Regional Policy Advisory Committee

October 23, 2023

2 p.m.

Opening Agenda Items

☑ Agenda Item 1: Welcome and Introductions

☑ Agenda Item 2: Action on the Minutes from August 28, 2023

Update on the Save The Allegheny River (S.T.A.R.) Initiative

DJ Ryan, Director of Strategic Initiatives & Policy

Agenda Item 3

S.T.A.R. Update

- S.T.A.R. group chaired by SPC and the Port of Pittsburgh Commission continues to work on solution to lock operation on the Allegheny River

- Group met here at SPC last month and decided on two main courses of action and several other side initiatives

S.T.A.R. Update

- #1 – Water Resources Development Act of 2024
  - Major authorizing legislation that governs USACE, among other things.
  - Traditionally covers two-year periods
  - Next bill is going through design now and will be voted on next year
  - Bill starts in the Senate
  - Letter to Sen. Casey asking him to include language in WRDA to S.T.A.R

S.T.A.R. Update

- #1 – Water Resources Development Act of 2024

"We suggest the following two goals be accomplished through WRDA:

1. Prevent decreases in LOS on the Allegheny River for the next ten years

2. Mandate that USACE conduct a comprehensive evaluation and report to the Congress and stakeholders on the full economic impact of the Allegheny River, to include the impact of commercial operations, recreation of all kinds, and the impact to communities all along the river from these activities.

"We believe that these actions are not only needed but imperative if we are to avoid disastrous outcomes to the Allegheny River Valley and its residents and businesses."

S.T.A.R. Update

- #2 – Revision on Guidelines by USACE IMTS Board of Directors
  - LOS table was last revised in 2012 by the Inland Marine Transportation System Board of Directors
  - Internal USACE board made up of USACE department leadership
  - Can revise its guidelines at any time
  - Letter <u>from</u> members of Congress to Lt. Gen. Scott Spellmon asking for a revision to the LOS guidelines
  - Not permanent and could be changed back any time

S.T.A.R. Update

- Sen. Casey to lead WRDA Effort
  - His standing in the senate makes him the ideal person to lead this effort
    - Will collaborate with Sen. Fetterman and members of the House as needed
- Rep. Reschenthaler to lead IMTS effort
  - His membership on the appropriations subcommittee for energy and water means USACE leadership will give his letter much attention
    - Intends to ask other federal elected officials in SWPA to sign on with him

S.T.A.R. Update

- Economic Impact Study to back up our efforts
  - Subcommittee led by SPC, PPC, and Friends of the Riverfront will conduct full economic impact study
  - Expect that to take some time
  - Funding will need to be secured, pursuing many different options
- Letters of support from state officials
  - All four caucuses will be circulating letters to federal officials to offer support
- Working with other initiatives like the former Cheswick Power Plant site

Questions?

Update on Nuclear Waste Site in Armstrong County

DJ Ryan, Director of Strategic Initiatives & Policy

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Questions?

Transit Fare System Feasibility Study

Tom Klevan, Manager of Transit Planning & Consultant, McCormick Taylor

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Southwestern Pennsylvania Commission

TRANSIT FARE SYSTEM FEASIBILITY STUDY

July 2023

Background

- FFY2020 FTA Formula Funding for operations restoration Post-Covid 19 available to SPC through the CommuteInfo Regional Vanpool/Transportation Demand Management (TDM) Program

- Initial Problem Statement: "Is there a way to make funding available to the region's providers of public transit to help restore transit ridership post-pandemic?"

- Initial concept: Utilize available funding to contract for mobile ticketing application and make sub-contracts available to all providers of public transit in the region. Easier fare payment methods could entice additional riders to make trips via public transit.

- SPC Long Range Plan Regional Transit Vision *SmartMoves Connections goal:* **"Coordinated fare payment systems and policies."**

Transit Fare System Feasibility Study

- Conduct a feasibility analysis for a regional mobile transit fare system for transit agencies that operate within the 10-county Southwestern Pennsylvania region. Determine the feasibility and regional interest for a regional fare system…

- Study goal: "*To identify simple payment technology options to provide riders (residents, students, and visitors) with the option to transfer between systems with a single fare instrument.*"

- Study will further result in recommendations for procurement and implementation of the appropriate mobile transit fare system

- Informed by "lessons learned" from other similar implementations across the country.

The Case for Change

- Transit agencies within the SPC region currently set their own fare structure, prices, products, vendors, and policies. These individualized fare systems although customized to each transit system, create challenges for riders who need to transfer or who use transit on multiple transit agencies/services.

