

**MANAGEMENT REPORT TO METROLINX**

<b>Report Title:</b>	<b>Progress Report – Fare Integration &amp; Service Coordination (FISC)</b>				
<b>Report Number:</b>	TOT 09-004	<b>Date to Board:</b>	January 16, 2009	<b>Date to Committee:</b>	
<b>Report To:</b>	<input checked="" type="checkbox"/> BOARD	<input type="checkbox"/> <b>ADVISORY COMMITTEE</b> <input type="checkbox"/> <b>AUDIT COMMITTEE</b> <input type="checkbox"/> <b>GOVERNANCE COMMITTEE</b> <input type="checkbox"/> <b>HUMAN RESOURCES COMMITTEE</b> <input type="checkbox"/> <b>TECHNICAL ADVISORY GROUP</b> <input type="checkbox"/> <b>OTHER:</b>			
<b>Report Referred From:</b>	<b>June 13, 2008 Board Meeting</b>				
<b>Author(s):</b>	Vince Mauceri	<b>Telephone:</b>	(416) 874-5944		
		<b>E-mail:</b>	vince.mauceri@metrolinx.com		
<b>Item Class:</b>	IN CAMERA	<input type="checkbox"/>	DECISION	<input checked="" type="checkbox"/>	INFORMATION <input type="checkbox"/>

**1.0 RECOMMENDATION:**

RESOLVED:

1. **THAT** Metrolinx continue to pursue its mandate for coordinating cross-boundary transit services and establishing and implementing an integrated public transit fare policy and structure across the GTHA (Greater Toronto & Hamilton Area) for municipal transit systems, including GO Transit, by 2012 as outlined in the Regional Transportation Plan, Big Move #6, “A region-wide integrated transit fare system.”
2. **THAT** the Province of Ontario be requested to provide Metrolinx with legislative and regulatory authority in 2009 to implement integrated fares and coordinated transit services that cross municipal boundaries.
3. **THAT** Metrolinx staff report back in April 2009 on a process for developing the strategy and implementing program to achieve a GTHA-wide fare integration system and coordinated cross-boundary transit services by 2012.

4. **THAT** the Board endorse Metrolinx assuming responsibility for the existing “GTA Weekly Pass” and staff be directed to collaborate with transit service providers in the GTHA to develop a proposal for a Metrolinx Transit Pass for the board’s consideration no later than the April, 2009 Board meeting.

## 2.0 PURPOSE & EXECUTIVE SUMMARY:

At the January 25, 2008 Board meeting, a resolution was referred to staff for consideration, which directed staff to develop opportunities for fare integration and service coordination (referred to as “FISC”) on cross boundary routes operating between the 905 area and the City of Toronto. Subsequent to this direction, an earlier progress report was made to the Board, which can be summarized as follows:

- A review of the cross boundary travel market between the 905 municipalities and the City of Toronto indicates that, between 1996 and 2006, transit trips to downtown Toronto increased and auto trips decreased.
- There are several successful existing fare integration agreements among 905 transit systems that operate “open doors” across municipal boundaries without transit customers having to pay an additional fare through the acceptance of transfers between transit systems. “Open door” operation means that the out-of-jurisdiction carrier is free to pick up and drop off passengers as required. Waiting customers can board the first bus that comes along and no one is by-passed.
- Two key opportunities to improve transit service and reduce duplication are being considered. These are in the Burnhamthorpe Road corridor (refer to Appendix A, Figure 1), in Toronto, through having Mississauga Transit buses operate “open doors” in Toronto to Islington Subway Station and for VIVA (York Region Transit) Orange Route buses to operate “open doors” in Toronto between the Downsview Subway Station and York University (refer to Appendix A, Figure 2).
- The project study participants, comprised of two working groups, identified operational issues associated with fare validation, cost sharing agreements between the TTC and Mississauga Transit and York Region Transit and labour issues. Further work was required to evaluate and address these issues which would be part of a further Board report in the Fall of 2008.

It was not possible to make meaningful progress on these initiatives and report back to the Board in the Fall of 2008 because of labour relations issues which had to be resolved over the past few months.

