



STAFF REPORT ACTION REQUIRED

Introducing a Two-Hour Transfer Policy

Date:	November 28, 2017
To:	TTC Board
From:	Chief Executive Officer

Summary

As early as 2005, the TTC has periodically reported to the Board on the implementation of a time-based transfer. The most recent report, in December, 2015, noted that as the roll-out of PRESTO and Metrolinx's work on regional fare integration were well underway, it was recommended to review the impacts of these major fare initiatives, before giving further consideration to time-based transfers.

Today, we are at a point in the implementation of PRESTO and Metrolinx has provided clarity on their step by step approach to regional fare integration. These developments coupled with the new, flexible mobility options creating a more competitive environment; mean now is the right time to introduce a Two-hour Transfer Policy on PRESTO.

The greatest benefit from this policy change stems from reducing the cost of transit, making it more affordable for multiple short distance trips, thereby giving TTC customers the flexibility they require to carry out everyday activities. This will encourage off-peak ridership, adding an estimated 5 million customer trips per year. The net cost associated with a Two-hour Transfer Policy is estimated to be \$11.1 million in 2018 based on an implementation in August and full year cost of \$20.9 million as of 2020. This should not be viewed simply as an additional expense, but as part of the wider Ridership Growth Strategy that will enable the TTC to provide a high quality, flexible and competitive transit service to customers. This report seeks the Board's approval to implement a Two-hour Transfer Policy in 2018, including the associated financial and service impacts.

Recommendations

It is recommended that the Board:

1. Approve the TTC fare policy change to adopt a Two-hour Transfer on PRESTO from August, 2018.

2. Approve the addition of off-peak service hours from September 2018 and in subsequent years to support the estimated ridership increase resulting from recommendation 1.
3. Amend the TTC's 2018 Operating Budget endorsed by the TTC Budget Committee to include a new/enhanced request to adopt a Two-hour Transfer on PRESTO from August, 2018 with an increased 2018 subsidy requirement of \$11.1 million and additional incremental impacts of \$9.4 million in 2019 and a further \$0.4 million in 2020.

Financial Summary

The estimated annual net cost of a two-hour time-based transfer, upon full implementation in 2020, is \$20.9 million and is comprised of the following:

- A revenue loss of \$22.4 million resulting from a projected 4% (8.1 million revenue trips) of PRESTO e-purse fare payments that would become free under the new policy;
- A revenue gain of \$4.2 million resulting from a projected 0.75% (1.5 million revenue trips) increase in PRESTO e-purse fare payments by existing and new TTC customers attracted by the new policy;
- A net savings of \$0.9 million in PRESTO fees; and
- A cost of \$3.6 million for additional service hours (see below).

Based on a policy implementation date of August 2018, the expected net cost in 2018 is \$11.1 million and is comprised of the following:

- A revenue loss of \$6.3 million resulting from a projected 4% (2.3 million revenue trips) of PRESTO e-purse fare payments that would become free under the new policy;
- A revenue gain of \$1.2 million resulting from a projected 0.75% (0.4 million revenue trips) increase in PRESTO e-purse fare payments by existing and new TTC customers attracted by the new policy;
- A net cost of \$1.0 million in PRESTO fees, mainly attributable to accelerated switching to PRESTO e-purse by existing TTC customers; and
- A one-time operating contribution to capital of up to \$5 million to pay for required changes to PRESTO's systems. This is based on an interim estimate provided to the TTC by Metrolinx. The final amount is subject to interpretation of the TTC-Metrolinx Master Agreement and potential negotiation.

The partial-year impacts for 2018 and annual impacts for 2019 and 2020 are summarized in the following table:

IMPACTS	2018	2019	2020
New Revenue Trips (M)	0.4	1.0	1.5
Revenues (\$M):			
Existing Revenue Trips Paid-to-Free	(\$6.3)	(\$22.4)	(\$22.4)
New Revenue Trips	<u>\$1.2</u>	<u>\$2.8</u>	<u>\$4.2</u>
Sub-Total	(\$5.1)	(\$19.6)	(\$18.2)
Expenses (\$M):			
PRESTO Fees – Accelerated E-purse Adoption	\$1.3	\$0	\$0
PRESTO Fees – Not Applicable to Free Rides	(\$0.3)	(\$0.9)	(\$0.9)
Increased Service Hours	\$0	\$1.8	\$3.6
One-Time Operating Contribution to Capital*	<u>\$5.0</u>	<u>\$0</u>	<u>\$0</u>
Sub-Total	\$6.0	\$0.9	\$2.7
Net Cost	\$11.1	\$20.5	\$20.9

*Final amount is subject to interpretation of the TTC-Metrolinx Master Agreement and potential negotiation.

