

WORKSHOP OVERVIEW

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The *Workshop on Transit Fare Policy and Management Research Needs and Priorities* was held in Woods Hole, Massachusetts on July 11-14, 1993. The intent of the Workshop, which was sponsored by the Transportation Research Board (TRB) of the National Research Council in cooperation with the Federal Transit Administration (FTA), was to review past transit fare policy and management research projects, discuss current issues and research needs, and identify priority research projects. The results of the Workshop, as summarized in these proceedings, provide the basis for an ongoing research program advancing the state-of-the-practice related to fare policies, fare management, and fare collection methods and technologies.

This Workshop was not the first conference to be held on transit fare related issues. Rather, it builds on previous conferences conducted during the late 1970s and early 1980s. In 1979, the Urban Mass Transportation Administration (UMTA) sponsored a two-day forum in Virginia Beach, Virginia. The conference, *Transit Pricing Techniques to Improve Productivity*, examined the role fare pricing and fare innovations could play in improving transit efficiency and increasing the appeal of transit services. The results of this conference identified a number of research needs related to transit fare prepayment methods, free and reduced transit fares, system and market analyses, and technology advances to support new fare payment techniques.

This forum was followed by another fare-related conference in 1980. Again sponsored by UMTA, the *Future Directions for Transit Pricing* conference was held in September of 1980 at Woods Hole, Massachusetts. This conference examined recent experience and research activities addressing innovative fare pricing policies and techniques. The conference results included the identification of further research activities and demonstration projects related to transit pricing policies, innovative fare prepayment techniques, new fare collection technologies, and fare analysis tools.

Due to funding constraints and a redirection of the federal transit program, little transit research was conducted during the remainder of the 1980s. Thus, little activity occurred in response to the ideas and suggestions generated from these two conferences. Although many transit systems continued to examine fare policy and

management issues—and in some cases implement innovative techniques—little effort was made to synthesize and share the results of these activities. As a result, a void existed for a number of years on research related to transit fare policy and management issues.

The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 provides renewed funding for transit research. Among other new initiatives, the ISTEA established the Transit Cooperative Research Program (TCRP). The TCRP, which is modeled after the successful National Cooperative Highway Research Program (NCHRP), is managed through the cooperative efforts of the transit industry, APTA, FTA, and TRB. A number of transit research projects are now underway as part of the first-year TCRP. For example, one of the first research studies to be awarded in the TCRP was the *Fare Policies, Structures, and Technologies* project.

At the same time, planning for a workshop on transit fare policy and management was being initiated. The actual proposal for the TRB and FTA sponsored workshop was approved by the TRB Executive Committee in June 1992. Official planning for the workshop started in the fall of 1992, with the appointment and first meeting of the Steering Committee. This group was responsible for organizing the Workshop, including identifying the key issues to be addressed in the resource papers and selecting the authors.

The invitation-only Workshop brought together key representatives from transit agencies, consulting firms, federal and local agencies, universities, and equipment vendors. Participants spent most of the three days in working groups discussing current issues and research needs related to transit fare policies, pricing strategies, and fare collection methods and technologies.

To help establish a common base for the working group discussions, the Workshop opened with presentations of the four resource papers. The presentations and papers—*Transit Fare Issues in the 1990s—Where are we, and how did we get here?* by Michael A. Kemp, *Evolving Fare Technologies* by R. Scott Rodda, *Transit Finance, Economics, and Pricing* by Armando M. Lago, and *Transit Fare Management and Operation Issues* by Richard J. Lobron—provided an excellent starting point for the working group discussions. In addition, a presentation on the TCRP *Fare Policies, Structures, and Technologies Study* also provided important information for the working groups.

Each of the four working groups—which were organized around the four resource paper topics—identified both critical issues and research needs

related to the specific topics. These were then reviewed, modified, and amplified by the other working groups. Thus, all groups had the opportunity to comment on all the issues and proposed research projects, enriching the overall outcome of the Workshop. The priority research studies for each topical area identified through this process are highlighted next.

GROUP 1—CHANGING ROLES OF TRANSIT AND FARE POLICY

High Priority

- Transit Fares within a Regional Transportation Pricing Strategy
- Fare Policy Development and Implementation
- Impact of National, Regional, and Local Policies on Transit Fare Policies
- Improvement in Fare Payment Methods
- Peer-to-Peer Fare Policy Review

Medium Priority

- Examination of Cost-Based Fare Pricing and User-Side Subsidies

Low Priority

- Fare Policies Related to the Americans with Disabilities Act

GROUP 2—EVOLVING FARE TECHNOLOGIES

High Priority

- Human Factors Research Related to Fare Collection
- Smart Cards and Innovative Fare Payment Technologies
- Fare Collection Technology Standards
- Integration of On-Board Equipment
- Intermodal Fare Operations

GROUP 3—FINANCE, ECONOMICS, AND PRICING

High Priority

- Demonstration and Evaluation of Stated Preference Surveys
- Disaggregate Fare Elasticities
- Development of Handbook on Fare Elasticity
- Impact of Recent Federal Legislation on Transit Ridership and Employer Pass Programs
- Evaluation of Deep Discount Programs
- Fare Integration Among Multiple Operators
- Best Practices in Transfers

Medium Priority

- Strategies for Pricing Bulk Transit Fare Purchases

Low Priority

- Demonstrating Pricing Promotions for Non-Work Travel

GROUP 4—MANAGEMENT AND OPERATION

High Priority

- Examining the Costs, Benefits, and Management Implications of Implementing Alternative Fare Structures
- Assessment of the Costs and Benefits of Cash and Cashless Fare Systems
- Management of Revenue Data
- Transit Revenue Collection, Auditing, and Internal Controls
- Employee Issues Related to Fare Collection

Medium Priority

- Effective Fare Marketing Programs
- Analysis of Privatizing Fare Revenue Functions

The identification of these transit fare policy and management research priorities, which are described more extensively in these proceedings, is intended to help facilitate the development of a multifaceted transit fare research program. Thus, the results from the Workshop and these proceedings represent the starting point for an ongoing, robust transit fare research program that is responsive to the needs of transit systems, federal and local agencies, transit users, and industry groups. It is realized that not all relevant issues and research needs were discussed extensively in the three day time period. Other efforts will be needed in the future to further refine and advance the efforts started at this Workshop.

The ISTEA, including the TCRP, and other research programs provide the opportunity to advance the work started at the *Workshop on Transit Fare Policy and Management*. Developing the preliminary research needs into more detailed TCRP problem statements represents one important activity to help implement the results of the Workshop. The proceedings from this Workshop will help guide these efforts and will assist in advancing the state-of-the-practice related to transit fare policies, fare pricing strategies, and fare collection methods and technologies.