- 2010 - Pittsburgh Regional Transit (PRT), advanced a regional fare collection system - ConnectCard PRT - lead agency regional transit system partners participate via individual contracts

- ConnectCard intended to modernize and move region forward with a smart card system and to discontinue the antiquated token and ticket system… major step forward, but system is now outdated. PRT is in the process of further modernizing its fare collection system to include more payment options with smart applications. Independently, many of the other regional systems have also moved beyond or have supplemented the ConnectCard with smart application-based fare systems to improve customer accessibility.

- Payment convergence and integrated trip planning could be a way to attract more riders interested in a seamless experience.

Existing Regional Agency Structures

- Participants: **Airport Corridor Transportation Association (ACTA), Beaver County Transit Authority (BCTA), Butler Transit Authority (BTA), Fayette Area Coordinated Transportation (FACT), Green County Human Services (GCHS), Heritage Community Transportation (HCT). Indiana County Transit Authority (ICTA), Mid Mon Valley Transit Authority (MMVTA), New Castle Area Transportation Authority (NCATA), Pittsburgh Regional Transit (PRT), Town and Country Transit (TACT), Washington County Transportation Authority/Freedom Transit (WASH), Westmoreland County Transit Authority (WCTA**)

- Six of the 13 operators currently offer some kind of mobile application-based payment option for riders. BCTA, PRT and WCTA use a Masabi app. BTA and ICTA use Token Transit, and WASH uses Modeshift.

- Most providers offer multiple payment options including mobile/web applications, cash, credit/debit cards at ticket machines/windows, fare cards/passes, and tickets. ACTA and GCHS are cash-only with no credit/debit card, fare card, or mobile payment options. Cash use varies throughout the region from 100% use on the cash-only providers to 6% in the PRT system.

Feasibility Study Elements

- **Equity Considerations:** Public transportation is often a critical link between families and the most important resources and opportunities to help improve their personal and economic circumstances. Diverse public transportation options – from large regional rail operators to small fixed-route or shared-ride services– provide a way for seniors, persons with disabilities, those with limited or fixed incomes, and those without private vehicles to keep their transportation costs low, maintain their independence, and stay connected with their communities. Transit removes barriers to jobs, education, medical services, and amenities.

- **PennDOT Bureau of Public Transportation Fare Policy:** PennDOT encourages systems to work together to gain economies of scale in purchasing and to support interoperability between systems so that riders can use transit in a region seamlessly. PennDOT also is supportive of systems developing fare reciprocity agreements to allow them to share revenue and make service cost effective for riders who transfer between systems. PennDOT supports local transit agencies with technical assistance and capital grants for fare collection software and equipment purchases.

Feasibility Study Elements

- **Transit Rider Feedback:** an online survey was developed and distributed by SPC to collect information and input from regional transit users. A large portion of respondents (40%) use tickets or fare passes to pay for transit. The next popular responses were 'Mobile Apps' (19%) and 'Onboard with Cash' (15%). Many of the 'Other' responses (16%) included Connect Cards and employer-provided passes and student ID cards

- **State of the Practice:** study team interviewed several other organizations to learn more about their implementation and lessons learned
  - California Integrated Travel Project (Cal-ITP
  - Washington – How Puget Sound Gets Around – ORCA Card
  - NEORIDE Ohio – EZfare app
  - Luzerne County Transportation Authority (LCTA) Luzerne County, PA (Modeshift)
  - Regional Transportation Authority (Chicago)