The paid-to-free trips projections are based on a seasonal analysis of 11 million e-purse fare payments in 2017. When a hypothetical two-hour transfer scenario was applied to these transactions, the results indicated that 4% of these fare payments would become free. The projected ridership increases are based on measuring the impact of a customer’s perceived 50% price reduction (i.e., two rides for the price of one) using fare elasticity analysis.

Implementing a Two-hour Transfer Policy will also necessitate an increase of approximately 850 weekly service hours to accommodate 5 million new customer trips per year. This is discussed in greater detail in the “Ridership and Service Impact” section of this report. Of the approximately 850 additional weekly service hours required, 250 hours can be accommodated within the existing TTC Operating Budget. The additional 600 weekly service hours will be implemented during 2019 and 2020 to support the ridership growth expected with two-hour transfer initiative. The annual cost for the increased service hours is approximately \$3.6 million when fully implemented in 2020.

In addition to the above costs, there is a further revenue risk involving Metropass users. Detailed trip data for legacy Metropasses is not available to precisely measure this risk. Staff will be in a better position to undertake this analysis in 2018 commensurate with the availability of a critical mass of PRESTO Period Pass trip data.

PRESTO has advised that the earliest they can implement the Two-hour Transfer Policy change is August 2018. The required increase to off-peak service would be introduced in September 2018. The revenue, PRESTO fees and additional service hours are based on these assumptions. The TTC’s ability to implement the proposed change is directly dependent on PRESTO making the necessary changes to the TTC’s PRESTO system rules.

As part of the implementation, TTC Staff will develop a comprehensive internal and external communications plan, which will be done within the existing 2018 budget parameters. The TTC recommends implementing the Two-hour Transfer Policy to PRESTO single rides. In 2018, legacy fare media will be eliminated. Applying a Two-hour Transfer Policy to legacy fare media will lengthen the implementation and create additional costs and logistical challenges, it is therefore not recommended. PRESTO and the TTC are working together to determine the requirements, timeline and any costs associated with implementing the Two-hour Transfer Policy.

Required subsidy increases in 2018 are subject to Council approval through the 2018 budget process.

The Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Accessibility/Equity Matters

There is a positive equity impact with implementing a two-hour transfer, as it would allow re-entry into stations and re-boarding onto vehicles without needing to pay an additional fare within a two-hour window. This will help reduce the financial barrier and make transit more affordable for low-income riders. It will provide customers with greater access to the system, and an ability to make multiple short trips on one fare. This may benefit parents/guardians stopping at a day care/school on their way to/from work or home, and customers collecting prescriptions from a drug store. The new Two-hour Transfer Policy aligns with the Toronto Poverty Reduction Strategy (PRS) recommendations to increase equity by making transit more affordable and accessible.

A transit-dependent family of four with two working parents, earning minimum wage, spends between 20% and 35% of their disposable income on TTC fares. TTC's monthly pass is not an optimal choice as residents with low income have difficulty covering this upfront monthly investment. Aside from the Post-Secondary Metropass, there are no transit discounts for adults ages 20 to 64. Low-income adults in this age bracket pay the highest TTC fares since they use cash and tokens more often than higher income riders who purchase monthly passes at a lower cost per ride. Higher income residents who are able to afford this unlimited travel benefit can take full advantage of the City's economic opportunities, cultural events, parks and natural areas, as well as other municipal services. Low-income residents who are dependent on public transit as their primary means of travel may face more difficulty taking advantage of these opportunities due to the comparatively high cost of transit fares. Available and affordable public transit reduces poverty through increased access to social and health services, community resources and economic opportunities.

The City of Toronto's Transit Fare Equity Survey asked 4,465 low-income Torontonians to identify discounts that best meet their needs from the following options: off-peak discounts, distanced-based fares, a two-hour transfer, discounted single fares, and a discounted monthly

pass (Figure 1). 1455 respondents identified the two-hour transfer option as the most important factor for their needs.

