SEPTA Fare Restructuring: Frequently-Asked Questions

Q: It is our responsibility to reduce costs and deliver service in the most efficient manner.
A: The fare restructuring will not help solve SEPTA’s present budget crisis. We have carefully analyzed SEPTA’s proposed operating budget, and find zero savings that can be attributed to this fare plan (FY 2008 operating budget proposal: page 45–Authorized Headcount; page 117–Revenue Operations). Nor has SEPTA stated in its budget and fare testimony how much it will save and what jobs can be made redundant if this fare plan is adopted.

As far as we can tell from studying years of SEPTA budgets, the railroad fare proposals will have little effect on SEPTA’s costs. Since fare collection is not shifted to ticket machines and other new technology, cash will still be handled on board and SEPTA will still need to pay crew time allowances to account for revenue and pay clerks and other personnel to receive that revenue. The real operating savings will come only when SEPTA makes the move to new technology that can process fare transactions automatically, which is why DVARP opposes any further delays by SEPTA on that project.

Moreover, the fare restructuring could actually increase costs if it causes riders to shift from making bus/rail transfer trips to making longer bus trips. Bus routes will become more crowded, and SEPTA may need to schedule more vehicles to accommodate the ridership shift.

SEPTA’s own statistics in the Annual Service Plan show that the most efficient bus routes are those that feed passengers to the subway/elevated lines, and the long trunk-haul bus routes are the least efficient. Forcing passengers to pay another full base fare to transfer between bus and rail will give them a strong incentive to use the less efficient routes instead of the more efficient routes.

If the “Plan B” fare increase is adopted along with this restructuring, it will further increase costs by taking away passengers’ incentive to wait for an off-peak train, increasing the degree to which ridership is skewed towards the peak, and reducing operating efficiency.

Q: Shouldn’t passengers want a more simple fare system?
A: SEPTA has a peculiar definition of simple.

The most frequent complaint we hear about transit fares is that they need to be paid in exact change. SEPTA’s plan does nothing to simplify that.

In many ways, the fare system will get more complicated if management gets its way. Fares will be different, depending on whether you pay on the train or at a ticket office. A flat children’s fare will give way to much higher zone fares, and new round-trip fares will be established. Some of these proposals may have merit, but they should be considered on their own, and not as a ‘take it or leave it’ package.

Rail passengers will have to learn new zone numbers as well as the new and different fares: how is that a simplification? The zone renumbering even confuses SEPTA: their prepared presentation on the fare restructuring says zones 1 and 4 will be eliminated, while their proposed tariffs list the new zones as 1, 2, 3, and 4.
**Q: Do you want SEPTA to continue with an obsolete fare structure?**

A: We agree that modernizing SEPTA’s fare collection is necessary, but we will not accept a plan that punishes passengers now and gives them only promises of improvements in return. SEPTA has a long history of making promises to the passengers only to stall and stall when it comes time to make good on those promises.

**Q: DVARP participated in the SEPTA fare study, so why should they complain they weren’t consulted?**

A: That study was done in 1999 and 2000, and has not been updated, as far as we know. Since then, new fare collection technologies have been developed, and experience with the transition has been gained in other cities like Boston and Chicago. Is SEPTA implying that they don’t need to think about anything newer than seven years old? And while a few constituencies like ours were involved in the process years ago, SEPTA has done nothing to explain the rationale for its plan to the rest of the public.

**Q: There are too many fare zones on the railroad.**

A: SEPTA has fewer fare zones than any other major commuter railroad in the nation. Only the single-line systems in New Mexico and Dallas have fewer zones. SEPTA has six zones, while Boston has eight, LIRR has eight, Metro-North has eleven, and Chicago has twelve. NJ Transit has 23! Since most passengers travel back and forth between the same two stations, the number of zones really doesn’t make much of a difference.

**Q: Won’t the impact of the fare restructuring will be minimal if passengers change their behavior?**

A: It is the height of arrogance for SEPTA management to expect passengers to change their behavior to accommodate management’s needs instead of SEPTA modernizing its system to accommodate customer needs.

**Q: City transit passengers pay a higher fare if they pay on board; why should the railroad be any different?**

A: 1–Railroad fares are variable, transit fares are flat–a token is good for all trips. It is an unreasonable imposition on passengers to make them pre-purchase different fare instruments to cover all the possible trips they might take: peak or off-peak, to Center City or to the Airport, with the family or alone, etc.

2–Rail tickets have a limited validity period after which they are worthless. Transit tokens are good forever. Passenger who buy tickets in advance for future use risk losing their money, or having to go through a complicated refund process available only at SEPTA ticket offices.

3–Availability of rail tickets is much worse than availability of transit tokens. If there were ticket sales at all rail stations (see NJ Transit’s RiverLINE for example), like there are token sales at subway stations, DVARP would not oppose a higher on-board fare or even the complete abolition of on-board sales.
Q: Isn’t selling fares on board trains an obsolete way of doing business?
A: Yes, and we have pointed to off-board fare collection systems in other cities (Caltrain–San Francisco, Virginia Railway Express–Washington) as an example for SEPTA to follow. But we will not accept a plan that punishes passengers for SEPTA management’s failure to plan and install a modern fare collection system.

