

## WELCOME AND INTRODUCTION

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**Joel E. Markowitz**  
**Metropolitan Transportation Commission**  
**Chair, Workshop Steering Committee**



It is a pleasure to welcome you to the Transportation Research Board's Workshop on Transit Fare Policy and Management. I am glad that you were able to attend this specialty Workshop and lend your expertise to the discussion of fare issues that will occur over the next three days. This is intended to be a working conference which we hope will help establish a new transit fare research agenda.

It has been a pleasure to serve as the Chair of the Workshop Steering Committee. I think the Committee has done an excellent job of organizing a very interesting conference. I would like to thank all of the Committee members for their hard work over the past year and for acting as moderators and recorders for the working groups during the Workshop.

I would also like to thank the authors of the four resource papers which form the basis for the four tracks of the workshop. These are: changing roles of transit and fare policy; evolving fare technologies; financing, economics, and pricing; and management and operations. The four resource papers, which you received in the mail, will be presented in the general sessions this afternoon and tomorrow morning. We hope that these will stimulate your thinking and focus the discussion in the working groups.

We are trying a new format with this Workshop. The structure of the next three days will be informal, but rigorous. You will be asked to actively participate in the working groups and to share your ideas on the current status of transit fare policy and management, help identify issues which should be examined more closely, and outline future research needs.

We realize that there is a great deal of overlap among the four different themes. Thus, although each group will

have a major topic to focus on, you should feel free to discuss all four of the general themes. There will be four working group sessions, which each having a slightly different focus. During the first session you will be asked to outline a framework and structure for a research program based on the particular theme.

In the second session you will have the opportunity to review and comment on the outlines generated by the other three working groups. We hope this session will help refine and further develop the research approach for each of the four issue areas. In the second session you will also be asked to start to develop individual research problem statements on the issues identified as the most critical for your particular theme.

The third session will focus exclusively on the development of the research problem statements, which are intended to be a major product of the Workshop. A preliminary format for the problem statements will be provided, but the number, specific topics, suggested approaches, schedules, and funding levels will be determined by each group.

Finally, the last working session will be split into two parts. Each group will first have the opportunity to review the problem statements generated by the other groups. Based on these comments, each working group will then finalize the problem statements for the specific theme.

The intended outcome of the Workshop is a discussion of research areas related to transit fare policy and management for consideration by the Transit Research Board, the Federal Transit Administration, and other interested groups. The issues, research priorities, and level of detail in the individual problem statements will be identified and discussed by this group.

This Workshop is being held at an ideal time. The renewed interest in transit research, and the additional funding which is now available, provides an opportunity to conduct the priority studies emerging from this Workshop. Thus, your participation over the next three days will be instrumental in advancing a focused research approach on transit fare policy and management issues.

Thank you again for your attendance and participation in this Workshop. I look forward to working with you over the next three day to develop a focused research program and realistic problem statements addressing the priority needs related to each of the four transit fare policy and management themes.

**Bert Arrillaga**  
**Federal Transit Administration**



Good afternoon and welcome to the Transportation Research Board Workshop on Transit Fare Policy and Management. I would like to thank you on behalf of the Federal Transit Administration (FTA) for responding to the invitation to participate in this Workshop. As Joel indicated, we are looking forward to a lively and productive discussion on the needs for research, demonstration projects, and possible technical assistance on the topic of how to better manage transit fares. This is a critical issue in transit today, and we hope the outcome of this conference will better define specific research needs in this area.

I also want to welcome you to the J. Erik Jonsson Woods Hole Center of the National Academy of Sciences, located in this beautiful and historic setting. The Transportation Research Board, especially Peter Shaw and Campbell Graeb, are to be thanked for working hard to make this facility available for the Workshop. In addition, I would like to recognize Peter Shaw, Joel Markowitz, and the Steering Committee for their efforts in making this Workshop possible. Even though the members of the Committee are listed in the program, I would like to take this opportunity to recognize them individually and thank them for their hard work. The members of the Steering Committee are: Kathryn Coffel, Tri-Met; Norman Diamond, Nextek Corporation; Brendon Hemily, Canadian Urban Transit Association; Lester A. Hoel, University of Virginia; Lloyd Johnson, Washington Metropolitan Transit Authority; Bill Loudon, JHK & Associates; Brian McCollom, MacDorman & Associates, Inc.; Jack Reilly, Capital District Transportation Authority; Joe C. Simonetti, Chicago Transit Authority; and Rich Weaver, American Public Transit Authority.

Last, but not least, I want to thank the authors of the resource papers. They did an excellent job of highlighting the major issues associated with each of the four themes in a very short time. The four authors—Michael A. Kemp, Armando M. Lago, R. Scott Rhodda, and Richard J. Lobron—deserve special recognition for their contribution to the Workshop.

You may not be aware, but this is the second national Woods Hole workshop on fare policy. The first one, which was held over ten years ago, addressed many of the same issues we will be discussing over the next few days. As a result of research budget cuts and other priorities, research on transit operational and fare issues has not been properly addressed during the last few years. Recently, however, there has been a renewed interest in this area. This interest appears to be driven by a number of factors.

