



September 11, 2013

Dear Board Chair Warner,

In February of 2011, a newly-formed transit riders' group called Bus Riders Unite! launched the Campaign for a Fair Transfer. It was BRU's first major project, and our proposal has stayed constant since then: extend daytime transfer times to three hours, and extend evening transfers until the end of service.

We see a crying need for affordable mobility in Portland. Transit use is increasingly difficult and expensive for the people who most rely on it; unfortunately, the existing mitigation strategies adopted at TriMet reach only a fraction of the people who need help. With the extended transfer, TriMet has an opportunity to join national leaders in addressing equity concerns directly through its fare system.

The extended transfer adds another dimension to fare mitigation, one that puts just a little more value to the fare types disproportionately used by low-income riders. With ticket printers now installed on buses, it could be implemented instantly and at a negligible cost to TriMet. It would be the first policy to expand, not limit, transit users' horizons since our downward trend of service cuts began thirteen years ago.

In short, the extended transfer is equitable, affordable, and effective. In the following pages, we have provided detailed supporting information for each of these claims, based on TriMet's demographic and financial breakdowns and on independent analysis by BRU's Research and Advisory Committee.

As you read, I ask that you keep one fact foremost in your mind: this research, BRU's outreach work, and the guidance we take all comes directly from people who ride the bus. When it comes to transit equity, you will not find a better source of inspiration than transit riders who live inequity every day.

Sincerely,

Eavan Moore  
Research and Advisory Committee Chair  
Bus Riders Unite!

## **A Fair Transfer**

For the last three years, thousands of transit riders and a diverse coalition of over 30 community organizations<sup>1</sup> have asked TriMet to extend the amount of time that people are allowed to travel on a valid fare. When Bus Riders Unite! (BRU) was formed in 2010, as the Transit Justice program of OPAL Environmental Justice Oregon (OPAL), BRU organizers heard loud and clear that more time to transfer and travel was important to the riders most impacted by TriMet's recent history of service cuts and fare increases. Riders were paying more and getting less, struggling to make reasonable travel on a single increasingly expensive fare, and they developed the Campaign for a Fair Transfer (CFT) as a response. CFT proposes that TriMet extend single fares to be valid for three hours during the day, while single fares purchased after 7pm will be valid until the end of the service day. Since 2010, riders have suffered even more service cuts and the largest fare increase in TriMet's history.<sup>2</sup> A fair transfer is necessary now more than ever.

### ***The Campaign for a Fair Transfer is a rider-generated, equitable response to recent fare increases and service cuts.***

After raising fares and eliminating the zone-system in September 2012, TriMet now has an exclusively time-based fare structure that is inherently inequitable. A person who travels only two miles on transit must pay the same as a person who travels twenty. People living in or traveling to areas where service frequency and density are poor also get less value from a flat fare. And the recent introduction of ticket printers on busses effectively reduced weekend bus transfer times from three-hours (or longer) to two, despite sparse levels of weekend service.<sup>3</sup>

### ***A Legal Obligation***

CFT mitigates these inherent inequalities by allowing riders more time to make relatively short trips on a single fare, and it specifically mitigates the disproportionate impact of recent fare increases on people of color and low-income riders. TriMet is required by Title VI of the Civil Rights Act of 1964 and related Environmental Justice regulations<sup>4</sup> to analyze potential disparate impacts resulting from fare and service changes. In analyzing September 2012 fare changes, the agency found the potential for disparate impacts as a result of its new fare policy due to the disproportionate use of cash and single-ticket two-

<sup>1</sup> BRU organizers collected hundreds of individual rider surveys and submitted to TriMet over 6000 rider signatures on a petition in support of CFT. Supporting organizations are listed in Appendix A.

<sup>2</sup> See Portland Afoot: [http://portlandafoot.org/w/History\\_of\\_TriMet\\_fares](http://portlandafoot.org/w/History_of_TriMet_fares) for fare history, including links to detailed spreadsheets and inflation adjusted prices.

<sup>3</sup> TriMet Code 19.25(G). Prior to the instillation of ticket printers, weekend bus transfers were valid for two hours "past the scheduled end of the trip," which both TriMet and ATU 757 have confirmed resulted most often in a three hour or longer transfer being issued.

