

Fare Modernization & Integration Project

Far North Transit Symposium
June 3, 2022



Introduction to presenters



Gillian Gillett
Program Manager,
California Integrated
Mobility,
Caltrans



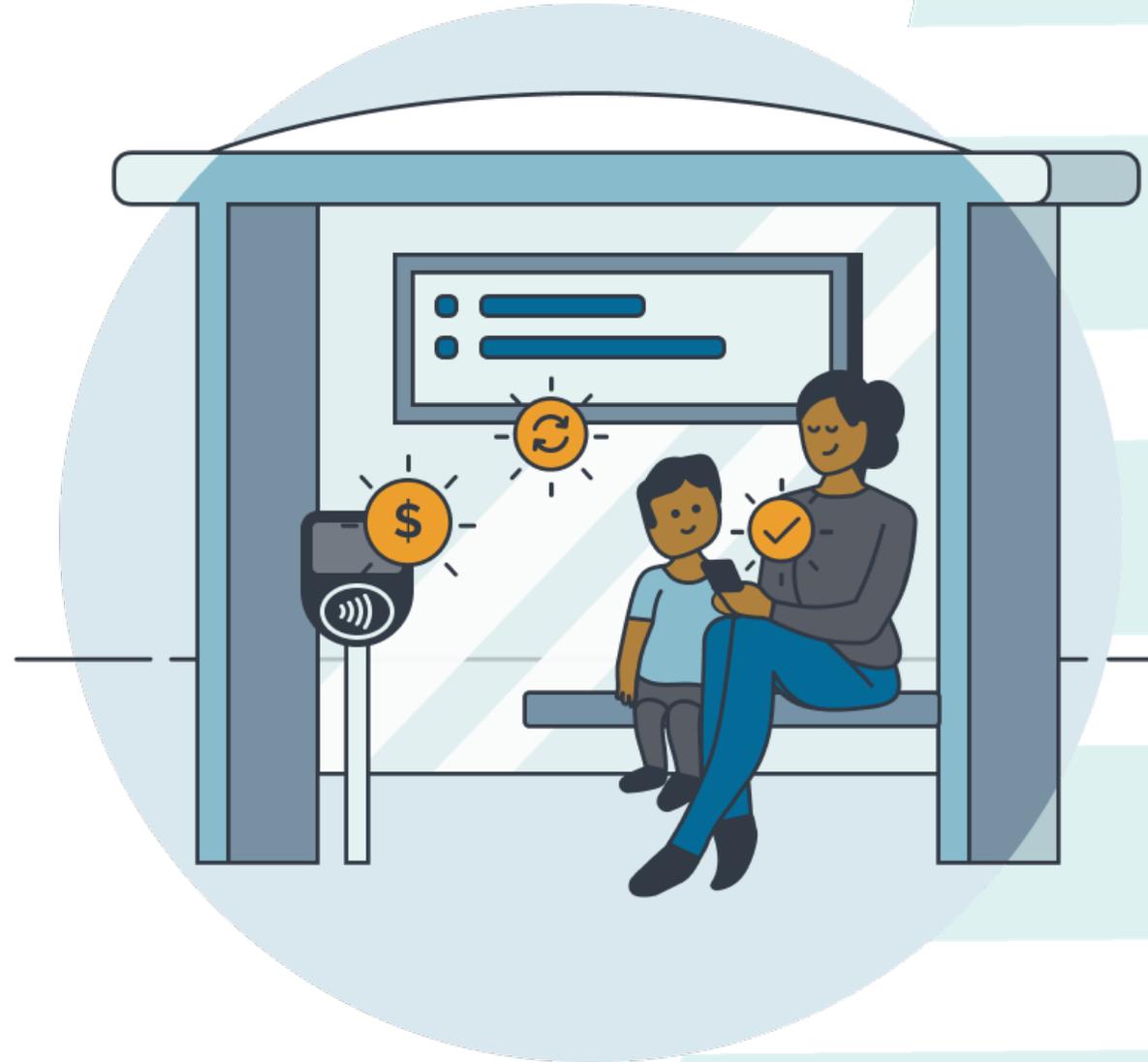
Zachary Karson
Payments Consultant
& Project Manager,
Cal-ITP
Rebel Group



Nelson Julien
VP, Business
Development &
Marketing, Americas
SC Soft

What is Cal-ITP?

