

June 30, 2010

The Honorable Bob Ferguson
Chair, King County Council
Room 1200
COURTHOUSE

Dear Councilmember Ferguson:

The 2010-2011 Transit budget adopted in Ordinance 16717, Section 131, includes a proviso (P6) that states:

The transit division shall undertake a fare coordination effort with, at a minimum, Sound Transit, and other regional transit agencies if possible. The primary focus of that effort should be implementation of the 2009 Transit Performance Audit's recommendations regarding discounted youth and senior/disabled fares while also addressing the question of parity between fare categories. The transit division shall present a report on the status of that effort to the regional transit committee and physical environment committee or its successor by April 30, 2010, and the executive shall transmit recommended changes to fare policies or fares, or both by July 1, 2010.

A status report was provided to the council in the form of a letter on April 26, 2010. With this letter, I am transmitting a report and recommendations concerning changes to Metro Transit fare policies and fares as directed by this proviso.

Metro and other transit agencies in the Central Puget Sound region have been working on fare coordination for decades. The five Central Puget Sound Transit agencies achieved a major fare integration milestone in 1999 with the implementation of the Puget Pass Agreement. Another major milestone was achieved last year when the seven-agency One Regional Card for All (ORCA) smart card system for regional fare payment was launched. The ORCA program provides for the sale of regional transit passes, provides intersystem transfer credits to customers, and shares regional fare revenue among the transit agencies, making regional fare payment easier and less costly. ORCA is perhaps the most far-reaching regional transit fare integration program in the country. However, the agencies continue to have separate and

differing fares which are often confusing to customers, make fare collection more difficult for operators, contribute to fare evasion and complicate fare administration.

Metro continues to work with Sound Transit and other agencies to identify and analyze opportunities for common fares. A number of recent developments have influenced this work including: (a) growing public use of ORCA cards; (b) startup of Link light rail and the resulting increase in intersystem transfers; (c) the 2009 County Auditor's Transit Performance Audit recommendations concerning Metro fares; (d) the King County Council's Transit budget proviso concerning fare coordination; and (e) Sound Transit's plan to adopt a simplified fare structure.

In this context, Metro and the other regional transit agency staff, as part of the regional Transit Integration Group, gathered information on existing and proposed transit fares and identified opportunities for further regional coordination. The general managers of the agencies met in March to discuss regional fare coordination. In April, Sound Transit, in coordination with Metro and other transit agencies, adopted a two-stage fare simplification process for 2010 and 2011 establishing a regional standard that could lead to more common fares. In light of all these developments and assuming Metro's fares continue to be set to meet its cost recovery targets, I recommend fare simplification be established at a higher level of priority among Metro's fare policy goals. New transit policy goals are expected to be adopted later this year after the conclusion of the Regional Transit Task Force process. I also recommend Metro continue to work with regional partners to achieve regional fare integration.

The report recommends making the following changes to Metro's fares and fare structure: eliminate non-regional passes and fares, align Metro's fare for seniors and person with disabilities with Sound Transit's in-county fares for this category in January 2011, and align Metro's youth fare with Sound Transit's in-county youth fare and Community Transit's youth fare in June 2011. We will continue to discuss the fare changes over the course of the summer, and if the discussions are favorable, I will propose legislation with the Department of Transportation's mid-biennial supplemental in October of this year.

Finally, I am recommending that Metro undertake a longer term effort to identify and assess strategies for moving toward further fare simplification and regional fare alignment for adult fares while achieving Metro's revenue targets, and that Metro monitor ORCA market penetration and assess the advantages and disadvantages of eliminating paper transfers for cash fare payment.

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The report discusses in greater detail these issues, recommendations and impacts. I want to thank the council for their interest in modifying Metro's fares with the goal of a coordinated regional public transportation system. If you have any questions, please contact Kevin Desmond, General Manager, Metro Transit Division, at 206-684-1619.

Sincerely,

Dow Constantine
King County Executive

Enclosure

cc: King County Councilmembers
 ATTN: Tom Bristow Chief of Staff
 Anne Noris, Clerk of the Council
Dwight Dively, Director, Office of Management and Budget and Office of Strategic
 Planning and Performance Management
Harold S. Taniguchi, Director, Department of Transportation (DOT)
Kevin Desmond, General Manager, Metro Transit Division, DOT
Victor Obeso, Manager, Service Development, Metro Transit Division, DOT