<sup>4</sup> 42 U.S.C. § 2000(d) et seq., and Executive Order 12,898.

zone (vs. all-zone) fares by people of color and low-income riders.<sup>5</sup> These riders saw their fares jump by 19%, while most other riders saw only a 4-10% increase.<sup>6</sup> In analyzing CFT, the agency has now confirmed what BRU has said all along: more time to transfer and travel would primarily benefit people of color and low-income riders who make short trips or multiple transfers, and these are the very people most impacted by the new flat fare.<sup>7</sup> TriMet has both a legal and an ethical obligation to restore the value of a single fare, and CFT does exactly that.

TriMet estimates that 76% of riders who make short roundtrips on a single fare are from low-income households. 46% of current single-fare roundtrips are from riders living at or below the poverty line, and a disproportionate number of Honored Citizens use single fares for short roundtrips.<sup>8</sup> People who lack access to a car depend on transit and single fares to access essential health and social services, recreation and learning. Transit is a lifeline for these riders, and TriMet abandoned a recent proposal to make fares valid only one-way when community members made clear how equitable and essential short roundtrip travel is.<sup>9</sup> Despite significant population growth, there are now fewer hours of bus service in our region than there were in 1999<sup>10</sup>, bus “bunching” and on-time performance are a serious problem<sup>11</sup>, and everyone agrees that improving our bus system should be a priority.

CFT is an innovative way to restore value to single fares by making short roundtrips, and one-way trip-chains (work to pharmacy to home, for example) more convenient and affordable. While this primarily benefits low-income riders, it benefits all cash/ticket riders by making transit a more attractive option for short trips and reducing the stress of a quick stop or transfer in a system with poor on-time performance.<sup>12</sup>

<sup>5</sup> TriMet Title VI/Transit Equity Impacts Assessment, April 11, 2012, p56-60.

<sup>6</sup> The only group of riders to experience an even comparable increase in fares was 2-zone pass purchasers. However, especially when compared to 2-zone cash/ticket riders that make up nearly 60% of all cash/ticket rides, this group of pass purchasers represents a tiny fraction of overall ridership (they were only about 17% of all passes purchased; Honored Citizen and All-zone pass riders were both twice as large). TriMet repeatedly and incorrectly states in its analysis that pass prices were proportionally increased more than cash/ticket prices, but this is only true of a single, very small group of pass purchasers.

<sup>7</sup> See Appendix B – Rider Demographics

<sup>8</sup> *Id.*

<sup>9</sup> TriMet Title VI/Transit Equity Impacts Assessment, p63.

<sup>10</sup> TriMet (Audited) Annual Performance Report,  
<http://trimet.org/pdfs/publications/trimetridership.pdf>

<sup>11</sup> Portland Afoot 2012 TriMet Bus Rankings,  
[http://portlandafoot.org/w/2012\\_TriMet\\_bus\\_rankings](http://portlandafoot.org/w/2012_TriMet_bus_rankings)

<sup>12</sup> Bus service has degraded to only 75% on-time performance. See TriMet Performance Dashboard at <http://trimet.org/about/dashboard.htm> and supporting data at <http://trimet.org/pdfs/publications/performance-statistics/monthly-performance-data.pdf>

## *A Targeted Mitigation Program*

The TriMet Board has helped to establish recent fare mitigation programs that provide discounted transit tickets to social service organizations because it recognizes the impact that its fare and service decisions have on people's lives. These programs are excellent and necessary, and should continue to be supported. But they are not sufficient to reduce the impacts that low-income riders face. TriMet estimates that there are about 21.4 million cash/ticket trips annually, and that 67%, or more than 14 million of these trips, are by low-income individuals.<sup>13</sup> All of these individuals deserve some form of fare relief, but all of them can't possibly access direct relief through social service organizations who are facing tight budgets themselves and struggling to take full advantage of TriMet's fare mitigation programs.<sup>14</sup>

### ***CFT is affordable in the short-term, and will strengthen the long-term financial health of TriMet.***

While TriMet has long acknowledged many of the benefits of CFT, the agency and others have struggled to estimate the potential short-term cost of the proposal because of limited data. The latest iteration of this estimate is no exception, but enough data now exists to produce a reasonable estimate of approximately \$2.6 million in reduced passenger revenue in the first year of the policy change.<sup>15</sup> It is critical to note that this cost diminishes over time because of the positive long-term effects of the policy on ridership growth<sup>16</sup>, but precise long-term estimates have not yet been produced. However, recognition that the cost of CFT diminishes over time due to its positive middle and long-term impact on ridership growth, suggests this is precisely the kind of policy that will contribute to TriMet's long-term financial health. Transit agencies often make the error of relying too heavily on simple short-term estimates of cost when making strategic policy decisions, and this often leads them to underestimate the growth potential of innovative policy proposals, such as the extension of fares.<sup>17</sup>

