

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** November 18, 2013

**SUBJECT:** Integration of TTC and GO Fares -- Update

## **INFORMATION ITEM**

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### **RECOMMENDATION**

It is recommended that the Board receive this update report, noting that:

- Metrolinx, TTC, and City staff recognize the importance of GO/TTC fare integration, and are working together to advance it;
- fare integration between TTC and GO involves complex policy and funding issues that could significantly affect the costs and revenues of both the TTC and GO systems. Metrolinx is undertaking a region-wide study and will report out on this in the Fall of 2014 with potential quick wins identified in Spring 2014;
- fare integration pilot projects at selected individual stations will be considered pending a comprehensive policy and funding agreement to address all aspects of GO/TTC fare integration; and
- this report has been prepared in consultation with Metrolinx staff.

### **FUNDING**

This report has no effect on the TTC's Operating or Capital budgets.

### **BACKGROUND**

At its meeting of October 23, 2013, the Board passed the following motion:

*“To enhance customer service and to maximize investment of taxpayer dollars and existing GO transit infrastructure, TTC staff engage appropriate staff at Metrolinx about implementing a pilot project to integrate GO and TTC fares through Presto card technology at Bloor GO Station and the Exhibition GO Station. TTC staff are to report back with an update at the November Commission meeting”*

The TTC has recently received correspondence requesting a similar integrated-fare pilot program at the GO Danforth and TTC Main Street stations. Over the years, the TTC has received many other similar requests pertaining to GO-TTC fare integration throughout Toronto.

This report responds to the Board's motion.

## **DISCUSSION**

The concept of fare integration between TTC and GO Transit services has been studied and supported by the TTC for many years. The TTC, with the support and participation of other GTHA transit operators, has established limited forms of fare integration, such as the GTA Weekly Pass. However, to date, there has been no integration of fares between GO Transit and the TTC.

Metrolinx provides subsidies to local transit operators in the GTA to allow people to use local transit to access GO Transit services at a reduced local fare. The TTC has not been included in this program, to date, for two reasons:

1. If the program were applied in Toronto, there would be significant fare revenue losses and a resulting requirement for a new additional subsidy to offset these lost fare revenues; and
2. the capacity limitations and very-high usage rates on existing GO Rail services mean that, at this time, there is very little space on GO Rail services to accommodate new riders within Toronto.

Metrolinx's November 2008, *Regional Transportation Plan* recognised the importance of fare integration by including in the plan, "*BIG MOVE #6 A region-wide integrated transit fare system*". The report identified a priority action item to "*Expand GO Transit's local transit subsidy program for riders who are travelling to GO stations using local transit.*" Recently, Metrolinx has announced two initiatives targeted at this.

In the summer of 2013, Metrolinx began developing a two-year work program for fare and service integration, in partnership with GTHA municipalities and transit service providers. The intent of the program is to create short-term and long-term solutions for improving fare and service integration across the GTHA, promote ridership growth, and facilitate seamless travel by transit.

Background work is currently underway including a jurisdictional review of global practices, an assessment of needs and opportunities across the GTHA, and potential cost implications. An initial report will be issued by the Fall of 2014, followed by specific implementation plans in 2015. The work program will identify "quick wins" which can be implemented as work progresses, and addresses fare integration questions related to GO Transit/TTC trips in the City of Toronto.

Fare integration between TTC and GO involves complex policy and funding issues that could significantly affect the costs and revenues of both the TTC and GO systems. There are nineteen (19) GO Rail stations and eight GO bus terminals in Toronto and, for people travelling to Downtown Toronto or other major destinations in the City, the GO services – mostly operating in fully-exclusive rights-of-way with limited stops -- offer a faster and more-direct alternative than the TTC can offer

operating a more local service in mixed traffic. However, the higher total cost to the user for this "premium" service deters many transit users from using GO services. Only seven percent of all transit trips from within Toronto into the downtown are made on GO services.

The typical fare for a GO Transit PRESTO user in Toronto is \$4.43, or as low as \$3.95 on average per trip for regular commuters (40 trips per months).

The current total fare (GO plus TTC), for passengers in Toronto using both TTC and GO Rail services, is in the range of \$7 - \$8 per trip, which is approximately 4 times higher than the average TTC fare of \$2.01 per trip. This higher fare is likely the primary reason why so few Toronto residents use both the TTC and GO to travel downtown. To overcome this deterrent, a lower total or combined fare would be required, which is usually the intent or expectation of fare integration initiatives. Any fare or funding decisions pertaining to GO/TTC fare integration will have to apply to all GO stations and facilities in Toronto. If total fare revenues become less than at present then, in order for the transit agencies to be no worse off financially in the short-term, an offsetting operating subsidy would be required and, for systems as busy as GO and the TTC, those offsetting subsidies could be very large. This is why fare integration initiatives invariably involve complex and challenging funding questions.

It would be very difficult to embark on pilot projects at only selected individual stations, in advance of the establishment of broader policy and funding agreements applicable to the entire GO and TTC networks. Nonetheless, the investigation into fare integration opportunities at the Exhibition and Bloor GO Stations will be dealt with as quickly as possible as part of the overall work regarding fare and service integration in the GTHA

The roll-out of the PRESTO card will provide a flexible mechanism to facilitate various fare policies and approaches, by providing a common fare media across multiple transit agencies. However, the PRESTO fare media, in itself, does not address the policy and equity questions of what fare should be charged for Toronto residents travelling on GO services, or how to fund fare revenue losses that would result from a fare integration program.

Inextricably related to the matter of fare integration is that of the carrying capacity of the systems. As documented in the Downtown Rapid Transit Expansion Study report in 2012:

( [http://www.ttc.ca/PDF/About the TTC/DRTES Final Report - September 2012.pdf](http://www.ttc.ca/PDF/About_the_TTC/DRTES_Final_Report_-_September_2012.pdf) )

at peak times, almost all GO Rail services are currently operating at, or above, their acceptable passenger crowding limits into Union Station. GO has recently introduced 30-minute service, on an all-day basis, on their Lakeshore rail line, and they have plans to increase this line's capacity over the coming years. However, in reality, major increases in GO rail capacity into Union Station are many years away. Any GO/TTC fare integration program which might attract a significant number of Toronto residents to use GO Rail services into the downtown cannot be implemented until GO adds the capacity necessary -- both on the rail lines and at Union Station -- to accommodate the increased ridership.

Metrolinx is undertaking a *Regional Relief Strategy* study which will include a review of the current status of the GO Rail network in Toronto, and opportunities to address the capacity issues that currently constrain GO Rail's ability to accommodate more ridership by Toronto residents. TTC and City staff are participating in this work.

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