With regard to the Burnhamthorpe corridor, an internal “discussion paper” has been prepared in close consultation with staff from Mississauga Transit and the TTC. It outlines the opportunity in much greater detail, such as, the potential benefits and costs, the proposed fare collection process and other operational issues to be addressed (summarized later in this report). For the Downsview Subway Station -York University corridor, most operational issues have been addressed by the TTC and York Region Transit staff. A cost sharing agreement between both of the latter parties was being discussed, but has yet to be finalized.

However, in December 2008, Metrolinx staff was advised that TTC senior management is not in favour of progressing any further, with the proposals related to “open door” service integration with Mississauga Transit and the YRT/VIVA Orange Route. This has essentially stopped any progress that can be made towards changing the current “closed door” policy (i.e. preventing transit vehicles from one municipality, from operating “open door” within a neighbouring “cross-boundary” municipality).

From the beginning of our discussions almost one year ago, Metrolinx has emphasized to working group participants that a basic principle to achieve integrated services is to design, schedule and operate transit services based on the needs of the customers regardless of municipal boundaries. During the current economic slowdown it becomes even more important to rationalize services and avoid duplication in the interest of the universal taxpayer.

Metrolinx staff was directed to develop opportunities for specific cross-boundary operations between Toronto and the 905, and the research, analysis and due diligence has resulted in recommendations that address system-wide barriers to improved cross boundary operations to the benefit of the traveller. In this report, Metrolinx staff are making several recommendations to the Metrolinx Board, to advance the objectives outlined in Big Move #6 (“region-wide integrated transit fare system”.) These proposals, “Implement a Metrolinx Integrated-Fares Pass for Cross-Boundary Services” and “Obtaining Provincial Legislative and Regulatory Authority,” outlined in section 6 of this report, are the preferred directions towards achieving fare integration and service coordination across the GTHA.

### **3.0 BACKGROUND:**

At the January 25, 2008 Metrolinx Board meeting, the following proposed resolution was tabled and directed to staff for consideration:

*“Therefore be it resolved that Metrolinx staff facilitate discussions among the TTC, the City of Toronto, Mississauga Transit, York Transit, Durham Transit and Brampton Transit to develop options to reduce duplication, improve service and integrate fares on cross-boundary routes between the 905 and the City of Toronto, notwithstanding current restrictions in the City of Toronto Act and other provincial legislation and report back to the Metrolinx Board with recommendations including any legislative changes”.*

Subsequent to this direction, a progress report was made to the Board, following which, Metrolinx staff continued to facilitate discussions among the TTC, the City of Toronto, Mississauga Transit, York Region Transit, and other GTHA transit systems, where appropriate, to develop options to reduce duplication, improve service and integrate fares on cross-boundary routes between the 905 and the City of Toronto and in support of making recommendations for implementation of FISC initiatives.

Two reports, “Progress Report – Fare Integration and Service Co-ordination (FISC)” and the related consultants report “Summary Progress Report,” were circulated to Working Group #1, representing the TTC and Mississauga Transit (MT); and to Working Group #2, representing the TTC and York Region Transit (YRT); as well as to their respective senior management groups.

## 4.0 FISC DISCUSSION

The Working Group identified that the best opportunities for improved FISC was between the TTC and Mississauga Transit on the Burnhamthorpe corridor in the City of Toronto and between the TTC and York Region Transit on the Downsview-York University corridor. A discussion on the further progress made on both of these opportunities is presented below.

### 4.1 Burnhamthorpe Corridor

A technical “Discussion Paper” on the Burnhamthorpe proposal was prepared and reviewed with FISC Working Group #1, consisting of staff from the TTC and Mississauga Transit. The key elements of this discussion paper are described as follows.

#### 4.1.1 The Opportunity

Currently TTC Route 50 operates on Burnhamthorpe Road serving Toronto residents travelling between the City boundary and Islington Subway Station on the Bloor-Danforth Subway Line. This route overlaps with Mississauga Transit Routes 20 and 26, which also operate along the Burnhamthorpe Road corridor, serving Islington Station.

During the morning (AM) peak period, Toronto transit riders boarding buses on Burnhamthorpe Road are currently seeing approximately 16 buses an hour pass their stops in each direction but they can use only the 7 to 8 buses per hour operated by the TTC due to the existing “closed door” policy. They face a similar situation during the other operating periods.