The short-term estimate of \$2.6 million in reduced revenue was produced in collaboration with TriMet, Facilitator Joe Hertzberg, ECONorthwest, BRU leaders and OPAL staff. This collaborative process was occasionally tense but always productive, and resulted in the preliminary method for estimating cost that was previously shared with the TriMet Board (the so-called "Time Until Available" or TUA method) being entirely replaced with a new approach. This newest approach is an improvement on prior attempts, but still overestimates some of the costs of the policy while underestimating potential benefits. Specifically, BRU

<sup>13</sup> Cash/ticket estimate produced by TriMet and used by ECONorthwest to estimate cost of CFT; see also Appendix B – Rider Demographics

<sup>14</sup> Access Transit Update to TriMet Board of Directors, Johnell Bell, May 8, 2013.

<sup>15</sup> Revenue Impacts of Proposed Changes to TriMet's Transfer Policy, ECONorthwest, page 7, stating that the "most likely" revenue impact would be between \$2.6 and \$2.7 million.

<sup>16</sup> Todd Litman, "Transit Price Elasticities and Cross-Elasticities," Victoria Transport Policy Institute, 25 May 2012, page 17.

<sup>17</sup> *Id.*

and OPAL believe that the new estimate does not sufficiently consider the negative impacts of very recently reduced weekend bus transfer times<sup>18</sup>, underestimates the potential to attract new riders to the system<sup>19</sup>, and overstates the potential for reduced Day Pass revenue<sup>20</sup>.

Nevertheless, a short-term \$2.6 million reduction is a mere 2% of TriMet's estimated \$119.6 million in passenger revenue, and it is only 0.5% of the agency's \$510 million operating budget.<sup>21</sup> TriMet collected approximately \$21 million more in FY13 revenue than it budgeted for<sup>22</sup>, and much of this revenue growth came out of the pockets of low-income riders<sup>23</sup>. BRU and community leaders believe TriMet can afford to forgo for a short time a relatively minor amount of money in order to address inequality in its flat-fare system.

### *An Appropriate Use of TriMet's Contingency Fund*

An uncertain but minor possible reduction in revenue is also precisely the reason TriMet's contingency fund exists. At \$14.7 million<sup>24</sup>, TriMet's contingency fund could comfortably cover any actual reduction in passenger revenue that the agency predicts from CFT. This is particularly clear when, in addition to this contingency fund, TriMet predicts it will end this year with an unrestricted cash balance of approximately \$104 million, well above the amount set by board policy<sup>25</sup>.

Adjusting the FY15 budget to account for any minor change in passenger revenue is a process that BRU and OPAL will collaborate with TriMet on, if necessary, but no immediate adjustment to the FY14 budget is required for such a small possible variance in revenue. Covering the first year of CFT with contingency and cash balance funds is an easy budget practice to justify because the revenue impact is small and diminishing as compared to long-term and increasing fixed costs like salaries (or direct investment in new service).

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<sup>18</sup> ECONorthwest analysis is based on data and travel behavior that occurred during TriMet's prior policy of longer weekend transfers. Recently shortened weekend transfer times are expected to have a negative impact on weekend ridership that CFT would prevent.

<sup>19</sup> See Litman, p17-18. ECONorthwest used a short-term price elasticity of 0.33, while long-term price elasticities are double or triple that (0.6 to 0.9).

<sup>20</sup> ECONorthwest is itself candid about the uncertain impact on Day Pass purchases. This estimate has been reduced by over \$700,000 since it was first calculated, and BRU has reason to believe the current figure is still too high.

<sup>21</sup> TriMet FY14 Adopted Budget, General Fund Resource Summary, Financial Summary-1 (page 14).

<sup>22</sup> *Id.*

<sup>23</sup> See Appendix B – Rider Demographics

<sup>24</sup> TriMet FY14 Adopted Budget, General Fund Requirement Summary, Financial Summary-5 (page 18).

<sup>25</sup> *Id.* And see TriMet Resolution 12-10-89.

*Affordable Fares or Service Restoration: a False Choice for Riders*

TriMet understands that it can adapt to such a minor and short-lived change in revenue, and has suggested to BRU and OPAL that the relatively small potential cost is not itself an issue. Whatever the cost ends up being, says the agency, reduced revenue means fewer resources for new investments, such as funds to restore frequent-service bus lines. Yet, service improvements and fare mitigation are both necessary, because they address different rider concerns about the system. CFT is affordable fare mitigation, and will have no significant impact on the parallel process of restoring service. While we believe bus improvements and extended fares are both priorities that the agency can and must find a way to afford, the demonstrated need, relative affordability, and targeted fare relief provided by CFT should make it the top priority this year.