First, the need for research in the area of fare policy and management has been identified in several different forums lately. FTA has held four Planning and Research Priorities Conferences over the last few years to obtain ideas from transit professionals on transit research needs. Issues related to transit fare policy, management, and technology have been rated as a high priority for additional research at all these conferences. Further, many of the recommendations and problem statements submitted to the newly established Transit Cooperative Research Program (TCRP) have addressed the critical need for research in this area. A significant study—Evaluation of Fare Policies, Structures, and Technologies—has been funded through the TCRP process. A status report on this project, which was one of the first TCRP projects to be started, will be presented Monday morning. As a matter of interest, it was during the Panel deliberations on this study that the suggestion was made for FTA to sponsor another research forum on fare issues.

A second factor driving the renewed interest in fare policies, structures, and technologies is the revitalized attention to and available funding for transit operational and management research. There is a new opportunity for the states to support transit research through the state appropriations for transit planning and research. Further, FTA is interested in funding projects in this area out of the national transit research program funds. The recent efforts within FTA to establish emphasis areas related to operational planning and transit management support this national research focus. Obviously, the Transit Cooperative Research Program also provides significant opportunities for funding all types of transit research, including projects related to fares. The TCRP is now in its second round of project funding. During the first year, the TCRP was funded at \$8.9 million. The second year has been funded at \$7.75 million. We are expecting a similar funding level of \$7.75 million this year. Thus, you can see that this is a solidly funded program providing the opportunity to support research in a variety of transit areas.

In addition to developing specific project ideas, I hope this Workshop will provide the basis for more timely and consistent thinking regarding the changing issues and concerns relating to fare analysis and their implications for transit management. By continuing to support projects in this area, I hope we can build a solid body of knowledge that will truly help transit professionals and policy makers in their consideration of fare policies, their selection of fare collection equipment, and in their marketing of fares to the public.

The Steering Committee has developed an exciting Workshop program dealing with significant issues that have emerged during the last few years. A broad assortment of ideas and issues related to fare policies, technologies, and fare structures have evolved since the last Woods Hole Conference over ten years ago. For example, new fare collection techniques and methods have emerged. These include deep discounting and market based fares, expanded federal tax exemptions for transit travel, monthly pass subsidy programs such as Commuter Check, automatic fare collection systems, smart cards, electronic distribution systems, multi-operator joint ticket systems, computer applications for fare analysis, and employer billing systems. These represent just a few of the current examples. I am sure more projects will be discussed in the working groups. Further, you should feel free to identify additional innovative techniques that may be appropriate for research studies, demonstration projects, and operational tests.

In keeping with the tradition of the TRB research meetings, FTA will look closely at the issues, ideas, and research problem statements developed in the working groups over the next three days. It is anticipated that many will be appropriate for funding under the national transit research program or through the TCRP. Further, others may be considered for closer examination at the state and local levels. I challenge you to think creatively during the working group discussions over the next few days and to share what you learn at this Workshop with others within your agency or organization. I think you will find this to be a very productive Workshop.

Thank you again for your attendance and participation in this Workshop. I look forward to talking with old colleagues and friends again and making new acquaintances. I am sure that you will find the environment here at Woods Hole to be both inspiring and productive.

**Subhash R. Mundle**  
**Mundle and Associates**  
**Chair, TRB Section E—Public Transportation**



It is very thoughtful of the Workshop Steering Committee to provide this opportunity to welcome you on behalf of TRB Section E. I am primarily attending this Workshop as a participant, but in addition to being a consultant, I also serve as the Chairman of Section E—Public Transportation.

Many of you attending this Workshop are active participants in the different Committees of Section E. I would like to briefly highlight a few of the recent projects of the Committees within the Section for those of you who may not be aware of all our activities. Section E is one of the largest Sections in TRB. Section E has fourteen Committees and Task Forces that cover a variety of issues related to public transportation. These Committees and Task Forces are both functionally and modally oriented.

I think it is also one of the more exciting Sections within TRB. We have a very active research agenda focusing on a wide range of issues concerning all facets of public transportation. The Committees within the Section all have very active members who are willing to take on responsibilities and promote numerous projects and research studies. This Workshop provides an example of the enthusiastic participation and dynamic leadership of one of the Section E Committees.

Again, it is a pleasure to welcome you to this Workshop. I look forward to a very interesting and productive three days.

**Peter L. Shaw**  
**Transportation Research Board**



I would also like to take this opportunity to welcome you to this Workshop. It is a pleasure for TRB to be sponsoring the first workshop on transit fare policy and management to be held in over a decade. I hope you will enjoy the setting here at Woods Hole and find it to be a very productive atmosphere for the development of a research approach addressing transit fare issues.

As noted by both Joel and Bert there currently appears to be numerous opportunities for transit research studies addressing high-priority issues. There are also many activities related to transit fare policies and management occurring throughout the country and the world right now. By helping to capture the current status of projects, and by identifying key areas where additional research is needed, this workshop will enhance the understanding of the issues associated with transit fare policy and management and will help define future research priorities.

The new Transit Cooperative Research Program (TCRP) provides an opportunity for funding high-priority research problem statements identified through this Workshop. There are really three possible ways that results from this Workshop may be used in the TCRP. First, high-priority problem statements can be submitted to the TCRP for consideration as research studies. Second, many of you may wish to participate on the panels that will further refine the focus of the research projects, identify the work tasks, review the proposals, and select a contractor. Finally, some of you may be interested in submitting proposals to conduct the actual studies.

I would like to recognize Pierre Marc Daggett, also of the TRB staff, for his assistance in organizing this Workshop. Please let us know if there is anything we can do to enhance the Workshop or your stay here at Woods Hole.