Managed by Caltrans, the California Integrated Travel Project (**Cal-ITP**) is a statewide initiative designed to unify transit in California with a common fare payment system, real-time data standard, and seamless verification of eligibility for transit discounts.



About the project

The Fare Modernization & Integration Project is a regional effort to modernize fare collection and to align and simplify fares between four Far North Group transit providers:

- Humboldt Transit Authority
- Lake Transit Authority
- Mendocino Transit Authority
- Redwood Coast Transit Authority



Project objectives and scope

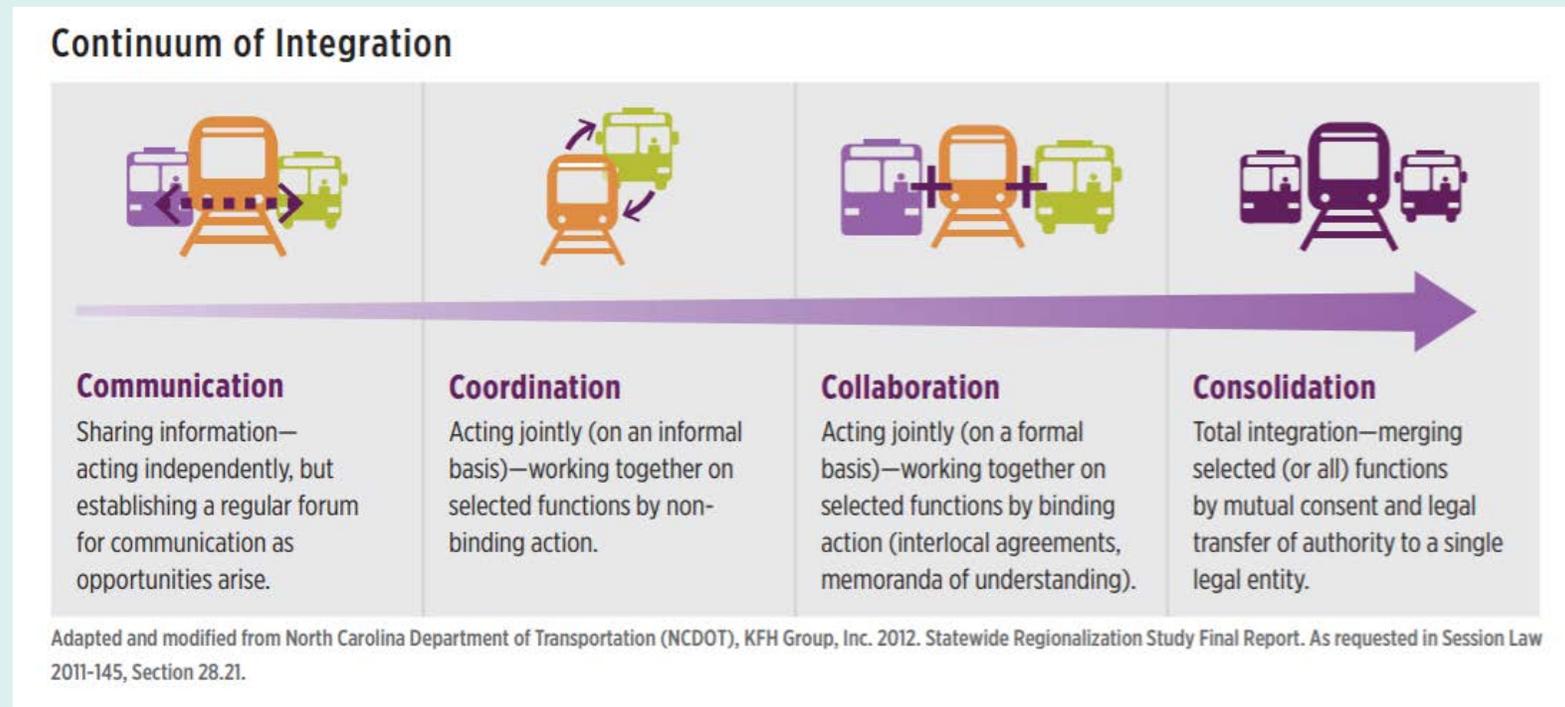
The Project is primarily focused on improving the customer experience of riding transit by offering riders:

1. Reliable and accurate bus arrival information in real time (by publishing GTFS schedule and real time data)
2. Ability to pay their fare using a bank card or mobile wallet with contactless payment acceptance devices (PADs) on all fixed route vehicles
3. Simplified fare structure across all agencies in the region, and an introduction to fare capping to ensure customers always get the best fare when they use the contactless fare payment system



An evolving collaboration

The group moved along the continuum from **Communication** initially, through the **Coordination** stage, culminating with **Collaboration** on the current project



Source: TCRP Report 173

MOU serves as foundation for project

The transit operators entered into a Memorandum of Understanding to:

- Formalize collaboration and establish working principles for the planning and execution of the project
- Agree on specific goals for fare modernization and integration
- Provide a foundation for future understandings and agreements

**MEMORANDUM OF UNDERSTANDING
ESTABLISHING A COOPERATIVE RELATIONSHIP
BETWEEN THE FAR NORTH GROUP TRANSIT PROVIDERS**

THIS Memorandum of Understanding is made this [12] day of July, 2021, Humboldt Transit Authority, Lake Transit Authority, Mendocino Transit Authority, and Redwood Coast Transit Authority, (hereinafter “Far North Group Transit Providers”).

1. RECITALS

WHEREAS, Humboldt Transit Authority is a joint powers authority (JPA) signed by Humboldt County, and the cities of Arcata, Eureka, Fortuna, Rio Dell, and Trinidad, and operates public bus systems throughout Humboldt County, California.

WHEREAS, Lake Transit Authority is the operator of a public bus system that serves Lake County, California, and operates intercity and regional bus services in Napa and Mendocino Counties.

WHEREAS, Mendocino Transit Authority is the operator of a public bus system that serves Ukiah, the Mendocino Valley, and coastal regions of Mendocino County, California.

WHEREAS, Redwood Coast Transit Authority is the operator of a public bus system that serves Del Norte County and parts of Northern Humboldt County, California.

NOW THEREFORE, in considerations of mutual promises and covenants herein contained, to be kept, performed, and fulfilled by the respective parties hereto, it is mutually agreed, as follows.

Integrating fare policy

- The MOU between MTA and other Far North Group transit providers established alignment on a **distance-based fare structure**
- Through further conversations, the group analyzed several options for an overall fare structure that would be acceptable to all, with the primary focus of ease of use for riders, including:
 1. Base rate and dollar per mile
 2. Zone-based
 3. **Tiered distance-based fares**
- The group selected option #3 as best aligned with the project objective and as the easiest to create consensus across the group



Contactless fare rollout

- **Promotional \$1 contactless fare** for all routes for six-to-nine months
- Following promotional period, Far North Group transit providers have agreed to transition to a **common distance-based fare table**, to be refined using data from the 6 to 9-month promotional period
- **Weekly and/or monthly fare cap** amounts will also be applied across all four operators

Distance (mi)	Full Fare	Discount Fare
0-12	\$1.50	\$0.75
13 - 20	\$2.50	\$1.25
21 - 30	\$3.00	\$1.50
31 - 40	\$4.00	\$2.00
41 - 60	\$5.50	\$2.75
61 - 90	\$7.00	\$3.50
91 - 100	\$10.00	\$5.00
100+	\$20.00	\$10.00

Example Distance-Based Fare Table



Purchasing from the MSAs

The four transit providers are among the first in California to use the Master Service Agreements (MSAs) established by the state, showcasing the “lego block” approach:

PAD Contractor: SC Soft



Onboard, on-platform, and mobile fare inspection devices that are equipped to read riders' contactless bank cards and smart devices.