TriMet estimates that it could restore frequent service levels to a maximum of five bus lines for the cost of CFT<sup>26</sup>. This would increase the *scheduled* frequency on these lines by only a few minutes and, for reasons more fully discussed below, would offer a limited benefit to riders when compared to extended fares. CFT is ready now, and it benefits cash/ticket riders everywhere in the region. Fully restoring our region's designated frequent service network is estimated to cost at least three times as much as CFT, and the labor/operating costs of new service tend to increase over time. Extending fares, on the other hand, involves no additional labor costs and can be realized almost instantly given existing technology.

***CFT provides TriMet with an opportunity to be a national leader.***

BRU, with the support of many community members and groups, has prioritized CFT because of both its small cost and its significant benefits relative to piecemeal service improvements. Service improvements are absolutely necessary, but they are also insufficient because of the way these improvements are likely to be implemented.

TriMet currently intends to prioritize service restoration on major lines that already have relatively frequent service, so scheduled frequency on these lines are likely to only improve by a few minutes during most times of the day. When a single line is improved, only those riders exclusively using that line meaningfully benefit. Individuals who may use this improved line but must transfer to an unimproved line to complete their trip will not get to their destination any faster than they do today. Short of comprehensive and quite expensive major improvements system-wide, the best way to mitigate this issue is by extending the amount of time a rider may travel on a single fare so they aren't financially penalized for missed transfers and long waits.

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<sup>26</sup> Frequent Service Restoration, presented at TriMet Board of Directors Briefing July 10, 2013.

Moreover, transit riders report that scheduled service frequency is not the most important travel burden they face. Most riders consult service schedules and plan their travel accordingly. They expect that a bus or train will arrive when it is supposed to, where it is supposed to, regardless of scheduled frequency. This makes on-time performance far more important to riders than the paper-promise of more frequent service. TriMet itself has said that riders “consistently rate on-time performance as one of the most important considerations (only safety considerations rate higher) in their decision to ride TriMet.”<sup>27</sup> And while increases in scheduled frequency may lead to better on-time performance for those routes, it is not a guarantee. Strategies that more directly improve route performance (such as signal prioritization and jump-lanes) are likely to be more valuable to riders than small increases in the scheduled frequency of lines that are already relatively frequent.

BRU recognizes that system connectivity is key, and truly effective improvements require more than a narrow focus on the scheduled frequency of a few lines. Effective and equitable service improvements take time to both plan and implement properly, and they involve fixed costs that tend to increase after implementation. Fare mitigation in the form of extended fares, on the other hand, has been vetted over the course of the last three years, can be implemented almost instantly, has diminishing long-term costs, and benefits riders throughout the entire system.

### *A Leader in Transit Equity*

Our region is full of areas where isolated and infrequent bus routes are the only transit option, and these areas are increasingly places where low-income individuals and families are relocating<sup>28</sup>. But current ridership levels on these lines and TriMet’s other investment priorities make service improvements highly unlikely. The only relief that most of these riders can reasonably expect in the near-term is more time to transfer and travel on their fare.

Transit agencies across the country face difficult budget decisions and are looking for innovative, cost-effective ways to improve their bottom line. More time for riders to transfer and travel on a single fare is an attractive option because of its cost-effectiveness, demonstrated equity benefits, and potential to attract new ridership.<sup>29</sup> The Minneapolis-St. Paul area, for example, has one of the nation’s most progressive fare policies (2 ½ hours for \$1.75/\$2.25 during peak) and the region witnessed significant growth in ridership when it first extended valid fare times<sup>30</sup>. In San Francisco, a fare purchased after 8:30pm is valid until 5:00am the following morning. And Dallas Area Rapid Transit (DART) specifically cited Title

<sup>27</sup> Jarigese, N. TriMet, (2011). *June 2011 monthly performance report (includes fy11 summary)*. Retrieved from website: <http://trimet.org/pdfs/publications/performance-statistics/2011-06.pdf>

<sup>28</sup> Detailed maps forthcoming, based on TriMet Service and Regional Equity Atlas data.

