

Amendment to Fare Policy

Background

- The Board of Directors approved the implementation of a new Rider Validation System (RVS) on October 23, 2023, to replace OCTA's current fare collection system
- The new RVS is scheduled to be implemented in summer 2025

Benefits to Riders

- Convenience
- Fare equity
- Payment flexibility

Benefits to OCTA

- Ability to improve existing fare policy
- Ridership and data collection
- Faster passenger boarding time

Current Fare Collection System

- Genfare Fareboxes

- Accepts cash/coin
- Magnetic-stripped passes (non-reusable)
- Over 24 years old



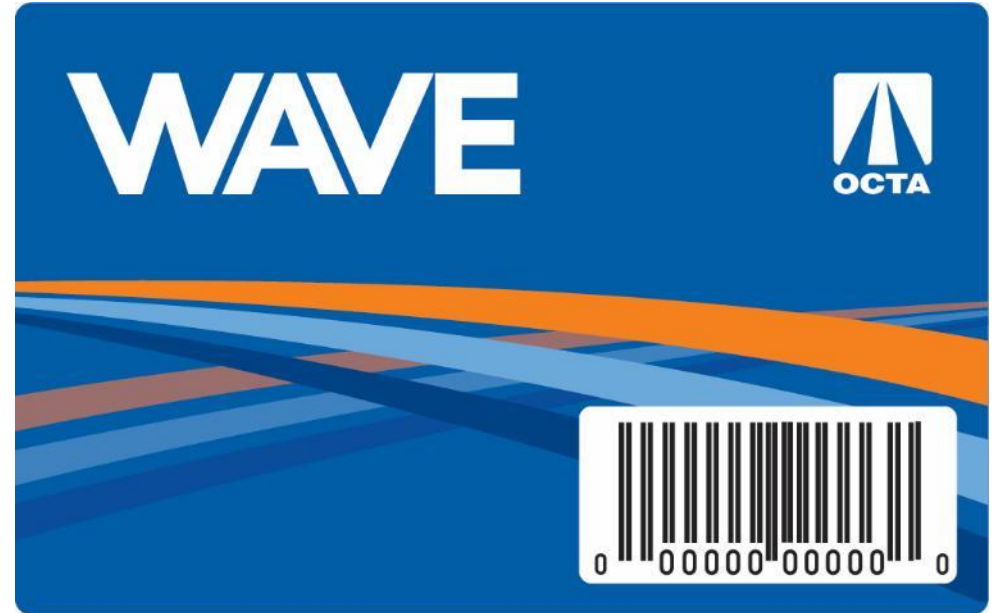
- Mobile Ticketing

- Originally launched 2015
- Onboard validators installed in 2018
- Validators scan mobile ticketing barcodes



New RVS - Key Features

- Contactless smartcard
- Stored value/account based
- Improved retail network
- Mobile ticketing
- Public and institutional websites
- Open payments
- Accepts cash/coin
- Fare policy flexibility



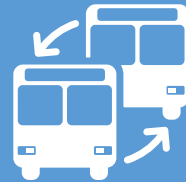
Fare Policy Flexibility

While the RVS can incorporate OCTA's existing fare policy it also provides the flexibility to offer improvements such as:



Fare Capping

Passengers pay per trip until they reach a daily or monthly cap, guaranteeing they always pay the lowest fare.



Transfer Pricing

For example, free transfers for two hours after initial boarding.



Promotions

Integrate promotional and period passes.

Potential Fare Policy Changes – OC Bus

- Implement daily and monthly fare caps at the current cost of passes
- Implement free two-hour transfer period

Fare Type	Regular	Reduced (Senior /Disabled)	Youth	College
Single Fare - One Way	\$ 2.00	\$ 0.75	\$ 0.00	\$ 2.00
Open Payment - Day Cap	\$ 5.00	N/A	N/A	N/A
Daily Cap	\$ 4.50	\$ 1.35	N/A	N/A
Monthly Cap	\$ 69.00	\$ 22.25	N/A	\$ 46.00

Benefits of Potential Changes to Riders



Equity, Flexibility, and Savings with Fare Capping

- **No up-front cost for monthly passes:** Passengers pay per ride instead of paying for a monthly pass in advance.
- **Daily and monthly fare caps:** After reaching the daily or monthly cap, passengers ride free for the rest of the day or month.



Simplicity

- **No need to choose a pass:** Passengers automatically pay the lowest fare without deciding which pass to buy.



Free Transfers

- **Free two-hour transfers:** Passengers can transfer buses for free within a two-hour window.

Financial Impact Of Potential Changes

- The annual financial impact to fare revenue is estimated to be a reduction of \$2 million (-8.7 percent) dollars annually.
- Anticipated reduction in revenue is associated with the 30-day pass as well as implementation of the two-hour transfer, which is anticipated to impact day pass sales.

Recommendations

- Approve the implementation of daily and monthly fare caps at the current cost of passes, which is \$5 for a day pass and \$69 for a monthly pass
- Approve the implementation of a free two-hour transfer period
- Approve OCTA's Schedule of Tariffs dated July 9, 2025

Next Steps

- If approved, the updated amended Fare Policy would be implemented in coordination with the rollout of the RVS system in summer 2025
- A comprehensive marketing and customer communications campaign would begin in April 2025