



## STAFF REPORT ACTION REQUIRED

### Fare Policy: Concessions

<b>Date:</b>	July 11, 2016
<b>To:</b>	TTC Board
<b>From:</b>	Chief Executive Officer

### Summary

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This report seeks the Board's approval of fare policy changes related to TTC concession fares. PRESTO will be available across the TTC by the end of 2016, changing how customers enter the system and pay their fare. This report outlines the fare policy changes required to maintain and strengthen system-wide revenue control, to be implemented alongside PRESTO.

### Recommendations

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#### It is recommended that the Board...

1. Approve the following concession fare policy changes:
  - a. Change the Student concession category name to Youth (age 13-19)
  - b. A PRESTO card is required for children aged 6-12 to travel free on the TTC
  - c. TTC photo ID is required for Child concessions (age 10-12)
  - d. TTC photo ID is required for Youth concessions (13-19)
  - e. Proof of eligibility is required when setting a concession on a PRESTO card

### Financial Impact

Concession fares account for 22% of TTC ridership. The total discount value is approximately \$72.9M annually (based on 2015 year-end ridership and revenue actuals) and broken down as follows:

- Post-Secondary monthly pass: \$13.5 M
- Senior cash, ticket, passes: \$23.3 M
- Student cash, ticket, passes: \$27.8 M
- Children free: \$8.3 M

The revenue risk associated with customers paying a concession fare rather than an Adult fare, equates to approximately \$2.9M for every additional 1% of Adult ridership that inappropriately uses concession fares.

With the implementation of PRESTO, the proposed concession policies are necessary to maintain and strengthen system-wide revenue control.

The TTC photo ID program is administered by a third-party supplier who is required to make school visitations in September-October to select post-secondary schools in Toronto. They continue to provide photo ID services out of Sherbourne Station throughout the year. The photo ID program contract is included in the 2017 TTC Operating budget and is entirely covered by the revenue generated from the fee of \$5.25-\$7 paid per photo ID card.

The Support Person Assistance (SPA) card costs, also administered by the third-party contractor, are also included in the 2017 TTC Operating budget. This is a legislative requirement under the Accessibility for Ontarians Disability Act (AODA), so there is no fee attached to this Photo ID.

## **Decision History**

At their December 2015 meeting, the Board approved changes to TTC Fare Policy including the implementation of proof-of-payment (POP) system wide in 2017.

[http://www.ttc.ca/About\\_the\\_TTC/Commission\\_reports\\_and\\_information/Commission\\_meetings/2015/December\\_16/Reports/Presentation\\_Fare\\_Policy\\_final.pdf](http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/December_16/Reports/Presentation_Fare_Policy_final.pdf)

## **Issue Background**

### Current TTC concessions and photo ID

The TTC currently provides five customer groups with concession fares, which are based on age or other eligibility requirements: Child, Student, Post-Secondary, Senior and Support Person. A customer is required to provide proof of eligibility when they pay their fare. This could be in the form of government-issued photo ID, TTC photo ID or proof-of-age card (without a photo). Proof of eligibility is currently not required to purchase concession fares.

Only full-time Post-Secondary students are required to purchase a TTC issued photo ID card. Seniors (65 years or older) have a choice of using TTC photo ID<sup>1</sup> or government issued photo ID e.g. driver's license or Ontario Photo Card. In addition to this, child proof-of-age cards (no photo) are issued to elementary and middle schools for distribution to 11-12 year old children.

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<sup>1</sup> No longer produced but still accepted

As of 2014, the TTC changed the eligibility requirements for the student concession and no longer produced a TTC student photo ID. Student concession eligibility is now based on the customer's age, not their school enrollment status, a subtle change a number of transit agencies have made to align concession categories across the GTHA. In doing this, the photo ID requirements were updated as follows: students ages 13-15 no longer require photo ID; students ages 16-19 can use either their school-issued student Photo ID or government-issued photo ID.

In 2015, the City increased its TTC subsidy that allowed for the elimination of fares for children 12 years of age or under.