<sup>29</sup> Jennifer Langston, “Ticket to Ride (the Bus for a Long Time),” June 27, 2013. Retrieved from website: <http://daily.sightline.org/2013/06/27/ticket-to-ride-the-bus-for-a-long-time/>

<sup>30</sup> *Id.*

VI and equity concerns as its motivation for the recently created “Midday” fare, which costs significantly less than fares at other times of the day (\$1.75 vs. \$2.50) and is valid for unlimited travel during a five-hour period (9:30am to 2:30pm)<sup>31</sup>. DART highlighted both the equity impacts and effectiveness of their new midday policy by noting that transit-dependent individuals who rely on single fare trips disproportionately make these trips during off-peak hours. This is a travel characteristic shared by riders in the Portland area<sup>32</sup>, and means that ridership growth that results from extended fares is most likely to occur in the off-peak hours when buses and trains are the least crowded. No immediate increases in system capacity are therefore necessary to accommodate short-term growth, and potential future adjustments to accommodate long-term growth are a “problem” that all transit agencies would love to face.

### ***The Time is Now***

TriMet has the opportunity to improve on the policies of other agencies, provide more affordable fares for those most impacted by recent policy changes, and make transit a more attractive option for short trips. TriMet also has an opportunity to significantly improve public perception and good will towards the agency by listening to the experiences and wisdom of riders, respecting its recent collaboration with BRU and community leaders, and approving the longer fares that riders want. Together, the agency and the community it serves can better address future challenges.

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<sup>31</sup> DART Title VI Fare Change Equity Analysis, Evaluation Report, submitted June 2012.

<sup>32</sup> See Appendix B – Rider Demographics

## Appendix A Supporting Organizations

1. Asian Pacific American Network of Oregon
2. Association of Oregon Rail and Transit Advocates
3. Catholic Charities Resettlement Program
4. Center for Intercultural Organizing
5. Central City Neighborhood Association
6. Coalition for a Livable Future
7. Community Alliance of Tenants
8. East Portland Action Plan
9. Ecumenical Ministries of Oregon
10. El Programa Senior Program
11. Elders in Action
12. Human Solutions
13. Jobs with Justice
14. Josiah Hill Clinic
15. Kaiser Permanente
16. Latino Network
17. Multnomah Youth Commission
18. Native American Youth & Family Center (NAYA)
19. OPAL Environmental Justice Oregon
20. Oregon Tradeswoman
21. Portland Community Reinvestment Initiatives, Inc.
22. Portland Youth and Elders Council
23. Powellhurst-Gilbert Neighborhood Association
24. Rose Community Development
25. SEIU Local 49
26. Sisters of the Road
27. Street Roots
28. Upstream Public Health
29. Urban League of Portland
30. Verde
31. VOZ Workers Rights

## Appendix B Rider Demographics

	Roundtrip on Single Cash or Ticket Fare	Cash & Ticket EXCLUDING Single-fare Roundtrip	All Faretypes, All Rides	All Faretypes EXCLUDING Cash & Ticket
<b>Low Income (based on household size and income)</b>				
Poverty	46%	33%	31%	30%
Very Low Income	13%	14%	13%	12%
Low Income	14%	19%	17%	16%
Total	73%	66%	61%	58%
<b>Race/Ethnicity</b>				
White	69%	71%	72%	74%
People of Color	31%	29%	28%	26%
<b>Age/Fare Category</b>				
Youth	11%	10%	10%	10%
Honored Citizen	20%	9%	14%	15%
Adult	69%	80%	76%	75%
<b>Mode</b>				
Bus	65%	62%	60%	41%
MAX	35%	38%	39%	59%
WES	0%	0%	0%	0%
<b>Transit Dependent</b>				
No Car Available	66%	59%	57%	54%
Car Available	34%	41%	43%	46%
<b>Ride Frequency</b>				
Light (<7 trips/mo)	35%	32%	24%	7%
Occasional (7-12)	13%	13%	7%	6%
Frequent (13-29)	25%	26%	20%	21%
Heavy (30+)	27%	29%	49%	66%
<b>Time of Day (when surveyed)</b>				
Peak (6-9am, 3-6pm)	37%	41%	46%	50%
Midday	45%	36%	34%	32%
Evening	18%	23%	19%	18%

*Note: Cash & Ticket Trip-chains (multi-stop one-way trips; e.g., from work to pharmacy to home) and other long one-way trips with multiple transfers also benefit from extended transfer times, but specific demographics unavailable.*

*All information courtesy of TriMet (Fall 2012 Fare Survey); last updated by TriMet Staff 8/29/13*