Transit services in the Burnhamthorpe corridor have been planned by the two agencies to serve only their customers, rather than being planned to provide the best possible service for customers along the entire Burnhamthorpe corridor transit market. Potential efficiencies and cost savings for the universal taxpayer could be realized if both Mississauga Transit (MT) passengers and TTC passengers travelling within Toronto could utilize MT services, if these were modified to serve current TTC Route 50 stops.

Operating and passenger count data for both TTC and MT buses servicing the Burnhamthorpe corridor was analysed. This analysis shows that the MT 20 and 26 services operated today appear to have sufficient capacity to accommodate TTC Route 50 customers in all time periods except the AM peak period. In the AM peak period there is a small capacity deficiency which could be accommodated by MT assigning additional higher capacity articulated buses to this corridor. Therefore, it is possible for MT routes 20 and 26 to accommodate TTC Route 50 customers in all time periods.

#### 4.1.2 Potential Benefits and Costs

The Burnhamthorpe Corridor proposal offers a number of potential benefits and efficiencies, as listed below:

- Improved effective service frequency within Toronto.
- Reduced bus traffic on Burnhamthorpe Road.
- Improved productivity and revenue cost performance for MT Routes 20 and 26.
- Potential net cost savings. The cost to the TTC of operating Route 50 would be eliminated. These savings would be offset by any increases in net operating costs due to required service and/or scheduling changes for MT and other operating cost increases for MT or the TTC. MT staff still needs to prepare a detailed schedule design in order to confirm the cost estimates for the changes to MT Routes 20 and 26.

However, because the transit services have been designed based on historical municipal boundary and jurisdictional factors, there were a number of operational challenges that still require further evaluation, as outlined below:

- Potential inconvenience to MT passengers currently boarding Routes 20 and 26 westbound, west of Islington Subway Station. These passengers would no longer be served by MT Routes 20 and 26, if these were modified to serve TTC Route 50 passengers. Approximately 270 daily boardings could be affected; however these riders would continue to be served by MT Route 76 and other westbound MT routes.
- Inconvenience and potential delays for eastbound TTC patrons who would no longer alight at Islington Station in the paid area. However, MT buses discharge their passengers 1 to 3 minutes earlier than TTC buses by stopping on Islington Avenue adjacent to the subway entrance. Therefore, this change would tend to offset the disadvantages of not being dropped off in the paid area.
- The requirement for MT to hire and deploy Fare Inspectors for fare inspection duties at the Mississauga boundary (due to the existing problem of two different fare systems and fare collection methods – see detailed explanation in Section 4.1.4 below).
- Inconvenience for westbound MT customers who will need to prove that they have paid their MT fare when they cross the Mississauga boundary. This would involve having to keep their MT pass or transfer handy and show it to a fare inspector, if requested.
- Delays for eastbound and westbound MT passengers due to the need to pick up and drop off Toronto passengers travelling to/from Islington Station. This would add 2 to 5 minutes in-vehicle times for MT patrons travelling to/from Islington Station.
- The need for MT to operate additional buses to maintain existing service levels in the corridor due to required routing changes and increased travel times within Toronto.
- Other potential increases in operating costs required to implement an integrated service e.g. staff training and advertising.

All of the above operational issues have been thoroughly discussed with the TTC/MT Working Group #1 and from a technical and financial perspective it appears that these issues can be worked through and overcome.

#### **4.1.3. Service Design Challenges**

There appears to be sufficient capacity on MT buses to service both MT and TTC patrons travelling within Toronto during all periods except the AM peak, and the small capacity deficiency could be easily addressed by possibly adding one or more high capacity articulated vehicles. However, the current MT Route 20 and 26 routings and schedules would have to be modified to serve the current TTC patrons. MT staff is working on the required service changes and the early indications are that these can be implemented, to make the elimination of TTC Route 50 operationally feasible.

#### **4.1.4 Fare Collection Process**

Fare collection presents a challenge when both Mississauga and Toronto customers are boarding the same MT buses while requiring that distinct MT and TTC fares be paid by two groups of customers.

