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**NOVEMBER 24, 2020**

**TO: BOARD OF DIRECTORS**

**THROUGH: PHILLIP A. WASHINGTON** *PAW*  
**CHIEF EXECUTIVE OFFICER**

**SUBJECT: FARELESS SYSTEM INITIATIVE UPDATE**

### **ISSUE**

During the August 27, 2020 Metro Board of Directors meeting, CEO Phil Washington announced the Fareless System Initiative (FSI) and the formation of the Fareless System Initiative Task Force (OPERATION FSI). The purpose of the FSI Task Force is to identify challenges and offer recommendations on how Metro can best implement fareless transit for all riders on Metro buses and trains. This serves as an update on the status of the initiative.

### **BACKGROUND OR DISCUSSION**

Over the past two years, Metro has discussed fareless transit in the context of the Traffic Reduction Study, as a pricing mechanism under the Comprehensive Pricing Study, and as a strategy to meet the goals of Metro's 2020 Long Range Transportation Plan. More recently, in light of the disproportionate impacts of COVID-19 by race, ethnicity, gender, age, and socioeconomic status, and in recognition of the pandemic-induced economic damage and likely protracted economic recovery, Metro is evaluating fareless transit as a policy decision that prioritizes equity and economic recovery.

In response to the CEO's directive, the Task Force has been identifying facts, challenges, and issues related to eliminating fares on Metro buses and trains. The research being conducted recognizes both the current unprecedented and evolving pandemic condition, as well as future uncertainties that now challenge

previous projections regarding ridership, trips, and resource planning. The following list reflects the Task Force's ongoing efforts to date.

- **Financial Considerations** Identify the following: costs and efforts associated with fare collection including capital, operating, maintenance, and enforcement costs, and potential cost savings; timeline for future funding needs; existing eligible local, state, and federal funding; legislation that currently hampers a fareless system; and potential new sources of revenue including legislative proposals, partnerships, advertising, and sponsorships to support a fareless system.
- **Regional Collaboration** Convene the FSI Ad Hoc Committee of Transit Operators with local and municipal transit operators, Access Services, and Metro staff to discuss regional concerns, considerations, and conditions of a countywide approach to fareless transit; coordinate with Metrolink and Metro's Regional Rail unit.
- **Operations** Identify operational requirements including fleet capacity and Bus Operator recruitment projections, operational improvements, parking policies, data collection technologies, and administrative considerations.
- **Safety and Security** Reimagine public safety for a fareless system; evaluate the effectiveness of current fare collection system entry requirements for System Security and Law Enforcement and trip data collection strategies; examine fare evasion and enforcement data.
- **Equity** Identify inequitable impacts of current fare revenue system and discuss opportunities to advance equity through a fareless system.
- **Customer Experience and Employee Experience** Analyze results from online countywide survey and Metro employee survey.
- **Unsheltered Riders and Non-destination Trips** Explore partnerships, research and outreach efforts aimed at directing people experiencing homelessness towards appropriated resources.

## **NEXT STEPS**

The FSI Task Force is currently identifying challenges and recommendations and will report back to the CEO in mid-December. In January 2021, the Task Force will provide the report to communities, transit operators, and other stakeholders as part of a genuine and inclusive public engagement process. Stakeholder perspectives will then be analyzed and integrated into the report which will be brought to the Metro Board of Directors in February 2021.