Metropolitan Transportation Authority

Fare and Toll Proposal

Presentation to the Board
November 16, 2016
Key policy questions considered when evaluating fare options

- Affordability
- Meets MTA Financial Needs
- Mobility / Capacity
- Operations

Fare and toll options
Current NYCT Fare Structure and Ridership

- **Time-based Passes**
  - Valid for 7 or 30 days after the first swipe
  - Unlimited number of trips allowed

- **Pay-Per-Ride MetroCard Fares**
  - Base MetroCard Fare is $2.75
  - If customer adds $5.50 or more at a time, an additional 11% “bonus” is added to the Card’s value
  - Effective fare with bonus is $2.48

- **Non-MetroCard Fares**
  - Cash on the Bus - $2.75
  - Single Ride Ticket - $3.00
  - No intermodal transfers

Ridership by Fare Product, Sept 2015 – Aug 2016

Source: NYCT OMB
Frequency of travel influences fare product choice

Customer Fare Product by Travel Frequency, 2016

- Passes used by most frequent riders
- Bonus MetroCard used by all types of riders

Source: MTA New York City Transit Preliminary 2016 Customer Satisfaction Survey
Majority of all income groups use Pass or Bonus PPR MetroCards

**Customer Fare Product by Household Income, 2016**

- **Less than $28K**
  - 13% 7-Day
  - 15% 30-Day
  - 22% Cash or SRT
  - 45% Base MC

- **$28K to $75K**
  - 2% 7-Day
  - 2% 30-Day
  - 6% Cash or SRT
  - 19% Bonus MC
  - 50% Base MC

- **More than $75K**
  - 1% 7-Day
  - 2% 30-Day
  - 5% Cash or SRT
  - 28% Bonus MC
  - 64% Base MC

- Low and middle income customers most likely to use 7-Day pass

Source: MTA New York City Transit Preliminary 2016 Customer Satisfaction Survey
NYCT: Two options proposed, both limit increase for pass users

- In both proposals, most frequent customers, and especially those with low incomes, have smallest increase
- Variation in Pay-Per-Ride fares:
  - Base fare must increase in 25¢ increments
  - Bonus buy-in stays at round-trip price
  - Two options tradeoff between increases in base fare and bonus

<table>
<thead>
<tr>
<th>Fare Types</th>
<th>Market Shares</th>
<th>Current</th>
<th>No Base Fare</th>
<th>Base Fare</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 Day Pass</td>
<td>30%</td>
<td>$116.50</td>
<td><strong>$121.00</strong> (3.9%)</td>
<td></td>
</tr>
<tr>
<td>7 Day Pass</td>
<td>22%</td>
<td>$31</td>
<td><strong>$32.00</strong> (3.2%)</td>
<td></td>
</tr>
<tr>
<td>Base MetroCard/coin on bus</td>
<td>7%</td>
<td>$2.75</td>
<td><strong>$2.75</strong> (0%)</td>
<td><strong>$3.00</strong> (9.1%)</td>
</tr>
<tr>
<td>Metro Card w Bonus Value</td>
<td>11% with $5.50 purchase</td>
<td>5% with $5.50 purchase</td>
<td>16% with $6.00 purchase</td>
<td></td>
</tr>
<tr>
<td>Bonus Value Added with RT purchase</td>
<td>40%</td>
<td>$.61</td>
<td>$.28</td>
<td>$.96</td>
</tr>
<tr>
<td>PPR with Bonus</td>
<td>$2.48</td>
<td><strong>$2.62</strong> (5.7%)</td>
<td><strong>$2.59</strong> (4.4%)</td>
<td></td>
</tr>
<tr>
<td>Single Ride Ticket</td>
<td>1%</td>
<td>$3.00</td>
<td><strong>$3.00</strong> (0%)</td>
<td><strong>$3.25</strong> (8.3%)</td>
</tr>
<tr>
<td>Express Bus</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>&lt;0.1%</td>
<td>$6.50</td>
<td>$6.50</td>
<td>$7.00</td>
</tr>
<tr>
<td>MetroCard Fare</td>
<td>0.4%</td>
<td>$5.86</td>
<td><strong>$6.19</strong> (5.7%)</td>
<td><strong>$6.03</strong> (3.1%)</td>
</tr>
<tr>
<td>7-Day Express Bus Plus</td>
<td>0.1%</td>
<td>$57.25</td>
<td><strong>$59.50</strong> (3.9%)</td>
<td><strong>$59.50</strong> (3.9%)</td>
</tr>
</tbody>
</table>
Current Railroad Fare Structure and Ridership

