



Office of the Commissioner
Transportation Services Department

MEMORANDUM

To: Members of Committee of the Whole

From: Paul Jankowski
Commissioner of Transportation Services

Date: March 19, 2021

Re: York Region Transit/Toronto Transit Commission Fare Policy and Fare Collection Technology Review

This memorandum updates Council on the work York Region Transit (YRT) and the Toronto Transit Commission (TTC) are leading to develop a fare policy and fare collection strategy to support fare and service integration across the Greater Toronto and Hamilton Area (GTHA). Work completed as part of this initiative will inform the [Fare and Service Integration Provincial-Municipal Table](#) recently established by the Province.

In 2020, the Region initiated partnering with the TTC and provided details in a report to Council on [September 10, 2020](#).

Throughout 2021, York Region Transit and Toronto Transit Commission are partnering to develop a fare policy and fare collection strategy to support transit fare and service integration

YRT and TTC are leading a comprehensive review that will result in a broad fare policy and fare collection strategy, identifying fare cost uniformity and collection technology requirements to support fare and service integration across all GTHA transit agencies.

Prior to establishing a fully-integrated transit network, consideration must be given to fare policy, fare collection processes and operational requirements. The YRT/TTC is reviewing international examples where multiple transit systems integrated services to improve customer experience and operational efficiency. The double fare at the York Region and City of Toronto border will be addressed as part of the review.

The strategy will guide the GTHA transit agencies in the implementation of fare and service integration and inform staff on future PRESTO agreement requirements

Short-term outcomes of the initiative include developing a comprehensive YRT/TTC fare policy and fare collection strategy and identifying opportunities to better integrate services. This document would be developed based on market research, industry best practices and extensive stakeholder engagement.

The longer-term objective is to develop a fare collection outlook over a 10-year period, identifying technology requirements to inform the next PRESTO Agreement with Metrolinx. The expiry dates for both the TTC/Metrolinx and 905/Metrolinx PRESTO agreements are now aligned and will end in 2027.

The comprehensive review will be completed in three phases:

- Phase 1: Situational Analysis (September 2020 – February 2021)

The work in phase 1 has been underway since September 2020. In this phase, a current state assessment of fare policy was completed. To understand the current state of both agencies' fare policies, workshops were conducted with internal staff, transit and social advocacy, and academic groups.

The fare policy review assessed the current state of fare collection in Toronto and York Region. Several workshops were conducted that included PRESTO. These workshops formed the basis of a Request for Information released in February, which focused on current fare collection technology availability and what is planned for fare collection technology in the future.

Lastly, a public survey was launched and promoted through various communication channels, such as the YRT and TTC websites. The purpose of the survey was to identify traveller demographics and traveller use of the YRT/TTC systems. Over 4500 responses were received by the end of the February 18, 2020 survey period. Phone surveys were also conducted as an alternative to the online version. Town Hall-style meetings are also being scheduled for later in the year, and invitations to the Town Hall events will be sent to all Regional and local elected officials.

Early insights of the survey identify five key themes raised by respondents in the fare policy review consultation:

- Fare integration – fares for travel between transit agencies should be seamless and intuitive
- Fare model – flat fares are more financially effective and perhaps more equitable than distance-based fares

- Fare discounts, equity and affordability – many segments of the travelling public should, in principle, be eligible for fare discounts for equity reasons
- Service levels, reliability, and value for money – current fare prices are not justified given perceptions of unreliability, infrequent service, vehicle condition, cleanliness, and overcrowding
- Fare media – suggestions that YRT and TTC modernize their fare media and payment systems to match the newer, more flexible options of transit systems around the world with contactless debit card payment, Apple Pay, Google Pay or other open payment solutions

A final report of survey findings will be provided to YRT and TTC as a tool to guide the future direction of Fare Policy efforts.

- Phase 2: Future Direction (March 2021 – July 2021)

Phase 2 is underway, with completion set for July 2021. Leveraging information from phase 1, fare policy goals and risks will be identified and analyzed, including the impact on fare revenue, ridership, and service levels. Key deliverable for this phase is a long-term fare strategy for both agencies.

The impact of COVID-19 on transit ridership levels will be considered as part of the analysis. Transit users' travel patterns during the pandemic and perceived patterns post-pandemic will be considered.

- Phase 3: Development of Policies and Strategies (August 2021 – September 2021)

This phase will identify an implementation plan that may recommend items such as: bilateral agreements relating to operating policies and fare collection practice.

Final reports outlining a fare policy, fare collection requirements and integrated service recommendations are anticipated to be completed by late-2021

The work being undertaken by YRT/TTC will establish the operational requirements needed by transit agencies to implement fare and service integration in the GTHA. An analysis conducted by YRT and TTC in 2019 indicates full cross-boundary fare integration, resulting in no double fares between York Region and TTC, would cost York Region approximately \$20 million. A final report with recommendations, is anticipated to be completed by the end of 2021.

Staff will provide Council with updates throughout 2021 and will seek Council approval of revised fare policy and service integration recommendations in Q1 2022.

The fare policy and fare collection strategy supports the Province's guideline under the *Safe Restart Agreement* requiring transit agencies in the GTHA to work towards fare and service integration.

Through the *Safe Restart Agreement*, under phase 1, the Region was allocated \$17.1M for eligible expenses from April 1, 2020 to September 30, 2020. Under phase 2, the Region will be allocated up to \$21.4M for use towards eligible expenses incurred between October 1, 2020 and March 31, 2021. In addition, the Province announced phase 3 funding allocation of \$16.7M for COVID-19-related financial impacts and costs relating to transit initiatives incurred between April 1, 2021 and December 31, 2021.

February 18, 2021, the Fare and Service Integration Provincial-Municipal Table held its inaugural meeting, chaired by Associate Minister of Transportation (GTA) Kinga Surma

At the inaugural meeting, Table members were introduced, and a presentation followed by Metrolinx highlighting previous work by the Fare and Service Integration Forum, including fare age category harmonization across the GTHA. In addition, transit agencies presented service integration work currently underway by the TTC, York Region, Durham, Brampton and Mississauga.

General discussion touched on transit systems' fare and service integration objectives and challenges, and how the Table could help advance both short- and long-term actions. Meetings will be scheduled monthly. Over the next few months, transit agencies will present business cases to the Table for potential service integration opportunities.

Staff will update Council as additional information becomes available.



Paul Jankowski
Commissioner of Transportation Services



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