



2016 EcoPass Increase Recommendation August 28, 2015

Introduction

RTD staff presented a preliminary recommendation for pricing 2016 EcoPass contracts to the RTD Board of Directors at a Study Session on August 25, 2015 and stakeholders at a Local Government Planning Coordination meeting on August 27, 2015. As was the case with all Local Government Planning Coordination meetings held for the 2014/2015 Fare Study, the meeting was expanded to include Transportation Management Associations/ Transportation Management Organizations and non-profit agencies.

The preliminary recommendation is to increase EcoPass contract prices by 18.3 percent. This recommendation was developed by looking at several different data points. Unfortunately, Smart Card tap data are not yet sufficiently robust to use for pricing EcoPass contracts. As soon as those data are available, they will be shared with stakeholders and RTD is working diligently on improvements to the system to improve the accuracy of the tap data.

Components of 2016 EcoPass Preliminary Recommendation

The preliminary recommendation for an 18.3 percent increase was based on the best data available and includes three components:

- General RTD Fare Increase
- Average Fare Analysis completed for Title VI Report
- Increase necessary to equalize average fares

General Fare Increase

The RTD Board of Directors approved fare policies that will go into effect on January 1, 2016. The new fare policies include a 13.3% increase when factored by ridership calculated as follows:

	Proportion of Boardings	Fare Increase %
Local	79.6%	15.6%
Express	13.3%	12.5%
Regional	7.1%	-10.0%
Weighted Average		13.3%

The first component of the EcoPass preliminary recommendation is that the 13.3 percent increase be applied to EcoPass contracts.

Average Fare Analysis

As part of the Fare Study, Title VI equity analysis was completed that included a calculation of the average fare per trip for each type of fare media. This analysis suggested that the average fare per EcoPass trip was lower than the average fare for other passengers.



A ridership and revenue model was developed for the Fare Study with a combination of 2011 Customer Satisfaction data and 2013 actual ridership and revenue. This model was used to calculate the average fares per trip. The model suggests that the average revenue that RTD receives from an EcoPass trip is \$2.28 which is lower than the overall total system average fare of \$2.47.

Increase Necessary to Equalize Average Fares

As noted above the Title VI analysis suggested that the average revenue RTD receives from an EcoPass trip is less than the average revenue from other trips. In order to minimize the Title VI risks associated with EcoPass riders contributing less revenue to RTD than non EcoPass passengers on a per trip basis, RTD staff are recommending an additional increase be applied to EcoPass to even out the average fares.

Based on other discounts available, RTD staff is recommending that a 30 percent discount is the appropriate level of discount for EcoPass to keep average trip revenue in line with the average fare for other passengers. When applying the 30 percent discount to the undiscounted EcoPass fare, the average revenue expected from an EcoPass trip would be \$2.38 which is 4.4 percent lower than the \$2.28 calculated from the ridership and revenue model.

By applying an additional 4.4 percent increase to the general fare increase of 13.3 percent, the EcoPass revenue per trip will be in line with the average fare from non EcoPass riders. This suggests that it is reasonable to carry forward the 30 percent discount for future pricing to keep the average fare in line with other fare media.

Future EcoPass Pricing

The preliminary recommendation for 2016 EcoPass contracts is recommended until such time that sufficiently robust smart card utilization is available. Once smart card data becomes available, it is recommended a 30 percent discount be applied to the actual utilization. Staff continues to recommend that the method for EcoPass pricing should be reevaluated after the utilization data has been used for a few years.