Q: Isn’t it a bad idea to put ticket vending machines at the train stations when it’s so difficult to keep the machines working in a tough urban environment?
A: SEPTA seems to be the only system in the country with this problem. NJ Transit uses ticket vending machines for its RiverLINE, even in downtown Camden. Even SEPTA’s suburban ticket vending machines functioned worse than those on NJ Transit.

Q: If we eliminate transfers, can’t we can lower the price of a token for everybody?
A: This is a peculiar strategy for a system that is trying to shift passengers from single-trip fares to weekly and monthly passes.

Also, SEPTA has a history of using minor concessions like this to distract people’s attention from other parts of a fare proposal and to ’spin’ a package of fare changes as something good for the passengers. This plan is no exception.

Q: But won’t only eight percent of riders be affected by the elimination of transfers?
A: 1–Eight percent of the ridership is still too many people to impose such a harmful plan on. At average daily ridership of 600,000, that’s at least 48,000 trips that will be affected.

2–SEPTA is using carefully-chosen numbers to make their proposal look less significant than it really is. As best as we can tell (SEPTA never provided any sources for the statistics they cite in their testimony), the figure of 8% of transit trips being made with transfers is based on unlinked trips (industry terminology for individual vehicle boardings). But passengers don’t take unlinked trips—they take linked trips. Every one of those transfer trips is linked to another trip paid for with a token or cash, so the actual contribution of transfer riders to overall ridership is almost double SEPTA’s figure.

3–Part of the reason this figure is so low is SEPTA has already done much to discourage transfer use. SEPTA’s current transfer charge of 60 cents is already the highest in the nation, so most riders who can easily change to using a pass already have done so.

4–While they may be a smaller fraction of an individual day’s ridership, occasional users of the system outnumber those who use a pass and ride every day. SEPTA’s plan will have the most negative impact on those occasional users, making the system less important to them, and risking the loss of their support for increased transit funding.

Q: Why should DVARP complain when new fare technology is on the way?
A: The latest SEPTA capital budget postponed spending on new fare collection equipment from FY 2008 to FY 2010, and there is no guarantee it won’t be postponed further. If you think SEPTA promises can be trusted, just ask where the trolleys are on Route 23.
Q: We can’t afford to buy new fare technology now: our system is in deep trouble because we don’t get enough money from Harrisburg.

A: SEPTA can’t afford not to buy new fare technology. Done right, fare collection modernization will reduce transaction costs and reduce the number of personnel SEPTA needs to handle fares, while increasing ridership and revenue by making the system more convenient to use.

Money to purchase hard assets like fare collection equipment comes from SEPTA’s capital budget, which is separate from the operating budget which pays for wages and benefits, fuel, and other daily operating expenses. SEPTA’s present crisis is because of underfunding of the operating budget. The capital budget is strained, but by changing some priorities, SEPTA could find the money to acquire new fare equipment.

This brings us back to a point DVARP has been making for years: while SEPTA may have undergone multiple audits and other investigations, none of them have adequately investigated failed capital projects like the Schuylkill Valley Metro study, the Route 15 trolley restoration, the last three railcar procurements, and the cost overruns for the Market Street el reconstruction, now $300 million growing. The overruns alone could pay for the fare collection project three times over.

Q: Haven’t other cities like New York eliminated paper transfers?

A: Other cities have eliminated paper transfers, but only after adopting a stored-value farecard that gives passengers free transfers between routes. SEPTA is proposing to go in the exact opposite direction by charging riders a full base fare for each transfer. Once SEPTA offers free transfers to passengers using the new fare card, DVARP will support eliminating paper transfers for riders paying cash.

Q: Won’t the DayPass be a better fare option for occasional riders?

A: Factions within SEPTA management have long opposed the entire concept of the DayPass, which survives only because of the dogged determination of the Citizen Advisory Committee. Availability of the DayPass is still very limited, especially in outlying sections of the city and in the suburbs, and there has never been any significant promotion of this fare instrument.

Furthermore, SEPTA proposes changes that will make the DayPass much less useful to riders: passengers will be limited to a total of eight vehicle boardings (no other city limits its one-day pass like this), and the validity for one commuter rail trip will be eliminated. That takes away the usefulness of the DayPass for passengers using the railroad to access Center City, then transferring to a transit route to reach destinations like the stadiums.

Then while the DayPass is made less useful, its price will increase by 9 to 36 percent. SEPTA already has the most costly one-day pass of any major transit system. Presently the DayPass price is 4.2 times the token price; that will go up to a multiple of 4.8 with the present proposal. By comparison, the one day pass in Los Angeles is 2.7 times the base fare, in Cleveland it is 2.3 times the base fare, and in New York, it’s 3.5 times the base fare.
Q: Why should we listen to those amateurs at DVARP?
A: You should listen because we have produced the only independent analysis of the fare restructuring and its consequences, and for years we’ve demonstrated we understand SEPTA’s budget and operations better than anyone else outside the authority.