Figure 1: The transit fare equity survey results



One of the first Poverty Reduction Strategy actions was to make the TTC free for children 12 years of age and under, creating free, universal access for an estimated 266,000 Toronto children. Building on this initial step to make public transit more affordable, in December of 2016, Council approved the creation of the *Fair Pass: Transit Fare Equity Program for Low-income Torontonians*. This program will extend to low-income adults, ages 20 to 64, the same reduced fare currently available to youth, post-secondary students and seniors. In 2017, City staff prepared a plan to launch the first phase of this program. Council will consider the Budget request for the first phase of the Fair Pass program as part of the 2018 Operating Budget Process. The two-hour transfer will complement these poverty reductions actions and further improve affordability for Toronto residents living on low incomes.

The two-hour transfer will also help alleviate potential barriers for people who need more time to travel or rest between transfer points, improve flexibility and access for customers to enter and exit the system and complete their journey on one fare. Allowing a two-hour re-entry may benefit customers who need to exit the system to use restroom or restaurant facilities, including seniors and customers with disabilities or health needs requiring more flexibility in travel. The proposed Two-hour Transfer Policy combats a variety of issues that relate to our diverse customers: affordability, accessibility, accommodation, and social equity.

Decision History

TTC Board, May 11, 2005:

Board received a proposal to implement a two-hour transfer pilot on the 512 St Clair Route.

Minutes:

https://www.ttc.ca/about_the_ttc/commission_reports_and_information/commission_meetings/2005/may_11_2005/other/time_based_transfer_.jsp

TTC Board, December 19, 2013:

The Board passed a motion to consider a system-wide Two-hour Transfer Policy.

Motion:

https://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2013/December_19/Reports/Request_for_a_Report.pdf

TTC Board, January 28, 2014:

The Board received a report outlining the implications of a Two-hour Transfer Policy implementation system-wide and adopted the recommendation that further business case refinement is needed for moving to a time-based transfer system.

Report:

https://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2014/January_28/Reports/Time_Based_Transfers.pdf

Decision:

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2014/January_28/Reports/Decisions/7c_Time_Based_Transfers_Update.pdf

TTC Board, August 19, 2014:

The board received a set of recommendations for consideration as part of the 2015 Operating Budget, one of which included a change to a two-hour transfer. The Board endorsed, in principle, a thorough review of service initiatives.

Supplementary Report:

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2014/August_19/Supplementary_Reports/Opportunities_to_Improve_Transit_Service_in_Toronto.pdf

Decision:

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2014/August_19/Supplementary_Reports/Decisions/Opportunities_to_Improve_Transit_Service.pdf

City Council, November 17, 2015:

City Council unanimously approved the TO Prosperity - Toronto Poverty Reduction Strategy.

TO Prosperity - Toronto Poverty Reduction Strategy Report:

https://www1.toronto.ca/City%20Of%20Toronto/Social%20Development,%20Finance%20&%20Administration/Strategies/Poverty%20Reduction%20Strategy/PDF/TO_Prosperty_Final2015-reduced.pdf

Decision:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX9.5>

TTC Board, December 16, 2015:

Board received and adopted the recommendation that further analysis and implementation of the two-hour transfer concept should follow the completion of the Metrolinx Fare Integration work if required.

Report:

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/December_16/Reports/Presentation_Fare_Policy_final.pdf

Decision:

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/December_16/Reports/Decisions/Presentation_Fare_Policy.pdf

City Council, December 13, 14, and 15, 2016:

City Council approved several initiatives in support of the TO Prosperity - Toronto Poverty Reduction Strategy.

Decision:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX20.10>

TTC Board, December 20, 2016:

TTC received Board approval to support the City of Toronto's proposed Fair Pass Program.

Report:

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2016/December_20/Reports/10_Transit_Fare_Equity_Fair_Pass_Program.pdf

Decision:

https://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2016/December_20/Reports/Decisions/Transit_Fare_Equity_Fair_Pass_Program.pdf

TTC Board, October 16, 2017:

TTC Board approved the recommendation to add a discounted fare between Go/UP and TTC, as well as, authorized to enter any agreement needed to implement the discounted fare.