### Current TTC Concessions Groups

Concession Group	Fare Media	Type of ID required
Child (0-12)	Free	Child proof-of-age cards (no photo) (age: 11-12)
Student (13-15)	Cash, Tickets, Weekly Pass, Senior/Student Metropass	No ID required
Student (16-19)		School Photo ID, Driver's License or Ontario Photo Card
Senior (65+)	Cash, Tickets, Weekly Pass, Senior/Student Metropass	TTC photo ID, Driver's License or Ontario Photo Card
Post- Secondary (Full time)	Post-Secondary Metropass <i>only</i>	TTC Post-Secondary photo ID
Support Person (travelling with customer who requires support)	Free	Support Person Assistance card

The TTC photo ID program is administered by a third party supplier. Every year in the fall, the supplier makes school visitations to select post-secondary schools in Toronto producing TTC photo ID on-site. They continue to provide photo ID services out of Sherbourne station throughout the year. At post-secondary schools, the photo ID cards are produced onsite for immediate use. The funds generated by TTC photo ID fee are used to cover the entire cost of the photo ID program.

### Fare Enforcement vs. Revenue Control

Fare enforcement is the inspection of fares and transfers to ensure a valid fare has been paid by the customer. Where appropriate, enforcement will issue written warnings or tickets to anyone found to be evading a fare. The TTC currently conducts fare enforcement in the following manner: Transit Fare Inspectors (TFI) (streetcars only) and ad-hoc inspections by TTC transit enforcement officers.

Revenue control is defined by measures put in place to ensure customers are able to pay valid fare as well as ensuring that a fare has been paid. This, therefore, includes fare enforcement, as well as other controls such as the ease of fare purchase, turnstiles fare gates, electronic fare validation by PRESTO readers, visual verification of fares by TTC staff, concession eligibility requirements and photo ID.

### TTC validation of concession eligibility

A customer is required to prove they are eligible for a concession fare by the following methods:

- TTC photo ID application  
Post-Secondary and Support Person customers must provide appropriate documentation.
- At time of fare payment: all concession groups  
Visual verification is completed by TTC staff when a customer boards a vehicle, enters a station or is inspected by TFI. If requested, the customer must prove their concession eligibility by providing the appropriate ID. Children are currently validated by visual age appropriateness.

## **Accessibility/Equity Matters**

As of January 2014, the TTC provides a Support Person Assistance (SPA) card, which permits one support person to travel with a fare-paying customer with a disability on a single fare. Each card is valid for 3 years. A customer can obtain a SPA card at Sherbourne station; however the station is not accessible. Alternatively, a customer can visit the TTC Customer Service Centre (CSC), which is accessible, or apply by mail.

The TTC issues annual passes to the Canadian National Institute for the Blind (CNIB) to be distributed to eligible customers. Photo ID requirements for these customer groups will remain.

## **Comments**

### Concession challenges today

#### Post-Secondary Metropass

Post-Secondary Metropass sales increased 11% from March 2015-March 2016. This is in contrast to the TTC Post-Secondary Photo ID, which decreased 19%. Post-Secondary Metropass sales trends are a concern because this growth is far outpacing growth in full-time enrollment in accredited post-secondary institutions in Toronto. A fare inspection blitz conducted by TFIs in March 2016 revealed that 41% of approximately 1,200 Post-Secondary Metropass holders inspected did not have appropriate Photo ID. Coupled with the fact that the Post-Secondary Metropass is \$29.50 cheaper (\$112 vs. \$141.50) than the

Adult Regular Metropass, it is now evident that there is growing improper use of the Post-Secondary Metropass.

### High-school Students

It has been observed that at stops located near high-schools, students have been boarding vehicles without paying a fare. Some high-school students are claiming to be aged 12 or under and therefore should ride for free. Currently there is no way to validate their eligibility for the concession fare as no photo ID is required for ages 0-15.

Students ages 16-19 are allowed to use their student Photo ID. Given the number of schools within the city of Toronto it can be difficult to verify eligibility as each school has a unique photo ID and/or schools may not issue photo IDs.

### PRESTO implementation

PRESTO fare payment devices will be available system-wide by end of 2016. New PRESTO enabled fare gates will replace turnstiles in all TTC stations by mid-2017. This means all customers will require a PRESTO card to enter through fare gates, except for children 5 and under. Children 5 and under will be accompanied by an adult PRESTO card holder and therefore can either be carried through or walk through an accessible fare gate together.

At its December 2015 meeting, the Board approved proof-of-payment (POP) system-wide in 2017, when most customers will have migrated onto PRESTO. All customers, six years and older, will be required to carry POP throughout their journey. This could be in the form of a pass, transfer, validated ticket or PRESTO card. The target to stop accepting legacy fare media is by the end of 2017 (tokens, tickets and passes). After this time, a PRESTO card will be everyone's POP.

