To: Chair Cristol and the VRE Operations Board
From: Doug Allen
Date: September 20, 2019
Re: Authorization to Make Changes to VRE Fare Types and Amend the VRE Passenger Tariff

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to amend the Passenger Tariff to replace the current 5-Day Pass with a 7-Day Pass and the Monthly Pass in VRE Mobile with a 31-Day Pass.

Summary:

This action will replace the current 5-Day Pass in the paper and mobile fare collection systems with a 7-Day Pass and will replace the current calendar based Monthly Pass in VRE Mobile only with a 31-Day pass. The calendar-based Monthly Pass will remain available as a paper ticket.

Background:

The proposed changes to fare types are designed to (1) simplify the ticketing process by eliminating frequently confusing rules and (2) provide greater flexibility to passengers.

VRE fare media are sold through several channels utilizing two primary systems: VRE Mobile and the Scheidt & Bachmann (S&B) paper ticket system. Each system sells Single Ride and 10-Ride tickets and Day, 5-Day and Monthly passes.

Specific rules govern each fare type. For example, Monthly Passes do not require validation, but Single Ride and 10-Ride tickets must be validated before each ride. The Day and 5-Day passes need only be validated prior to the first ride. Other rules include:
• Monthly Ticket
  o Valid for the calendar month.
  o Allows one grace day, the first operating day after the end of the calendar month.
  o Available for purchase as a paper ticket from the 10th day of the month prior through the ninth day of the current month.
  o Available for purchase on VRE Mobile from the 23rd day of the prior month through the ninth day of the current month.

• 5-Day Pass
  o Valid for five service days once validated.
  o Skips weekends and holidays.
  o Skips “S” schedule days.

One of the most frequent complaints VRE receives comes from regular Monthly Pass holders who see no value in the Free Ride Certificates (FRCs) offered to passengers on trains delayed 30 minutes or more. Vacations also pose a dilemma for regular Monthly Pass holders. During the month they take leave, passengers must either switch to a different fare type or purchase a monthly pass, even though they will not receive its full value. Those who want to switch to another fare type may have to reallocate SmartBenefits or change automatic orders with CommuterDirect. It is not unusual for those who do switch to forget to validate the different fare type, which could lead to a fare evasion summons.

**Proposed Changes:**

VRE proposes replacing the current 5-Day Pass with a 7-Day pass in both the paper and VRE Mobile systems. This change will eliminate the confusing business rules, as necessitated by programming issues associated with VRE Mobile, of skipping weekends and allowing free rides on “S” schedule days.

VRE also proposes replacing the current Monthly Pass with a 31-Day Pass on the VRE Mobile app only. This change, by allowing passengers to choose when to validate the 31-Day Pass, provides greater flexibility. For example, by delaying the validation of a 31-day pass, passengers could redeem their FRCs. Riders who go on vacation could validate the 31-day pass upon their return instead of switching to the less economical 10-ride pass. The change also eliminates the grace period and opens the possibility of joint fare products with regional partners.

The move to a 31-Day Pass will not adversely affect riders’ use of transit benefits. While those funds become available on the 23rd day of the month, they do not have to be immediately expended. Riders wishing to purchase a 31-Day Pass when their transit benefits become available can do so and wait to validate their pass until they need it.
Fiscal Impact:

FY 2019 Fare Sales Summary (Excludes Amtrak Step-Up Tickets)

<table>
<thead>
<tr>
<th>Ticket Type</th>
<th>VRE Mobile</th>
<th>Paper (S&amp;B)</th>
<th>Total</th>
<th>Share by System</th>
<th>Share of Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Ride</td>
<td>$633,993</td>
<td>$884,841</td>
<td>$1,518,834</td>
<td>42%</td>
<td>58%</td>
</tr>
<tr>
<td>Day Pass</td>
<td>$850,675</td>
<td>$964,201</td>
<td>$1,814,876</td>
<td>47%</td>
<td>53%</td>
</tr>
<tr>
<td>5-Day Pass</td>
<td>$728,075</td>
<td>$707,765</td>
<td>$1,435,840</td>
<td>51%</td>
<td>49%</td>
</tr>
<tr>
<td>10-Ride</td>
<td>$3,592,407</td>
<td>$6,015,404</td>
<td>$9,607,811</td>
<td>37%</td>
<td>63%</td>
</tr>
<tr>
<td>Monthly Pass</td>
<td>$6,911,356</td>
<td>$20,271,530</td>
<td>$27,182,886</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$12,716,506</strong></td>
<td><strong>$28,843,741</strong></td>
<td><strong>$41,560,247</strong></td>
<td><strong>31%</strong></td>
<td><strong>69%</strong></td>
</tr>
</tbody>
</table>

Prices for the two new passes will remain the same as the fare types they are replacing. No fiscal impact is expected from the introduction of the 7-Day Pass, but there may be a negative effect on revenue from the 31-Day Pass due to the increased flexibility afforded passengers. The potential negative impact will be lessened since the 31-Day Pass will be available only to VRE Mobile customers, who represent 25 percent of current Monthly Pass holders. The increased flexibility may encourage current paper ticket holders to move to VRE Mobile, where the negative revenue impact will be partially offset by the lower cost of fare product fulfillment. The current estimate of the potential impact on revenue that is included in the preliminary FY 2021 budget is slightly less than $500,000 per year.
Virginia Railway Express  
Operations Board  

Resolution  
9B-09-2019  

Authorization to Make Changes to VRE Fare Types and Amend the VRE Passenger Tariff  

WHEREAS, VRE fare media are sold through several channels utilizing two primary systems: VRE Mobile and the paper ticket system; and,  

WHEREAS, each system sells all fare types including Single Ride and 10-Ride Tickets, Day Passes, 5-Day Passes, and Monthly Passes; and,  

WHEREAS, the different fare types each carry special business rules; and,  

WHEREAS, changing the 5-Day Pass to a 7-Day Pass in both systems and changing the Monthly Pass to a 31-Day Pass in VRE Mobile will benefit both passengers and VRE by simplifying the fare types;  

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to amend the Passenger Tariff to make changes to the VRE fare types by replacing the current 5-Day Pass with a 7-Day Pass and replacing the calendar monthly pass in VRE Mobile with a 31-Day Pass.  

Approved this 20th day of September 2019  

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Katie Cristol  
Chair  

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John Cook  
Secretary