Report:

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2017/October_16/Reports/15_Advancing_Fare_Integration.pdf

Decision:

http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2017/October_16/Reports/Decisions/15_Advancing_Fare_Integration_Decision.pdf

Issue Background

A two-hour transfer is used in all other GTHA municipal transit agencies and has been frequently requested by TTC customers. A Two-hour Transfer Policy was introduced on the 512 St Clair streetcar route as a temporary measure in 2005 to support customers and businesses during construction of the right-of-way. The introduction of new, low-floor, accessible streetcars brought an end to this route-specific transfer policy as Operators on the new streetcars cannot issue paper transfers to customers.

In 2015, the TTC presented a report recommending that further analysis and implementation of a two-hour transfer should follow the completion of the Metrolinx's Regional Fare Integration work. In September, 2017, Metrolinx updated its board on the GTHA Fare Integration Strategy. Metrolinx's board endorsed a step-by-step strategy to advance the goal of fare integration across the GTHA with four elements. One of these elements was 'Fare Policy Harmonization'. Implementing a Two-hour Transfer Policy would be consistent with this element as the TTC would join the other GTHA municipal transit agencies in having this policy.

Comments

Current Transfer Policy vs. Proposed Two-Hour Transfer Policy

Currently, customers paying with legacy fare media (e.g.: cash, tokens and tickets) obtain a paper transfer. TTC's current transfer policy can be defined as:

- One-way continuous trip within a reasonable time
- Backtracking, stopovers or vehicle/station re-entry are not permitted
- Must be used at the first available transfer point

For PRESTO customers, the transfer is digitally written on the PRESTO card without the need of a paper transfer. All current transfer rules are still applicable to PRESTO customers, therefore a time allowance of two hours was programmed to account for the "reasonable time" rule.

The proposed Two-Hour Transfer Policy would allow PRESTO users to backtrack, stopover, re-enter stations and vehicles within two hours. Figure 2 outlines the differences in the current and proposed policies specifically regarding transfer rules.

Figure 2: Policy transfer rules comparison

Transfer Rules	Current Policy	Two-hour Transfer Policy
1. Directionality	<ul style="list-style-type: none"> • One-way. 	<ul style="list-style-type: none"> • Unrestricted.
2. Stopovers	<ul style="list-style-type: none"> • Continuous journey, stopovers prohibited. • Transfer must be used at first available transfer point (cannot walk to the next stop – except in the “walking transfer” scenario). 	<ul style="list-style-type: none"> • Unrestricted. • Example: customer can exit and walk to the next stop or a stop on a completely different route if their plans suddenly changed.
3. Vehicle or station re-entry	<ul style="list-style-type: none"> • Prohibited. 	<ul style="list-style-type: none"> • Unrestricted. • Example: if a customer got off at a stop by accident, they are able to get on the next available vehicle without an additional charge.
4. How to obtain transfer	<ul style="list-style-type: none"> • Obtained when fare is paid. 	<ul style="list-style-type: none"> • No change. • Transfer would be electronically applied PRESTO card when tapped on entry.
5. Timeframe	<ul style="list-style-type: none"> • Transfer to be used within a reasonable time. • There is no real time limit as long as all the other rules are followed and the trip length is considered reasonable according to human discretion. • PRESTO is an exception having a two-hour limit. 	<ul style="list-style-type: none"> • Transfer to be valid for two hours.
6. Ownership	<ul style="list-style-type: none"> • Transfer to be used by the person to whom issued, but there is no way to validate. 	<ul style="list-style-type: none"> • No change. • Although it is not possible to verify, a validated PRESTO card is less likely to be passed

Transfer Rules	Current Policy	Two-hour Transfer Policy
		to another customer, as it costs \$6, is reusable and likely to hold funds and/or a Pass.
7. Proof-of-Payment	<ul style="list-style-type: none"> • Must be obtained and retained to be shown when requested on Proof-of-Payment routes. 	<ul style="list-style-type: none"> • No change. • Validated PRESTO card must be presented on request.

A search of the TTC Customer Service Centre - Customer Relationship Management (CRM) system was conducted to extract complaints/comments/compliments on the topic of transfers. Examples include, but not limited to the following categories:

- Complaints on rule complexity from Toronto new comers and visitors.
- Inconvenience the rules impose when running quick errands. This has been brought up by seniors, parents/guardians dropping kids off at school, and those who enjoyed the hop-on and off option on the 512 St. Clair streetcar route when a Two-hour Transfer Policy was in place.
- Numerous requests for a time-based transfer policy.
- Concerns from business owners on St. Clair at the Two-hour Transfer Policy being removed.
- Impact of the current transfer rule complexity when using PRESTO.