Transit Processor: Littlepay



Software that instantly determines the correct fare for a trip based on distance, applicable discounts, and frequency of travel.

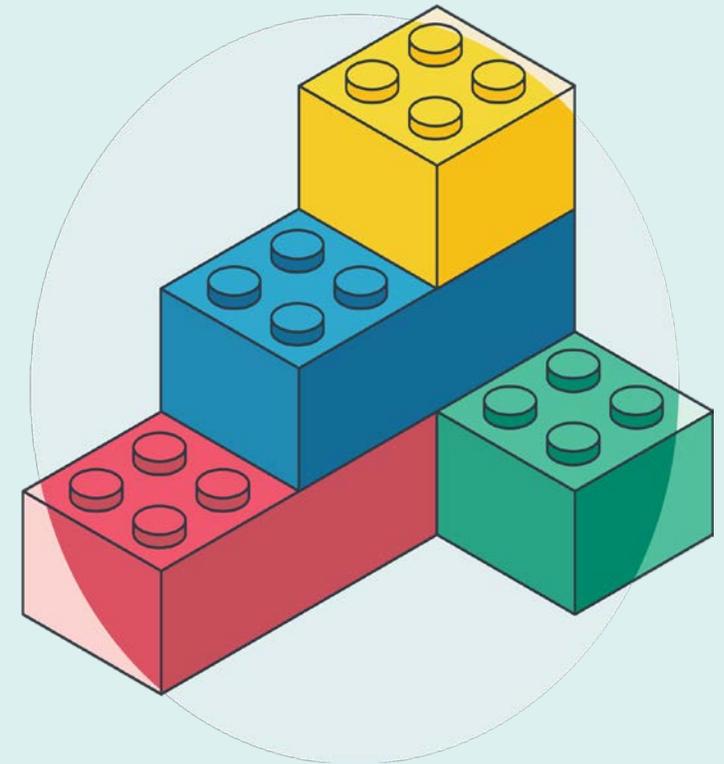
Payment Processor: Elavon



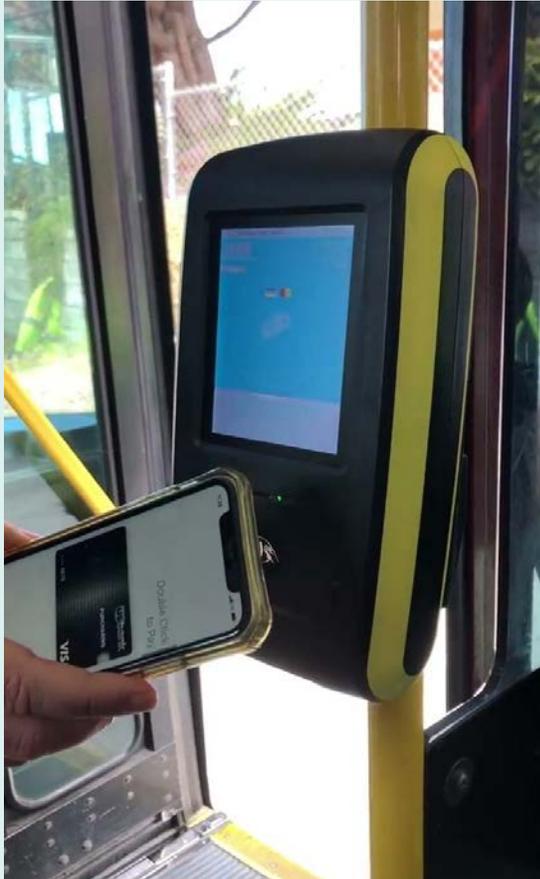
Software embedded in fare validators that transmits money from a rider's bank card to the Transit Provider's bank account.

