

Elimination of Off Peak Fares

One frequent complaint that prospective customers have concerning the SEPTA system is that the fares are too complex to understand. In an attempt to simplify the fare structure we embarked on a plan several years ago to pair down the fare choices by eliminating the lightly used fares. On the branch, fares known as Intermediate fares have been reduced from 4 fare choices to two choices. Via tunnel fares which used to be ten separate fares has been reduced to four fares. In 1995, we capped off peak fares for zones 4 and 5 into the same price.

Regional rail passengers break down into the following categories:

Monthly riders	56%
Weekly riders	12%
Peak one way riders	15%
Off Peak riders	10%
Senior riders	4%
Intermediate, Via, Half Fare	3%

A frequent on board situation is when a passenger presents an off peak ticket on a peak train and the crew member has to charge an additional fare. Passengers begin to question why there is an additional fare and the explanation can take sufficient time that the train arrives at the next stop and passengers can exit the train without paying any fare. Since ticket agents are obliged to sell the lowest available fare, at times this policy contributes to the on board sales issue of the additional fare and has a negative goodwill aspect. Reduction of the off peak time will eliminate one additional decision point in the customers decision making process and reduce time consuming on board transactions.

Off peak pricing is a mid Atlantic railroad anomaly. Boston and Chicago do not have off peak pricing. New Jersey Transit has recommended elimination of off peak pricing in its current fare proposal which is scheduled to become effective May 2010. Metro North and LIRR in New York still have off peak pricing but the price differential between Peak and Off Peak is in the range of \$2.50 to \$4.50 per ticket. The current SEPTA price differential is \$.75 to \$1.25 .

Prior to the opening of the Center City commuter tunnel in 1984 peak pricing was in effect for travel to and from Center City during the traditional hours of 6:00 AM to 9:30 AM and 4:00 PM to 6:30 PM. Off peak was expanded to include travel during these hours in the reverse of the prevailing travel direction in an attempt to increase ridership on the reverse trips. A comparison of ridership between 1995 and 2009 indicates the following:

	<u>2009</u>	<u>1995</u>
AM reverse peak	7,830	4,541
Mid Day	22,222	13,607
PM reverse peak	6,504	3,475
Evening	12,952	7,368
Peak travel	<u>72,613</u>	<u>51,874</u>
Average daily ridership	122,121	80,065

While mid day travel has increased, it has increased in the same proportion as the growth in overall ridership and there has been no significant increase in this ridership market. Peak ridership as a portion of total ridership declined between these two time periods and off peak increased by the same amount. This can be due to a change in train arrival/departure times by a minute or more where a train once identified as peak in now considered off peak based upon a later arrival/departure time. Reverse peak ridership has increased but pricing options for frequent travelers illustrates that passes are cheaper than ten one way tickets and a zone 3 pass allows reverse peak travel to zone 4 and 5 stations within Pennsylvania for no additional cost.

For passengers who ride evenings and weekends we have proposed to keep the advance price and the on board price the same. This is an expansion of the current policy which is only in effect on round trip weekend fares.

Implementation of this policy could have an impact on the last peak inbound train and the first peak outbound train. Current ridership on the "shoulder" trains is approximately 2,300 passengers and if they are evenly distributed among the 11 train lines the average increase is 200 passengers per train. We believe this increase can be accommodated on our current train consists.

The fare proposal reduces the off peak hours to travel on trains arriving/departing Center City Philadelphia after 7:00 PM on a weekday and off peak fares apply all day on weekends and major holidays. Presently, there are 38,000 rides per weekday that are taken that will be affected by this proposal which represents 31% of the average daily weekday ridership of 122,000 rides. In fiscal 2009 total off peak fares purchased were 3,520,000. Annualizing the affected daily riders amounts to 9,880,000 rides and annual weekend ridership contributes an additional 3,574,000 rides. Off peak fares sold amount to 26% of the total annual off peak ridership and the balance (74%) are using passes or other one way tickets. The majority of passengers who ride in the affected time periods use a multi ride pass.

Reverse commute one way fares to zone 4 and 5 increase to \$6.25 but passengers can avoid this increase by purchasing an Independence Pass for \$11.00 which provides unlimited rail rides for a day plus free access to transit for the day. The night and weekend fare was held constant for four of the five zones and zone three was the only zone to get an increase so that in effect there are only two fares for night and weekend, zone 1 and 2 have the same price and zone 3, 4 and 5 are priced at \$4.75 which will simplify the fare structure.

TrailPass and ten trip regional rail pricing is a derivative of one way ticket pricing. These fares are priced to attract frequent riders to trade up to a ten trip, weekly or monthly pass. Zone 4 one way pricing was increased to match zone 5 fares, therefore zone 4 has a higher percentage increase than zone five and it has the same downstream effect on ten trip, weekly and monthly pricing. Our analysis indicates that trailpass pricing (which constitutes 67% of rail ridership) will increase between 5.5%-10.3% and not 9.0%-13.1% as previously indicated.