It is important to note that for MT, the most important fare collection issue is the requirement for fare inspection on board westbound Burnhamthorpe buses as they travel across the boundary from Toronto. MT customers would be required to show “Proof of Payment” or POP, when travelling in to Mississauga. GO Transit and YRT (VIVA) have effective POP enforcement programs in operation and the TTC has adopted the same approach for the Queen streetcar, their only current POP service. If this proposal is accepted, it is suggested that the proven methods, currently employed on VIVA buses, be used.

Currently, MT does not deploy staff for specific fare inspection duties. They recently established a Transit Enforcement unit, which, as one of their duties, has the authority to enforce fares. YRT has offered to assist Mississauga in getting the program up and running.

#### **4.1.5. Cost Sharing**

The elimination of service duplication on the Burnhamthorpe corridor will result in net cost savings which logically should be shared between the TTC and MT. Based on discussions to date, the preferred option would appear to be for the TTC to purchase service (unused capacity) from MT on Burnhamthorpe corridor bus routes rather than continuing to operate TTC Route 50.

## **4.2. Downsview Subway Station – York University Corridor**

Currently TTC Route 196 and the VIVA Orange Route provide service between Downsview Subway Station and York University. Despite a frequency of 2 ½ minutes, TTC Route 196 is consistently overcrowded, whereas the VIVA Orange Route is significantly underutilized. TTC and YRT staff had already identified this as an opportunity for improved service co-ordination prior to any involvement by Metrolinx.

Working Group #2, consisting of TTC and YRT staff, was established to review this opportunity further. This group has determined that the VIVA Orange Route should be allowed to operate “open door” between Downsview Subway Station and York University, to complement the existing service provided by TTC Route 196. The TTC and YRT were negotiating a tentative agreement whereby the TTC would buy service from YRT, but this has not yet been resolved.

## **5.0 BARRIERS TO IMPLEMENTING FISC**

Implementing a region-wide integrated transit fare system by 2012 that allows users to pay a seamless, integrated fare for all transit systems across the region is included as Big Move #6 in the nine Big Moves of the recently approved RTP (Regional Transportation Plan). However, as part of the FISC initiative, there are barriers to overcome in order to achieve this goal; these are outlined below.

### **5.1 Transit Operators – Unanimous Participation Required**

The FISC initiatives have been delayed several months at the request of MT, TTC and YRT in order to await the resolution of labour contract negotiations that were finally resolved in October 2008. Historically, rationalization of cross-boundary services affecting Toronto was complicated by jurisdictional and collective agreement impediments. The TTC management has recently advised Metrolinx that these issues persist and therefore it does not wish to proceed further with the proposed service-harmonization on the two services under consideration. This has resulted obviously hindered Metrolinx’s ability to move forward on implementing service coordination in the aforementioned corridors. While Metrolinx can facilitate mutually agreed arrangements, it does not have the authority to insist that proposals be adopted to resolve cross-boundary service-delivery issues.

### **5.2 Legislative Barriers**

The proposed resolution referred to staff on January 25<sup>th</sup>, 2008, makes reference to “current restrictions in the City of Toronto Act and other provincial legislation”, which may be seen as barriers to the delivery of efficient public transit. Metrolinx staff are aware of two such restrictions which exist within the Ontario Public Vehicle Act (PVA).

Under the PVA, licenses are required to allow one municipality to operate public transit services into a neighbouring municipality. In some jurisdictions, the operating license contains language which prohibits “Municipality A” from operating “open door” within

“Municipality B.” At the Working Group level, TTC management advised that the City of Toronto Act gives Toronto (i.e. the TTC) the exclusive right to provide transit services within the City, or to allow another operator to provide the service. During our working group discussions, the TTC representatives indicated that the TTC would likely support in principle an “open door” operating policy for Mississauga Transit and YRT/VIVA.

Also under the PVA, there are limitations on the number of people allowed standing on board a public transit vehicle while crossing from one municipality to another. The limitation on standees is that they can number no more than one-third of the seating capacity of the vehicle. Therefore, if a bus has a seating capacity of 42, there can be no more than 14 standees when the bus crosses a municipal boundary, yet this does not apply to transit services operating within a municipality. This requirement obviously restricts the number of people who can travel by public transit across municipal boundaries and limits the cost effectiveness of some transit trips, if more people could have been accommodated safely.

