



# Transit Forward Philadelphia's Proposal for SEPTA's FY2021 Fare Restructuring Plan

On March 11th, 2020, SEPTA released their FY 2021 Fare Restructuring Plan with an emphasis on equity and efficiency. Transit Forward Philadelphia (TFP) is pleased to see some of the changes offered in the plan, including: the elimination of the transfer fee for SEPTA Key users and doing away with the \$150.00 fare evasion penalty and replacing it with a \$25.00 administrative program fee. We are also delighted to see a fare program for children ages 5-11. This new program will provide riders traveling with children with an affordable and competitive transportation option compared to Uber or Lyft.

Transit advocates, City Council, and the City of Philadelphia have been advocating for free transfers and affordable fares for quite some time. We support SEPTA's decision to eliminate the transfer penalty and encourage them to go further. We recognize SEPTA's willingness to work with stakeholders in creating the best possible system for riders.

That is why TFP looks forward to working with agency officials in reshaping the plan to make SEPTA a more equitable, accessible, and competitive transportation option for riders. As a member-led coalition of Philadelphia based riders and organizations, TFP is pleased to provide the following recommendations to SEPTA's FY2021 Fare Restructuring Plan.

## Affordable Fares to Increase Ridership

Public transit is a civil right and a public utility that everyone in Greater Philadelphia should be entitled to. Thousands of residents rely on SEPTA for jobs, doctor appointments, or visits to friends and family. The cost of fares or the ability to obtain a keycard should not stop riders from using transit. Every resident deserves a ride and no rider should be left behind.

*If SEPTA can establish a fare system that is easy to use and affordable to everyone, specifically for low-income residents and adults traveling with children, more riders will use transit and more often while utilizing the system as a single network. This is especially important as the region and its residents come out of the turbulent COVID-19 pandemic. SEPTA will need to rebuild its ridership numbers and regain the trust of passengers who may be afraid to ride transit after the pandemic has slowed down.*



## Goals & Recommendations

TFP considers the following goals and recommendations for SEPTA's FY2021 Fare Restructuring Plan to increase ridership, generate more revenue in fares, and provide an affordable and competitive transportation option for riders in the Greater Philadelphia region.

### Goals

*TFP believes SEPTA's FY2021 Fare Restructuring Plan is an opportunity for the agency to reach the following goals:*

- 1. Boost and revitalize ridership by developing a system that encourages riders to use SEPTA as a single network**
- 2. Implement affordable fare programs that compete with transportation network companies such as Uber and Lyft and in turn increases ridership and generates more revenue for the agency**
- 3. Make the system more efficient, affordable, and competitive by prioritizing affordability of fares for low-income riders and passengers traveling with children**

### Recommendations

*TFP urges SEPTA to revise the Fare Restructuring Plan by adopting the following three recommendations in order to meet the above goals:*

- 1. Allow SEPTA riders to transfer for free, as many times as they need, within a two-hour window**
- 2. Implement a fare capping system within SEPTA Key that rewards passengers for frequent use of the system**
- 3. Allow children under 12 to ride SEPTA for free**

#### I. Unlimited Free Transfers

Transit Forward Philadelphia applauds SEPTA for proposing to eliminate the transfer fee for SEPTA Key users. Allowing one free transfer within a 90-minute window is a positive step in the right direction for the agency but in order to uphold their commitment to equity and efficiency, the proposed system must be more progressive.



Peer transit agencies such as Boston, Chicago, and Atlanta, allow riders to transfer two or three times at little to no penalty to the rider within a longer window of time. SEPTA is the sixth largest public transportation system in the nation but is falling behind other transit agencies by discouraging riders to use the system as a single network.

Transit Forward Philadelphia recognizes that the needs of each city are different and SEPTA's ability to keep base fares relatively low makes decisions regarding the cost of transfers rather difficult. But it is important to remember that while SEPTA may have one of the lowest base fares in the nation, the transfer penalty actually costs riders more to reach their destinations compared to their counterparts in most of the other cities.

As one of the poorest large cities in America, low-income riders stand to benefit the most from unlimited free transfers. Low-income workers depend on multiple transfers to get to far reaching jobs and end up accruing additional costs in transfers that further penalizes them for utilizing the network as a whole. Unlimited free transfers would make the fare structure easier to understand and has the potential to boost ridership and increase fare revenue for SEPTA.