Due to the complexity of our current transfer policy, TTC Staff are continuously working with Metrolinx to refine how the existing transfer rules are applied to PRESTO.

In addition, there are a number of other issues associated with transfers and legacy fare media.

1. Reasonable time interpretation:
 - Easy to misunderstand this and other rules;
 - Application among TTC employees may differ, which creates inconsistency in the transfer rule enforcement and/or explanation to customers;
 - It will not be possible to program a variable “reasonable time” as per the current policy.
2. Transfer policy communication:
 - It is difficult to communicate all transfer rules that apply to various journey types.
3. Unintentional fare evasion:
 - Due to the rule complexity, customers may unintentionally make invalid transfers where an additional fare should have been charged.
4. Unplanned closures and diversions:

- Customers may have to make unplanned changes to their journey (e.g. backtrack or stopover) due to circumstances outside of their control (e.g. short turns, mechanical issues). During unplanned closures and diversions, customers may be forced to take routes that are not continuous, which could result in an invalid transfer and an additional fare.

5. Planned closures and diversions:

- Construction at fare-paid stations (where buses/streetcars enter the station) creates difficulties with existing transfer rules on PRESTO. Customers may have to exit outside the station due to construction, whereby a transfer would not be properly recognized, unless changes are made to the PRESTO system to account for service deviations. This occasionally requires manual changes to the PRESTO system on an interim basis.

Moving to a Two-hour Transfer Policy will eliminate all of the above issues.

Benefits of a Two-hour Transfer Policy

In addition to the benefits mentioned in the “Accessibility/Equity Matters” section of this report, implementing a Two-hour Transfer Policy will also deliver the following benefits:

A. Improved customer experience

A two-hour transfer would enhance the customer experience by making transfer rules easy to understand and offer greater flexibility when travelling. More specifically, customers making multiple short journeys will receive an even greater benefit, as shorter distance trips would become cheaper and more affordable.

Proposed rules are simple - customers have two hours to use the entire TTC system:

1. Vehicle and station re-entry is allowed:

- This creates a significantly better customer experience in case someone exits at the wrong stop or boarded the wrong vehicle;
- Customers can board another vehicle on the same route due to a short turn or a mechanical issue without a second charge;
- Customers will have more flexibility when there are planned or unplanned closures and diversions.

2. Stopovers and backtracking are allowed:

- Customers can go back for free if they travelled too far by mistake.

Further findings have been gathered in support of implementing a Two-hour Transfer Policy. TTC conducted an “Origin & Destination Study – Junction & Scarborough East Neighbourhoods” to better understand the customer experience by asking a series of questions through an online survey and in-person intercepts. It is clear from the responses provided by residents surveyed (see Figure 3), that there is potential for additional ridership if one fare would

allow customers to do activities that require multiple short stops. Inability to do so was a common theme behind residents’ preference to drive.

Figure 3 – Summary of relevant questions and findings

Sample Size	Question	Dominant Feedback
121	Can you tell us why you travelled by the modes you selected? <i>*Non-TTC Users</i>	Respondents prefer to drive: <ul style="list-style-type: none"> • For long distances or multiple purposes of travel • For shopping or errands, carrying cumbersome packages.
135	Why don’t you use the TTC on this trip?	Respondents own a car or prefer to drive: <ul style="list-style-type: none"> • Have multiple purposes for trip (errands, pick-up/drop-offs)
134	What could the TTC do to encourage you to use public transit on your trip?	<ul style="list-style-type: none"> • “Change the transfer system to be timed rather than one direction. I would love to use the TTC multiple times on my way home to run errands (groceries, pharmacy) but can’t do this using cash fares without paying multiple times...” • “I usually make multiple errands when I do go out so there is nothing the TTC could change that would make it easier than taking my car. I also take some who don’t have cars to help them out.”