MSAs enable contactless payment systems

- The purpose of the MSAs is to enable Transit Providers to deploy a contactless EMV (debit/credit/prepaid card and mobile wallet) fare payment option to complement or replace their legacy fare payment system
- The MSAs include two Categories:
 - Category A: PADs, including supporting services
 - Category B: Transit Processor Services
- Transit Providers must also have a contractor for payment processing services, which California Transit Providers can separately select using either of the two California Electronic Payment Acceptance Services (EPAY) MSAs



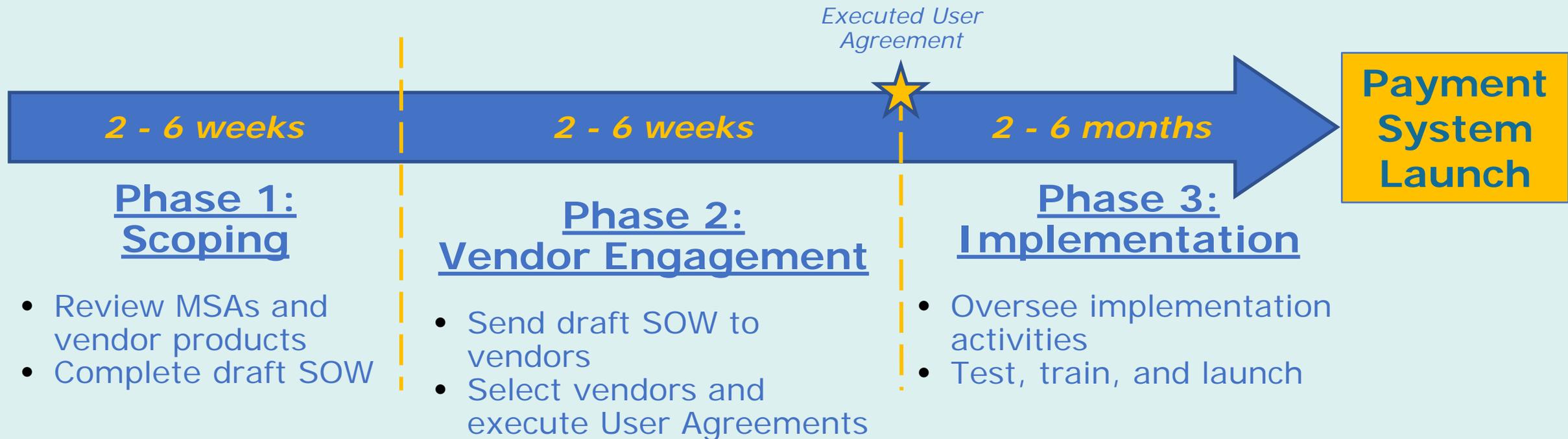
The MSAs were competitively procured



- The MSAs for Payment Acceptance Devices (PADs) and Transit Processor Services used a competitive selection process in which MSAs were awarded based on a combination of technical qualifications and price.
- MSAs were awarded for two distinct categories: 3 for Category A (PADs) and 4 for Category B (Transit Processor Services).
- All MSA prices are *maximums*, and they can be negotiated further *downward*.
- DGS serves as the MSA administrator, but contracts (“User Agreements”) are entered into directly between MSA vendors and Transit Providers.

Three phases to get to system launch

The Far North Group transit providers are now entering into Phase 3 (Implementation) after going through the MSA onboarding/contracting process



The road ahead

The work continues in the weeks and months ahead:

- PAD installation, training, and testing
- Communications to riders
- Monitoring transaction data
- Establish fare table and fare caps following \$1 promotion
- Add more Far North Group providers to the regional group



Thank you!

Questions?