### Concessions on PRESTO- challenges

Many GTHA municipal transit agencies do not require proof of concession eligibility to set a concession on a PRESTO card. Instead, concession eligibility is validated only at time of travel by showing appropriate ID, if requested, by staff such as operators and TFIs. TFIs currently carry out inspections on streetcars and ad-hoc at select locations only. Validating concession eligibility at time of travel, results in a higher revenue risk as there are several challenges with concessions on PRESTO.

For example, there is no visual distinction between regular adult and concession PRESTO cards. All PRESTO cards are identically branded and green in colour. Customers can unknowingly pick-up and use a concession card by mistake. This also makes it very easy for intentional fare evaders to claim they simply picked up the wrong PRESTO card. This could result in a customer being charged with fare evasion, if inspected. However, there is a risk that this could be challenged as we have not provided any way for customers to self-regulate by providing a way to visually distinguish between cards.

When tapped on a PRESTO device, concession PRESTO cards generate a yellow light and a sound that is different to an Adult PRESTO card. However, the distinct concession light/sound is the same for all concession types, and may be difficult to hear within the TTC's operating environments. TTC personnel will be unable to distinguish between concession types, which will make it difficult to conduct fare inspections and to challenge misuse of concession PRESTO cards.

TTC collectors will no longer be in the collector booth once the new PRESTO enabled fare gates and supporting self-serve PRESTO fare vending machines are installed. Station staff will no longer be responsible for visually validating fare payments. Instead, the PRESTO device will validate fare payment. To gain entry into a station, all customers will require is a PRESTO card (or, in the future, a contactless credit/debit card or limited use paper PRESTO card).

### Concession Fare Policy Changes

To mitigate the concession challenges noted above, the TTC recommends the following fare policy changes:

a. Change the Student concession category name to Youth (age 13-19)

As of 2014, the TTC student concession is no longer based on school status but rather based on age (13-19). The TTC recommends renaming the Student concession to Youth with full PRESTO implementation based on the new age-based eligibility requirements. This change has been agreed among all GTHA municipal transit agencies, GO Transit and Metrolinx.

b. Proof of eligibility is required when setting a concession on a PRESTO card

Proof of eligibility will be required when a concession is set on a PRESTO card as an additional revenue control measure. This is in addition to validation at time of use by TTC staff on request.

Types of proof of eligibility include:

- Proof of age (child, student, senior) - government ID.
- Proof of full-time enrollment at recognized institution (Post-Secondary)
- Proof of support person requirement (Support Person Assistance Card)

c. A PRESTO card is required for children aged 6-12 to travel free on the TTC

With the introduction of new PRESTO enabled fare gates and POP system-wide in 2017, children ages 6-12 will require a PRESTO card to access the TTC and serve as POP while traveling. Photo ID will not be required for children ages 6-9.

d. TTC photo ID is required for Child concessions (age 10-12)

TTC photo ID will be required for Children ages 10-12 to ensure only eligible children travel for free. The new photo ID requirements will replace the current TTC proof-of-age card (no photo) currently in use for this age range.

e. TTC photo ID is required for Youth concessions (13-19)

TTC photo ID will be required for Youth ages 13-19 to validate concession eligibility. A 13 year old can change in appearance significantly over this period. Therefore, youth will be required to update their TTC photo ID at 16.

TTC Photo ID requirements will remain for Post-Secondary; seniors will continue to use their government issued photo ID. In line with these policy recommendations, any future concessions (e.g.: low-income concession) will require proof of eligibility when setting a concession on a PRESTO card and valid photo ID when travelling.

Next Steps

TTC staff will continue to work with PRESTO, GO Transit and other GTHA municipal transit agencies on implementing the approved fare policy changes on the PRESTO system. Work to date includes exploring the integration of Photo ID on to a PRESTO card, similar to the OPUS smart card implementation in Montreal; and having visually distinct concession cards, as used in the Oyster smart card implementation in London, UK.

**Contact**

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## APPENDIX A

### Fare policy concession recommendations summary

Concession Group	Eligibility	PRESTO card	TTC Photo ID	Other Photo ID
<b>Child</b>	0-5	No PRESTO card required		
	6-9	✓	-	-
	10-12	✓	✓	-
<b>Youth</b>	13-15	✓	✓	-
	16-19	✓	✓	-
<b>Post- Secondary</b>	Full time student at recognized institution	✓	✓	-
<b>Senior</b>	65+	✓	-	✓ Gov. issued photo ID
<b>Support Person Assistance Card</b>	Customer must travel with person requiring support	✓	✓	-