It is important to note that riders who pay with cash are still unable to take advantage of this new policy and will be subject to pay full fare when transferring. In order to incentivize passengers to switch from cash to SEPTA Key, a customer service program could be put into place to help riders obtain keycards with ease and convenience. This could be as simple as having keycards mailed to users who purchase one online, or fill out a form in the mail, or call a customer service line rather than having to buy one in person at a designated station, kiosk, or retail location.

We also recognize the financial strain COVID-19 will play on SEPTA's operating and capital budget and the difficulties the agency will face in rebuilding the trust of riders and regaining ridership numbers. Once the pandemic has slowed down and ceased, SEPTA will need to incentivize riders as much as possible to start utilizing the system again. By allowing unlimited free transfers, riders will be encouraged to use the system more often and rely on SEPTA for connections all across the city.

**If SEPTA follows the footsteps of peer transit agencies and extends their transfer window to two hours while allowing unlimited free transfers, they will incentivize riders to use SEPTA more often and utilize the system as a single network.**



## Fare Capping

Currently, SEPTA's low-income riders are forced to pay for trips by the ride and end up paying more for transit because they cannot afford the upfront costs of a TransPass. Data from DVRPC's *Transfer Pricing Analysis* illustrates how fare structures that give discounts to riders who can afford the upfront costs of a pass end up creating "barriers to entry" for transit-dependent low-income riders. If SEPTA is committed to upholding equity in their current Fare Restructuring Plan, the cost burden of fares should not fall on low-income riders.

One type of program that supports low-income passengers and benefits all riders is fare capping. Fare capping is a system that rewards passengers with free rides after they meet the fare equivalent of a Weekly or Monthly TransPass. SEPTA Key can track how many times a keycard holder rides transit in a given week or month, and under this model would automatically "cap" their fare at the cost of a Weekly or Monthly TransPass. This will allow SEPTA passengers to never spend more than the total cost of a Weekly or Monthly TransPass in a given week or month. It will relieve the burden of upfront costs of TransPasses for low-income riders while giving them peace of mind that they will never pay more than they need to on transit fares.

With the implementation of a fare capping system, riders will also be incentivized to ride SEPTA more often as well as switch to SEPTA Key in order to gain the benefits of fare capping. As mentioned before, getting riders back onto SEPTA post COVID-19 will be of utmost importance and programs like fare capping and unlimited free transfers have the potential to increase ridership and generate more revenue for the agency. Fare capping will also benefit the agency by increasing its competitiveness in the region against other transportation modes like Uber or Lyft. Lastly, it will help the agency reduce overhead costs related to cash handling while speeding up the onboarding process for riders.

**By implementing a fare capping system within SEPTA Key, residents will have access to a cost competitive transportation option while the agency will be able to rebuild its ridership numbers and generate more revenues in fares.**



## Free Fares for Children Under 12

Under the current proposal, SEPTA will still allow children under four years old to continue to ride the system for free. The proposed fare plan will also offer families with children ages five to eleven to travel for \$1 per child when accompanied by a full paying adult. The \$1 fare for each accompanying child must be paid in cash.

Transit Forward Philadelphia is pleased to see SEPTA provide a discounted fare program for adults/families traveling with children. This is an effective step in allowing families with children to have their accessibility and affordability needs met. It is also encouraging a new generation of riders to utilize SEPTA as a preferred mode of transportation in the region.

However, the logistics of this proposed fare program will cause a great deal of confusion and inconvenience for both operators and families. The payment process for riders with children will now be complicated by forcing families who are used to paying with SEPTA Key to carry exact cash for their children. If SEPTA is hoping to incentivize riders to switch over to keycards, why are they forcing families to pay with cash for their children?

The proposed system not only inconveniences families but will also complicate the onboarding process and create delays for both operators and riders. The cashiers and bus operators who work hard to keep the system running will now be responsible for checking how many children are getting on board, identifying whether they are between the ages of five and eleven, and then collecting an additional cash payment for each child that gets on board. The number of steps that are added to the onboarding process will slow down SEPTA buses and cause greater delays, all at the expense of the rider.

Finally, Philadelphia families have been outspoken in choosing Uber and Lyft when traveling with their children because it is cheaper and easier for them than riding transit. If SEPTA were to allow all children under the age of twelve to ride the system for free they will provide families with a convenient and affordable transportation option and at the same time, speed up the onboarding process while competing with ride sharing services like Uber and Lyft.

**By streamlining the onboarding process and allowing kids under twelve to ride for free, SEPTA can provide an efficient, affordable, and competitive transportation option for families.**