  
Ashok Kumar, MTA Operations  
MTA Staff, Finance Department

Phil Aker, LADOT  
Paula Faust, Montebello Bus Lines  
Andre Colaiace, Culver City Bus Lines  
Dave Feinberg, Big Blue Bus



James L. de la Loza  
Executive Officer  
Countywide Planning & Development



Roger Snoble  
Chief Executive Officer

Table 1

## REGIONAL PASS

Cash Customer making transfers from a Municipal operator system to MTA bus or rail

OPERATORS	FARE	INTER AGENCY TRANSFER	COST OF MORNING TRIP	COST OF RETURN TRIP	COST OF ROUND TRIP W/T OPERATORS/MTA TRANSFER	MONTHLY TOTAL COST
CULVER CITY MUNICIPAL BUS LINES	\$0.75	\$0.25	\$1.00	\$1.60	\$2.60	\$52.00
FOOTHILL MUNICIPAL	\$0.90	\$0.00	\$0.90	\$1.60	\$2.50	\$50.00
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 BUS LINES	\$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	\$1.00	\$0.25	\$1.25	\$1.60	\$2.85	\$57.00
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

**NOTE:** Monthly cost based on 20 round trips per rider

## 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., 12 transit operators including MTA Operations)
- Second Phase: Include other operators; local systems, Metrolink and other counties such as Orange County

### B. Program Principles 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 participating operators
- Revenue Sharing Methodology: Goal to achieve a balance between a methodology that would be simple/easy to administer, yet fair to all participants.
- Price of Regional Pass: Keeping the price affordable yet sufficient 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

### 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.

### D. Distribution/Sales Network/Marketing

- Everyone participating has the option to sell the pass
- Operators and MTA sell the pass through their current sales outlets
- Operators market the pass through their own marketing programs and participate in joint marketing efforts

## PROGRAM ELEMENTS

### A. Price of the Regional Pass

- Transit riders likely to buy a regional pass are these who transfer from one system to another to complete their trips
- Current cost of a trip with transfer to another system
  - \$47 - \$57 for cash paying customers (Table 1 attached)
  - \$52 - \$62 for MTA pass holders (Table 2 attached)
- Recommendation to consider \$58 as the price of the Regional Pass
- A \$29 Regional Pass for seniors/disabled or half of the price of the Regional Pass
- An Express monthly regional pass with options of five or more zones
  - (Each zone at a \$15 price increment)
- An express monthly senior and disabled pass with options of five or more zones
  - (Each zone at \$7.50 price increment)

### B. Revenue Distribution Between Operators

- Methodology where revenues are distributed based on each operator's system average fare/boarding multiplied by the operators regional pass boardings
- 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 (table 3 attached)

### C. 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	\$ 1,300,000
• <b>TOTAL</b>	<b>\$2,000,000.00</b>

Funding Source: Proposition A & C/TDA administrative funds

### D. Administrative Details

- MTA staff will work with the participating transit operators to execute an MOU and develop administrative guidelines to include:
  - Revenue and data reporting mechanism
  - Revenue reconciliation and reimbursement procedures, auditing requirements and other requirements necessary to proceed with the program

Table 2

**REGIONAL PASS  
MTA PASS HOLDERS MAKING TRANSFERS TO OTHER OPERATORS**

PASS HOLDERS	OPERATORS	FARE	TOTAL MONTHLY ONE WAY FARE	COST OF MONTHLY ROUND TRIP
\$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 BUS LINES	\$0.90	\$18.00	\$60.00
\$42.00	NORWALK TRANSIT	\$0.60	\$12.00	\$54.00
\$42.00	SANTA CLARITA TRANSIT	\$1.00	\$20.00	\$62.00
\$42.00	SANTA MONICA BIG BLUE BUS	\$0.50	\$10.00	\$52.00
\$42.00	TORRANCE TRANSIT	\$0.75	\$15.00	\$57.00

Table 3

**Regional Pass  
Revenues Distributed based on Operators System average fare/boarding**

<b>Operators</b>	<b>Estimated Regional Pass Boardings</b>	<b>Revenue from Regional Pass sold</b>	<b>Operators System Current Average Fare/Boarding</b>	<b>Revenue share of operators</b>
Norwalk Transit	56,901	\$ 780,880	\$ 0.45	\$ 25,605
Gardena Municipal Bus Lines	243,968	\$ 780,880	\$ 0.36	\$ 87,828
Montebello Bus Lines	547,712	\$ 780,880	\$ 0.57	\$ 312,196
Long Beach Transit	1,615,483	\$ 780,880	\$ 0.50	\$ 807,742
Santa Monica Big Blue Bus	688,810	\$ 780,880	\$ 0.36	\$ 247,972
Foothill Transit	3,078,309	\$ 780,880	\$ 0.80	\$ 2,462,647
Culver City	335,817	\$ 780,880	\$ 0.50	\$ 167,909
MTA	5,055,394	\$ 780,880	\$ 0.57	\$ 2,881,575
<b>Total</b>	<b>11,622,394</b>	<b>\$ 6,247,037</b>	<b>\$ 0.59</b>	<b>\$ 6,993,473</b>

## Assumptions:

1. Regional Pass boardings estimate assumes 15% of current interoperator boardings and 90% of current joint pass boardings will transfer to Regional Pass boardings.
2. Assumed 80 boardings per pass per month
3. Assumed the average pass price per passenger to be \$43-(55% regular, 45% senior/disabled)
4. Regional funds required in FY 03: \$746,436 (difference between regional pass revenue and revenue returned to operators)
5. Number of passes sold in FY 03: 145,280
6. The subsidy estimated is projected to be \$1.3 million:
  - (a) based on data anticipated from LADOT, Torrance and Santa Clarita
  - (b) the subsidy calculation is based on an estimate of expected regional pass boardings, actual boardings may be different
  - (c) this ensures sufficient funds are budgeted to reimburse the operators
  - (d) subsidy amount will be adjusted based on actual data when the program is in place