Regional Rail Ridership	FY 2010 Annual	Zone						
		3%	5%	28%	32%	14%	15%	3%
	CCP	1	2	3	4	5	6	
Weekday	31,869,011	956,070	1,593,451	8,923,323	10,198,084	4,461,662	4,780,352	956,070
Saturday	2,039,908	61,197	101,995	571,174	652,771	285,587	305,986	61,197
Sunday	1,534,390	46,032	76,720	429,629	491,005	214,815	230,159	46,032
	<u>35,443,309</u>	<u>1,063,299</u>	<u>1,772,165</u>	<u>9,924,127</u>	<u>11,341,859</u>	<u>4,962,063</u>	<u>5,316,496</u>	<u>1,063,299</u>

Off Peak Weekday

									Avg. Daily
AM reverse	1,996,650	59,900	99,833	559,062	638,928	279,531	299,498	59,900	7,830
Mid Day	5,666,610	169,998	283,331	1,586,651	1,813,315	793,325	849,992	169,998	22,222
PM reverse	1,658,520	49,756	82,926	464,386	530,726	232,193	248,778	49,756	6,504
6:30-7:00 PM	429,675	12,890	21,484	120,309	137,496	60,155	64,451	12,890	1,685
	<u>9,751,455</u>	<u>292,544</u>	<u>487,573</u>	<u>2,730,407</u>	<u>3,120,466</u>	<u>1,365,204</u>	<u>1,462,718</u>	<u>292,544</u>	<u>38,241</u>
> 7:00 PM	2,873,085	86,193	143,654	804,464	919,387	402,232	430,963	86,193	11,267
Week Day	<u>12,624,540</u>	<u>378,736</u>	<u>631,227</u>	<u>3,534,871</u>	<u>4,039,853</u>	<u>1,767,436</u>	<u>1,893,681</u>	<u>378,736</u>	<u>49,508</u>
Saturday	2,039,908	61,197	101,995	571,174	652,771	285,587	305,986	61,197	
Sunday	1,534,390	46,032	76,720	429,629	491,005	214,815	230,159	46,032	
Total	<u>16,198,838</u>	<u>485,965</u>	<u>809,942</u>	<u>4,535,675</u>	<u>5,183,628</u>	<u>2,267,837</u>	<u>2,429,826</u>	<u>485,965</u>	

Off Peak Fares sold FY 2010 3,521,000

Off Peak rides using one way tickets 3,521,000 22%

Off Peak rides using passes 12,677,838 78%

16,198,838

Annual effect of not raising fare in all zones for off peak ridership by \$.50

\$ 52,815 \$ 88,025 \$ 492,940 \$ 563,360 \$ 246,470 \$ 264,075 \$ 52,815 \$ 1,760,500

Annual effect of raising fares for the off peak going to peak fares

\$ 41,161 \$ 68,602 \$ 768,344 \$ 1,097,634 \$ 576,258 \$ 617,419 \$ - \$ 3,169,419

Analysis of Train Loads on Shoulders of Peak Fare Period

Introduction

An analysis of peak trains has been performed to determine what capacity is available to absorb additional ridership if the peak/off-peak fare differential is removed.

Trains evaluated included:

- last inbound morning peak train on each line
- first outbound evening peak train on each line
- last outbound evening peak train on each line
- where express and local outbound evening service existed, the first peak outbound train serving each group of stations was evaluated
- where express and local outbound evening service existed, the last peak outbound train serving each group of stations was evaluated

Most lines had sufficient capacity to absorb any potential shifting riders from current off peak trains to adjacent peak trains. Listed below are trains where there may be an impact:

Morning Peak

Three morning inbound trains are full to the extent that if 25 or less passengers shifted from current off peak trains, standee conditions would result.

These three trains operate over the following routes:

West Trenton	(Train #329 departing 8:17 AM)
Lansdale-Doylestown	(Train #517 departing 8:19 AM)
Warminster	(Train #4119 departing 8:40 AM)

Evening Peak

A greater number of evening trains operate closer to their assigned capacity on the shoulders of the current peak period or have standees.

The two evening outbound peak trains operating with standees are:

West Trenton (Train #370 dep. Sub. Sta. 3:55 PM-23 standees)

Lansdale (Train #582 dep. Sub. Sta. 6:22 PM-19 standees)

Another three evening peak trains would experience standee conditions if 34 or less passengers shift from current off-peak trains. These three evening peak trains operate to:

Thorndale (Train #9547 dep. Sub. Sta. 4:11 PM)

Chestnut Hill W (Train #9845 dep. Sub. Sta. 6:19 PM)

Elwyn (Train #371 dep. Sub. Sta. 6:20 PM)

One additional evening outbound Trenton train operates within 69 passengers of a seated load.

Trenton (Train #9743 dep. Sub. Sta. 4:21 PM)

Silverliner V Impact

As we are taking delivery of 120 new Silverliner V's, a residual impact will be felt as the new cars seat 13 fewer passengers than the cars being retired.

This residual impact will lower the estimated threshold on trains identified above, or could move other trains which currently have adequate seating into the overcrowded group. The longer the train, the more likely a problem will be experienced as the 13 fewer seats per car gets multiplied.

Summary:

- 3 AM Peak trains are within 25 passengers of reaching standee conditions
- 2 PM Peak trains are operating with standee conditions today
- 3 PM Peak trains are within 34 passengers of reaching standee conditions
- 1 PM Peak train is within 69 passengers of being overloaded

Above evaluation is based on current fleet with 120 seats per car

New cars being delivered seat 13 less per car

Potential exists for additional trains to reach standee conditions if Silverliner V assignments reduce capacity on other trains.