Through the Ontario Public Transit Association (OPTA), Metrolinx staff has had discussions on both of these issues with provincial staff to determine if amendments to the PVA can be agreed to which would address the concerns of GTHA transit systems (and other transit systems in the Province that cross municipal borders), operating services across contiguous urban boundaries. The regulation on the number of standees on a bus was developed decades ago for highway coach buses that primarily served communities across the GTHA before intense urbanization and development occurred and prior to the creation of many urban transit systems outside of Toronto. Further discussions with provincial staff are planned in January 2009.

## **6.0 POSSIBLE OPTIONS**

To achieve the goal of integrated, coordinated services and integrated fares across the GTHA, there are a number of possible alternatives for Board consideration that are listed below.

### **6.1 – Continue with Incremental Approach**

Over the past year, Metrolinx through a collaborative approach of retaining consultants and establishing two working groups of representatives from transit systems of Mississauga, TTC and York Region, has attempted to gain consensus for implementing fare integration and service coordination on the two corridors described in this report. Perhaps over time it may be possible to implement these incremental changes on the two corridors, which are considered minor in the overall broad perspective of integrated GTHA-wide transit services.

If it is the Board’s direction, Metrolinx staff will continue the dialogue, but this decades-old obstacle is not likely to yield to a consensus-based incremental approach, especially based on recent experience.

## 6.2 – Implement a Metrolinx Integrated-Fares Pass for Cross-Boundary Services

When an extensive similar FISC project was undertaken by the MTO in the early 1990s there were a number of recommendations to coordinate services and integrate fares for transit services crossing the Toronto boundary, however, very few were implemented for jurisdictional and funding reasons. An important initiative that was implemented and has continued over the past 15 years is the “GTA Weekly Pass” that allows unlimited seamless travel between the TTC and Mississauga Transit, Brampton Transit and York Region Transit services (it does not apply to any of the other GTHA transit systems, nor to GO Transit). The TTC administers the GTA Weekly Pass program through agreements by the participating municipal transit systems. There are approximately a total of 5,000 GTA weekly passes used per week.

There is an opportunity and role for Metrolinx to assume responsibility for the existing GTA pass and expand its use through more distribution channels and increased marketing. The majority of operational issues associated with fare collection issues outlined in Section 4.1.4 above for the Burnhamthorpe corridor would be resolved through greater use of the GTA Weekly Pass.

Metrolinx staff recommends that the Board support in principle the implementation of a Metrolinx-GTHA pass and staff report back to the Board in April 2009 with an action plan and budget for this initiative. It is not necessary to wait until the Presto fare card is fully implemented, as this is a fare policy issue and does not require a technological solution, though Presto will definitely be beneficial in achieving GTHA-wide integrated fares.

## 6.3 – Obtain Provincial Legislative and Regulatory Authority

Metrolinx would ask the Ontario Government for the legislative and regulatory authority to overcome any barriers towards introducing integrated fares and coordinated services across the GTHA, in instances where a collaborative approach is unsuccessful and riders are adversely affected.

There are very specific roles and responsibilities for Metrolinx outlined in the Greater Toronto Transportation Authority (GTTA) Act, some of which have been proclaimed while others have not. In the area of fare integration and service coordination, the Act states, the following:

### ***Duties of Corporation re leadership in transportation integration***

6. (1) *In carrying out its objects as described in clause 5 (1) (a), the Corporation shall,*
- (a) create a transportation plan for the regional transportation area and plan, co-ordinate and set priorities for its implementation;*
  - (b) fund, or arrange and manage the funding for, integrated transportation across the regional transportation area;*

- (c) *promote and facilitate co-ordinated decision-making and investment among the municipalities in the regional transportation area in order to ensure the efficient and cost-effective resolution of matters of shared concern among the municipalities respecting transportation, including,*
  - (i) *the provision and the optimal use and location of transportation infrastructure, including highway and transit infrastructure,*
  - (ii) *the integration of transportation infrastructure, including highway and transit infrastructure, and*
  - (iii) *the integration of routes, fares and schedules of the GO Transit system and local transit systems in the regional transportation area;*
- (d) *promote the safety and efficiency of transportation corridors and develop a comprehensive emergency and security plan for local transit systems in the regional transportation area*