B. Regional harmonization

When customers travel across boundaries, TTC is the only agency without a two-hour transfer within the GTHA, which causes an experience disconnect, making it more difficult for customers to understand and adhere to the current TTC transfer rules. Brampton, Durham, Mississauga, Oakville, Burlington and Hamilton honour the two-hour transfer of their counterparts, which allows for a one fare travel between municipalities. Customers using PRESTO can tap onto one transit agency and can transfer onto another transit agency without being charged again. In September 2017, Metrolinx GTHA Fare Integration report findings were presented where Fare Policy Harmonization was identified as part of the implications for Fare Integration. Metrolinx recognized steps required to establish a longer-term GTHA fare structure vision, one of which included:

“Fare Policy Harmonization

- *Concessions, transfers/stopovers and products should be harmonized to simplify the rules for customers when travelling across multiple GTHA transit systems and create a more seamless travel experience”*

Aligning the TTC transfer policy to reflect that of surrounding agencies opens the potential for further fare integration between TTC and GTHA transit agencies.

C. Increased off-peak ridership

While the customers agree that the TTC has been making visible improvements in some areas of service, the ridership growth trajectory, except for off-peak bus ridership, leveled in the past three years and this trend is expected to continue in 2018. The key in increasing public transit ridership lies in getting the basics right for our current customers and encouraging ridership during off-peak periods. Increasing off-peak ridership is especially beneficial as this does not require a heavy capital infrastructure investment since the capacity is not fully utilized during off-peak times. Toronto's Official Plan considers transit investment as foundational to Toronto's growing economy. To meet the City's objectives, a Time-Based Transfer Policy is a strategy that will help increase ridership over the next five years. It is an integral component that will enable the TTC to provide a high quality, flexible, public transit service to customers in an increasingly competitive environment with multiple travel alternatives.

D. Positive impact on frontline employees

TTC Transit Enforcement set up an Operator Assault Taskforce. The Taskforce noted a correlation between assaults on Operators and fare disputes, and more specifically, disputes relating to the use and acceptance of transfers. With the quantity, complexity and length of TTC routes, it can be difficult for Operators, Route Supervisors and Transit Fare Inspectors to determine whether a transfer is being used properly. Educating customers on the current transfer policy is challenging and can impact service and fare enforcement activities.

The new Two-hour Transfer Policy will simplify transfer rules that are currently difficult to enforce, which will decrease the number of disputes relating to transfers and reduce the number of Operator assaults. It will also streamline fare enforcement, as TTC Transit Fare Inspectors will be conducting checks based on a specific timeframe only, which simplify the investigative process.

E. Simplified communication:

TTC's transfer policy can be difficult to understand and the rules can sometimes be interpreted differently. A Two-hour Transfer Policy will allow for easier communication of the transfer rules and in turn would relieve TTC frontline employees of difficulties associated with explanation and enforcement. Confusion among customers will be eliminated since exceptions or restrictions will be removed.

Ridership and Service Impact

According to the 2011 Transportation Tomorrow Survey, approximately 4% of existing non-pass paid rides, or about 8 million annual paid rides, occur within two hours of that customer's

previous journey. With the introduction of Two-hour Transfer Policy, these customers will be chaining their trips for a single paid ride.

Based on the observed trip-chaining behaviour of Metropass customers, it is expected that trip chaining will increase among existing non-pass customers with the Two-hour Transfer Policy. It is expected that trip chaining by existing customers will increase by 25%, or an additional 2 million customer-trips.

In addition to the added 2 million customer trips made by existing customers, approximately 1.5 million new fare-paying customers will be attracted to the TTC as a result of the two-hour transfer policy on an annual basis. Each new customer will chain two trips per fare paid adding a further 3 million customer trips per year. Therefore, it is estimated that the Two-hour Transfer Policy will result in a total of 5 million additional customer trips on the TTC annually, or about 20,000 additional customer-trips per day.

The 5 million additional customer trips will be taken system-wide and have varying effects on individual routes depending on existing customer travel patterns and existing route crowding levels. However, it is estimated that most of the increase in trip chaining is expected in off-peak periods and weekends. Approximately 850 additional weekly service hours are required to accommodate the 5 million additional customer trips. Two hundred fifty (250) hours can be accommodated within the existing TTC Operating Budget. The additional 600 weekly service hours will be implemented during 2019 and 2020 to support the ridership growth expected with the two-hour transfer initiative.

TTC staff will monitor for overcrowding throughout 2018 to determine where resources are required to support the additional demand generated by the two-hour transfer.

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