• Commutation Fares are Monthly and Weekly
  • Used by regular commuters traveling during the peaks
  • Price is heavily discounted off the one-way peak fare.
  • Both railroads back to 2008 ridership levels

• Non-Commutation are peak and off-peak one-way tickets
  • Off-peak discounted from peak price

• MNR’s Intermediate market continuing to grow
  • Trips taken entirely outside of Manhattan
  • Serves job centers such as White Plains

Only includes NYS ridership
Other includes Senior and disabled half fares, child fares, special discounts
Source: LIRR OMB, MNR Operations Planning & Analysis
Max of 3.75% increase for commuters, while keeping to 4% increase for other riders

- All monthly and weekly tickets capped at 3.75% and not more than $15
  - Increase reduced by $1-$6 for monthly riders
  - Intermediate tickets also capped at 3.75%
- One Way tickets to City terminals increase up to 6.06%, any increase larger than 6% is $0.50 or less
  - Ranges due to requirement that one-way fares in 25¢
  - City Ticket remaining unchanged at $4.25

<table>
<thead>
<tr>
<th>Tickets to Zone 1 / City Terminals</th>
<th>Range of dollar increase</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIRR</strong></td>
<td></td>
</tr>
<tr>
<td>Monthly</td>
<td>$6.00 - $15.00</td>
</tr>
<tr>
<td>Weekly</td>
<td>$2.00 - $6.00</td>
</tr>
<tr>
<td>Peak tickets</td>
<td>$0.25 - $1.00</td>
</tr>
<tr>
<td>Off peak tickets</td>
<td>$0.25 - $0.75</td>
</tr>
<tr>
<td><strong>MNR</strong></td>
<td></td>
</tr>
<tr>
<td>Monthly</td>
<td>$6.00 - $15.00</td>
</tr>
<tr>
<td>Weekly</td>
<td>$2.25 - $6.75</td>
</tr>
<tr>
<td>Peak tickets</td>
<td>$0.25 - $1.00</td>
</tr>
<tr>
<td>Off peak tickets</td>
<td>$0.25 - $0.75</td>
</tr>
</tbody>
</table>

Source: LIRR OMB, MNR Operations Planning & Analysis
West of Hudson is a small but unique market

- West of Hudson is 2% of Metro-North ridership
- Recession and Hurricane Irene have continued to affect ridership
- Fares for some customers impacted by NJT and PATH increases
- Recommend 2% increase for West of Hudson
B&T Toll Structure Overview

- 79% of crossings pay discounted E-ZPass Toll
  - NYCSC EZ-Pass is ~30% discount off cash
  - Greater discount at Henry Hudson Bridge, Minor crossings
  - Additional discounts and rebates provided to Staten Island, Rockaway residents

- E-ZPass market share has increased by 10% since 2010

- Non-NYCSC customers pay cash/toll by mail amount

Distribution of Crossings, 2015

- E-ZPass - Cars 73%
- E-ZPass - Trucks 6%
- Non-NYCSC E-ZPass 6%
- Cash / Tolls-by-Mail 15%

Source: B & T Budget Office
Increase for NYCSC E-ZPass customers is less than 25¢