***Duties of Corporation re unified fare system (unproclaimed)***

***7. (1) In carrying out its objects as described in clause 5 (1) (a) with respect to the integration of transit systems, the Corporation, primarily through its Farecard Division, shall plan, design, develop, acquire by purchase, lease, assignment or otherwise, construct, maintain, operate, dispose of, lease, license or sublicense all or any part of a unified fare system applicable to the GO Transit system, local transit systems in the regional transportation area and local transit systems of municipalities outside the regional transportation area that agree to participate.***

It is recommended that in order to implement fare integration and service coordination across the GTHA, the Province of Ontario be asked to provide Metrolinx with the necessary legislative and regulatory authority, as noted above in Section 6 (c) (iii) and Section 7 (1) of the GTTA legislation, the latter of which remains unproclaimed. Other legislation and regulations may also be required. This will enable Metrolinx to implement a GTHA fare structure by 2012 and address cross-boundary issues associated with the Big Move #6, “A region-wide integrated transit fare system” outlined in the RTP. Without this authority, effectively integrating fares and coordinating transit services across the GTHA appears unlikely.

**7.0 FINANCIAL MATTERS:**

In the short-term, the implementation of the FISC opportunity, as described under 6.1 of section 6, on the Burnhamthorpe corridor should result in cost savings which would be shared between the TTC and MT. Further analysis is required to fully evaluate the exact savings and to prepare the framework for an eventual operating and cost sharing agreement between the parties. The same applies to the FISC opportunity on the Downsview-York University corridor. Ultimately however, a willingness by the transit systems to change current practices is needed before any progress can be achieved.

For 6.2, Metrolinx assuming responsibility for the existing GTA Weekly Pass, Metrolinx staff would report back in April 2009 with a proposed budget and action plan.

For 6.3, a GTHA-wide integrated fare structure would result in improved transit services for customers, better ability to attract new customers, operating cost savings and improved operating efficiencies, which all benefit the universal taxpayer.

**8.0 HUMAN RESOURCES MATTERS:**

Any concerns of bargaining agents would have to be considered and addressed by the appropriate employers, consistent with the interests of ridership and taxpayers. Labour relations with transit bargaining agents are beyond the mandate of Metrolinx.

**9.0 ENVIRONMENTAL MATTERS:**

N/A

**10.0 COMMUNICATION MATTERS:**

There are no communication matters at this time, however, a communications and marketing action plan should be developed at a later date, once firm recommendations are approved by the Board.

**11.0 LEGAL MATTERS:**

There are several legal matters associated with overcoming the barriers to fare integration and service coordination as outlined within 6.3 of this report, “Obtaining Provincial Legislative and Regulatory Authority.” These matters need to be further reviewed by Legal counsel.

**12.0 CONCLUSION:**

Metrolinx and the two working groups comprised of TTC, MT and YRT staff have attempted to implement “open-door” services on the Burnhamthorpe and Downsview – York University corridors to achieve improved customer service, operational efficiencies, cost savings and more productive utilization of expensive vehicles. Unfortunately, these efforts are now at an impasse.

The proposals outlined under 6.2 and 6.3 of this report are positive options that allow the Metrolinx Board to continue driving towards fare integration and service coordination across the GTHA by 2012.

Respectfully submitted,

Approved for Submission to the Board



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Vince Mauceri, General Manager  
Transportation Operations &  
Technology



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W. Michael Fern, CEO

**Appendices:**

Appendix A  
 Figure 1 – Burnhamthorpe Corridor  
 Figure 2 - York Region Transit, Cross-boundary services to the City of Toronto

**Staff & Others Consulted:**

Name	Telephone
Mary Martin General Counsel & Corporate Secretary	(416) 874-5915
Colleen Bell, General Manager, Community Relations & Initiatives	(416) 874-5942
Leslie Woo, General Manager, Transportation Policy & Planning	(416) 874-5943
John Howe, General Manager, Investment Strategy & Projects	(416) 874-5912