SEPTA tries to discredit us because they don’t want to engage us on the merits of the points we raise. Does SEPTA think we should also ignore the professional planners in Philadelphia’s city government, who oppose this fare restructuring; or the Citizen Advisory Committee, which was set up by law for the express purpose of advising SEPTA on matters like this?

DVARP has a long record of reasoned and thorough analysis of transportation issues in the greater Philadelphia area. We were proven right on important things like the effect of the 1993-94 RailWorks project on commuter rail ridership, the troubles with the initial contract award for the Silverliner V commuter rail cars, and the FTA’s flat rejection of SEPTA’s Schuylkill Valley Metro project, yet SEPTA management continues to call us names instead of trying to build a logical argument against our points.

SEPTA still has not attempted to refute our conclusions about the Schuylkill Valley Metro proposal: that the plan SEPTA and its multi-million dollar consultants developed was fatally flawed, that ridership projections were based on an inappropriate model, and that cost estimates were slanted to favor SEPTA’s preferred mode. Had the board listened to DVARP then, and directed management to justify its plan in light of DVARP’s criticism, millions of dollars could have been saved.

Q: Why shouldn’t we just follow the recommendations of the public hearing examiners?
A: The hearing examiners were selected and paid by SEPTA. They accepted SEPTA’s position unquestioningly, and failed to respond to many valid concerns raised by the public, such as the possibility that the elimination of transfers will increase operating costs by giving passengers an disincentive to using rail for the trunk-haul portion of their travel. The hearing examiners were a rubber stamp for SEPTA management.

The hearing examiners’ report on these proposals has little to do with the actual testimony at the hearings. Had the hearing examiners been truly independent, they would have reported that there was no testimony in favor of SEPTA’s fare restructuring and considerable testimony against it. Instead of fulfilling their stated purpose of conducting hearings and reporting to the Board what the public thinks about SEPTA’s proposals, the hearing examiners functioned as consultants substituting their own opinions in place of the public testimony.

Q: We don’t like it when you use words like “punish” to describe this plan.
A: We’re just following management’s own description of their motives for the plan. They stated in the public hearings that they are seeking to change riders’ behavior by making the consequences worse for using single trip fares instead of a weekly or monthly pass. Those of us who are parents call this kind of behavior modification technique “punishment.”
Q: If we pass this proposal, won’t the controversy blow over in a few days?

A: Do you remember what happened in 1992 when SEPTA first tried charging a higher on-board fare even when ticket machines or a station agent weren’t available? We do. SEPTA got bad press and complaints for months, there were ugly confrontations between train crews and passengers, and the controversy didn’t blow over. Instead it got so bad that SEPTA had to go back to the old fare policy just a few months later.

If anything, the controversy will be worse this year. SEPTA doesn’t have any working ticket machines any more, while bloggers and other new media will amplify complaints and spread the word when the inevitable problems come.

Q: Why is DVARP always so critical? Don’t they have anything constructive to say?

A: We criticize SEPTA when they deserve it, and support SEPTA when they deserve it. We have been a staunch supporter of SEPTA’s Annual Service Plan, because it is a transparent and objective decision-making process to make service more efficient, and we even written in acceptance of the one-year suspension of the process during this budget crisis.

We supported SEPTA’s stance in labor negotiations, and opposed those who would rather see a binding arbitration process that takes control of contract terms out of SEPTA’s hands.

We have supported SEPTA’s Transit First plans even when they were under fire from City Council, and we continue to support SEPTA’s efforts to secure adequate state funding.

We will not back down from calling SEPTA management to account though. Because of lax board oversight and a media that equates supporting SEPTA management with supporting public transit, we have too frequently been by ourselves on these matters. But our positions are backed up by facts and sound reasoning, and we exist to represent the passengers’ interest, not management or the politicians or anyone else who wants the controversy to just go away.

We criticize SEPTA because SEPTA gives its customers worse service than other railroads and transit systems. Its commuter rail service is the slowest in the nation and has worse on-time performance than most other railroads. SEPTA is the only commuter rail system in the nation that does not equip its trains with rest rooms, and it insists on jamming passengers into cramped 3-2 seating with no amenities while other systems have larger, more comfortable seats and are equipping trains with new amenities like cup holders, wi-fi, and power outlets.

SEPTA does a poor job of communicating with its customers, even at times when such communication would give people a more positive impression of the system, like telling them new trains are on order and giving them an opportunity to have input into the design of these trains. Many passengers will end up spending as much as two hours a day on these trains, every working day for 40 years or perhaps longer. They deserve some kind of say-so in their design. Maybe if SEPTA management made an effort to understand and respond constructively to passengers’ concerns instead of keeping them in the dark, we could have a more positive relationship as well as better decision-making.