<table>
<thead>
<tr>
<th>Crossing</th>
<th>Current</th>
<th>4% Base</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major (non-VNB)</td>
<td>$5.54</td>
<td>$5.76</td>
<td>4.0%</td>
</tr>
<tr>
<td>Henry Hudson</td>
<td>$2.54</td>
<td>$2.64</td>
<td>3.9%</td>
</tr>
<tr>
<td>Cross Bay &amp; Marine Parkway</td>
<td>$2.08</td>
<td>$2.16</td>
<td>3.8%</td>
</tr>
<tr>
<td>Rockaway Resident</td>
<td>$1.36</td>
<td>$1.41</td>
<td>3.7%</td>
</tr>
<tr>
<td>VNB – Toll collected in one direction only</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Resident</td>
<td>$11.08</td>
<td>$11.52</td>
<td>4.0%</td>
</tr>
<tr>
<td>SI Resident - Less than 3 trips</td>
<td>$6.60</td>
<td>$5.50 w rebate</td>
<td>$6.84</td>
</tr>
<tr>
<td>SI Resident - More than 2 trips</td>
<td>$6.24</td>
<td>$5.50 w rebate</td>
<td>$6.48</td>
</tr>
</tbody>
</table>

- Resident tokens, trucks also increase approximately 4%
- Only three crossings have any significant volume of commuter traffic; existing rebate programs target these customers
  - Cross-Bay and Rockaway Resident Rebate programs remain unchanged
  - State determines change to VNB Resident rebates
    - With subsidy held constant rebated toll increases to $5.74, increase of 4.4%, but still less than 25¢
    - Funding would have to increase by $3.5M to maintain $5.50 effective toll
Higher increase for Cash, Tolls by Mail and non-NYCSC E-ZPass customers

- Applies to 15% of B&T customers paying cash and 7% using a Non-NYCSC E-ZPass tag

<table>
<thead>
<tr>
<th>Vehicle</th>
<th>Crossing</th>
<th>Current</th>
<th>Proposed</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars</td>
<td>Majors (non-VNB)</td>
<td>$8.00</td>
<td>$8.50</td>
<td>6.3%</td>
</tr>
<tr>
<td></td>
<td>Henry Hudson</td>
<td>$5.50</td>
<td>$6.00</td>
<td>9.1%</td>
</tr>
<tr>
<td></td>
<td>Verrazano Narrows (toll collected in one direction only)</td>
<td>$16.00</td>
<td>$17.00</td>
<td>6.3%</td>
</tr>
<tr>
<td></td>
<td>Cross Bay &amp; Marine Parkway</td>
<td>$4.00</td>
<td>$4.25</td>
<td>6.3%</td>
</tr>
<tr>
<td>Trucks (Majors, non-VNB)</td>
<td>2-Axle</td>
<td>$16.00</td>
<td>$17.00</td>
<td>6.3%</td>
</tr>
<tr>
<td></td>
<td>5-Axle</td>
<td>$43.00</td>
<td>$46.00</td>
<td>7.0%</td>
</tr>
<tr>
<td></td>
<td>7-Axle</td>
<td>$62.00</td>
<td>$66.00</td>
<td>6.5%</td>
</tr>
</tbody>
</table>
A number of different special pricing ideas have been proposed by various constituencies

• Proposals considered include
  • Half fare for low income New Yorkers
  • Subsidized fare for college and university students
  • “Freedom” ticket
  • Suburban weekend ticket

• Each proposal has merits and challenges that require further review against key policy questions
  • Mobility/capacity
  • Affordability
  • Cost
  • Operations

• Continuing to review major issues: funding, administration and operations
Next steps

• November 16 – Board authorizes start of process

• November and December – Elicit public comment
  • Information made available on MTA website
  • Public Hearings held December 5-20
  • Comments submitted in writing via website, mail

• January – Board review public comments and votes on a final proposal

• March – Fare/Toll Change implemented
Lowest increase for MTA customers since beginning biennial fare/toll increases in 2009

- MTA’s focus on cost reduction and efficiencies has enabled us to maintain affordability for all customers

- November plan reduces impact of fare/toll increases on customers
  - Changing to 4% increase in price, rather than the planned 4% increase in revenue, results in
  - $26 million less annual revenue to MTA
  - Smaller increases for our customers

- Average increase of approximately 3.5% for MTA’s most frequent riders
  - 53% of NYC Transit trips are made with unlimited ride passes
    - 30-day increases 3.9%
    - 7-day even less, 3.2%
  - Railroads – Monthly and weekly passes increase up to 3.75%, and no monthly increases more than $15

- Tolls for NYCSC E-ZPass customers increase 4% or less, no more than 25¢