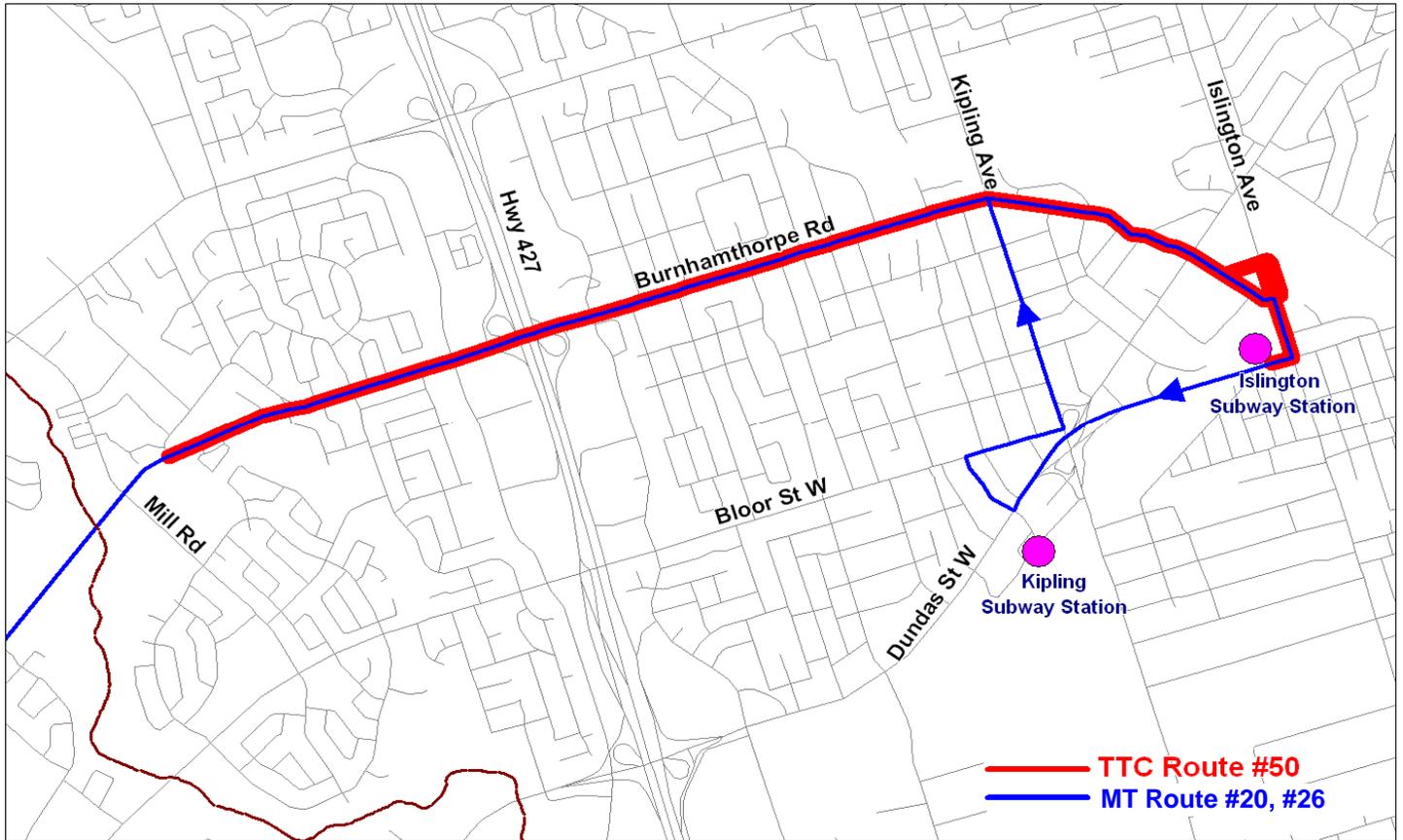
**Notifications:**

Name	Mailing or E-mail Address

**Special Instructions:**

APPENDIX A

Figure 1  
Burnhamthorpe Corridor



APPENDIX A

Figure 2  
 York Region Transit  
 Cross-boundary services to the City of Toronto