Feasibility Study Analysis of Options

Fare Payment Option Matrix

Options	Overview/Description	Perspective Customer	Perspective System	Governance	Fare Reciprocity/ Revenue Sharing	Institutional Challenges	Equity
1. Single Pooled Contract for Region	• A transit system or SPC leads a single procurement for the region • Single procurement results in a single contract with a single vendor.	• Single fare instrument can be used across systems	• May limit customization to meet local system needs and preferences. • Regional customer accounts	• One system negotiates and owns a contract for all other systems • Requires significant coordination. • The TOC could be a coordination mechanism.	• Bilateral rare reciprocity agreements • A single fare collection system would make it seamless. • Requires governance and revenue reconciliation process.	• Obtaining agreement among all systems for joint procurement, vendor selection and single contract	• Requires acquisition of Fare Instrument and maintaining declining balance account for discounts to support unbanked riders
2. Individual Contracts with Regional Agreement	• A transit system or SPC leads a single procurement for the region and each system executes its own contract with the vendor. • Each transit system independently negotiates terms, conditions, scope, implementation timeframe, and system elements with vendor.	• Single fare instrument can be used across systems	• Each system has its own vendor contract with their own branding. Each system maintains customer accounts.	• Each system will manage their own contract with the vendor.	• Each system would receive their own revenue directly in their account. • Fare reciprocity agreements would be bilateral. • Requires process for revenue reconciliation	• Obtaining agreement among all systems for the joint procurement and vendor selection.	• Requires acquisition of Fare Instrument and maintaining declining balance account for discounts to support unbanked riders
3. Individual Procurements with Bilateral Agreements	• Each system issues procurements for fare collection and signs separate contracts. • No region-wide agreement required.	• Multiple fare instruments, reciprocity. Will vary by system.	• Provides system autonomy regarding procurement, branding and agreements.	• No additional governance is required. Individual systems need to enforce their own agreements.	• Negotiated in bilateral agreements. • Could require vendor collaboration for electronic solution, or a visual solution could be implemented	• Negotiating bilateral agreements.	• Lack of Interoperability with fare instruments.
4. Regional Policy -- Open Payment	• A regional Open Payment policy developed between all systems with individual or joint procurements.	• Multiple fare options including their credit/debit cards.	• Increased payment options. • Reduces need to hold balances in individual accounts.	• Requires regional governance and approval of the policy(ies)	• Requires agreements between systems for discounts on fare reciprocity. • Requires vendor collaboration, as identified in a regional policy	• Developing and obtaining agreement on the open payment and fare reciprocity policies.	• Needs payment option to support unbanked riders
5. Individual Contracts with no transfer between systems *(Current Fare System)*	• Each system procures and implements their own fare system. • Individuals riding the systems participate with each system's fare collection system.	• Each system has own fare instrument and policy	• No coordination or cooperation between systems required	• Each system governs their own fare collection system and policy independently	• Only by bilateral agreements negotiated between systems	• None identified	• Declining Balance or Cash Fare.

Fare Payment Option Matrix

Feasibility Study – Options Cost Comparison

- Costs vary greatly in actual dollars due to the specific vendor(s) that might be selected and how they accept payment.

- Some vendors work from an older model where the costs are broken down into capital equipment, software licensing, and software maintenance and reporting. Usually with that model, installation or set up cost would also be charged separately. Using that payment model, the hardware and equipment are owned by the transit system, and the transit system owns a licensed version of the software. Software upgrades would cost more later.

- Other vendors have migrated to a newer subscription-based cost model where the vendor charges a lump sum amount per vehicle or a per unit cost per month or per year which includes software, hardware, upgrades and maintenance. The following table presents a relative cost comparison between the five fare collection options presented in this report. The cost comparison is broken out by administrative cost, capital cost and operating cost. Because these costs vary between vendors and this report does not present specific vendors in the options, actual costs are not provided in this report.

Feasibility Study – Options Cost Comparison

Option	Administrative Costs	Capital Costs	Operating Costs
Option 1: Single Pooled Contract	Med-High	Medium	Medium
Option 2: Single Procurement Individual Contracts	Med-High	Med-High	Medium
Option 3: Individual Procurements with bilateral agreements	High	High	Med-High
Option 4: Regional Policies – Open Payment	Medium	Medium	Med-High
Option 5: Individual Contracts	High	High	Med-High

Feasibility Study – Open Payment Option

- Keven Burgess in his Bytemark article, "***What are Open Payments in Transit?***" says, "Imagine this scenario: You walk up to a vehicle or gate, pull out your credit card and tap it on a payment terminal. Instantly you have access to the public transit system. That entire process took 3 seconds. Now you can go, sit down in a plush chair, and read the latest John Grisham novel while you are whisked off to your destination. You didn't have to:

- Search the app store and download an app

- Enter credit card details on an app or website

- Stand in a line waiting to purchase a ticket

- Figure out what type of pass you need to buy

- Count out cash to make a purchase

- Wait for a traditional credit/debit transaction to complete

- Worry if this transaction will incur a low balance fee

- Behind the scenes, payment is charged to your credit or debit card account and shows up on your statement with a nominal 'Tap to Ride' fee."

Regional Transit Fare System: Next Steps

- Draft a Regional Policy to be endorsed by the MPO to encourage transit operator cooperation by requiring all mobile ticketing contracts entered into to include an open payment option

- MPO transit planning staff continue to work with individual transit operators to establish fare reciprocity (customer sharing) agreements between systems

- MPO transit planning staff continue to work with mobile ticketing/fare system vendors to encourage collaboration across multiple individual contracts

- Continue to explore options for providing financial assistance to transit operators for individual contracts with mobile ticketing vendors to help alleviate extra costs for providing open payment options utilizing FTA Formula funding

Transit Fare System Feasibility Study

- Feasibility Study available here:

- Access the file with your web browser at the following address: http://spc.plexhosted.net/FileTransfer

- Use these credentials to log in:

- Login = multi@spc.plexhosted.net

- Password = spcmulti20

- Questions/Comments: tklevan@spcregion.org

Next Meeting Date
December 11, 2023

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Adjourn

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