

Fiddling with Fares While SEPTA Burns

In a move marked by very questionable timing, and a clear disregard for the public interest, SEPTA management is trying to ram a dramatic overhaul of the transit and commuter rail fare structures through the public hearing and board approval process while the public is preoccupied with threats of service cuts if SEPTA does not get increased state funding.

Despite impassioned appeals from DVARP to pull this proposal off the table so everyone can work together on securing adequate funding from next year's state budget, SEPTA management is dead set on getting its wish list on fares, even if it means turning SEPTA's allies into opponents at a critical time in the authority's history.

After lengthy discussion at the March 17 meeting, DVARP's board of directors unanimously agreed that DVARP would oppose this plan and mobilize passengers to call county commissioners and state legislators to urge them to reject it. The door was left open for that effort to be redirected towards SEPTA funding, which is what had been in the works at DVARP until the fare structure bombshell was dropped, but DVARP would need concrete assurances that the policy changes would not be made until after the present crisis is over and a more thorough public consultation process can be completed before it can trust SEPTA and get back to the job of seeking additional transit funding.

Transfer charge more than doubled

The most significant change being sought by SEPTA is to completely eliminate transfers from its transit fare structure. Instead of paying 60¢ when they have to change vehicles, passengers would have to pay another full base fare. Not only would this worsen the inequities in SEPTA fares, it would discourage use of the subway and elevated lines for the trunk-haul component of peoples' trips. That could actually increase costs for SEPTA instead of cutting costs.

Rail lines are a much more efficient way to move large numbers of people than buses are, but the new fare structure will result in passengers shifting from the subway to long-haul bus routes. As you can see in SEPTA's annual service plan, those bus routes have much lower cost-recovery than short routes where most passengers transfer to rail to complete their trips. Providing no supporting justification for their plan, SEPTA asks us to take it on faith that their plan won't backfire and worsen SEPTA's financial condition.

Even if the token price is reduced slightly, as SEPTA is proposing as an inducement to get support for its radical plan, to raise the price of a transfer from an already-high 60¢ to \$1.25 or \$2.00 flies in the face of the transit industry guideline that systems should charge the minimum amount for a transfer that deters people from taking extra transfers and selling them on the street as a means to fare evasion. The thought is that the time and trouble of transferring is enough disincentive to transit travel as it is, that passengers shouldn't have to pay more on top of it.

Some systems, such as DART in Delaware and Maryland's MTA have adopted this 'flat fare per boarding' model and even had success with it. But those systems share one crucial difference from SEPTA: their route structures are radial, with most routes traveling to the downtown area. Few people need to transfer when their trip is to that central destination. SEPTA's route structure is a grid-like mesh where most but not all routes in the inner city function as feeders to the subway and el.

The more relevant model for SEPTA's route and fare structure isn't Baltimore or Wilmington, it's New York. There bus routes in the outer boroughs feed passengers to the subway, and direct bus routes to Manhattan are considered a premium service. When it implemented Metrocard Gold in 1997, the TA made bus/rail transfers free instead of charging a full fare. SEPTA now intends to do the very opposite!

New zone numbers to learn

SEPTA also plans a host of changes to its commuter rail fare structure. Zones 1 and 4 would be completely eliminated, and nearly everyone would have to deal with a new zone number. Present zones 1 and 2 would become zone 1, present zone 3 would become zone 2 along with some present zone 4 stations, and the rest of zones 4 and 5 would become zone 3. West Trenton would be added to the special fare zone for Trenton, to be numbered 4.

With the zone change, SEPTA would have the fewest zones of any commuter rail system in the US other than the one-line system in Dallas-Fort Worth. Its zone distances would go from about average to among the longest in the nation. And the present system of even five-mile zones would become more irregular. SEPTA management has sought unsuccessfully in the past to flatten the fare structure, in order to reduce the number of different fares that have to be applied. While they say their motivation is to reduce passenger confusion, it's hard to see how their new proposal will do anything other than add to confusion. As long as there are zones (and even SEPTA hasn't proposed anything as radical as a totally flat commuter rail fare), people will be paying different amounts based on destination.

That kind of tailoring prices charged to the value of service provided is another basic economic axiom flouted by SEPTA's proposal. We call this "economic efficiency" and it is why DVARP supports the fare zone structure as it is today. If fare zones are too few and too long, SEPTA has to charge higher fares for short trips, discouraging ridership, and/or charge lower than what the market will bear for longer trips, leaving potential revenue uncollected. Given SEPTA's present predicament, they can't afford to leave money on the table.

Punishing passengers for SEPTA's shortcomings

SEPTA also is proposing a new and separate structure for cash fares paid on board the train. Instead of charging a \$2.00 penalty to passengers boarding where a ticket office is open, SEPTA wants to charge a higher fare for everyone paying on board, even if there is nowhere to buy a ticket at the boarding station. SEPTA tried this two-tiered approach once before, in the 1990s, and it provoked many angry confrontations between passengers and train crews. The results were so bad that SEPTA abandoned the plan just months later and went back to the standard penalty fare system used by most of SEPTA's peers.

SEPTA's stated objective is to save costs by reducing the number of cash transactions handled by employees. DVARP sympathizes with the cost issue, but there is a right way to get cash off the trains and a wrong way, and SEPTA's way has been proven to be the wrong way. The right way is the "proof of payment" system used on some relatively new systems, including Virginia Railway Express and the NJ Transit RiverLINE. On those systems, no tickets are sold on board, so there are no cash handling costs at all. The systems make ticket vending machines available at all stations, and VRE also has off-site ticket sales locations like convenience stores and coffee shops.

Even if SEPTA succeeds in reducing the number of cash fares collected, the budgetary benefit is likely to be too small to be worth the trouble. It will hardly affect overhead costs like payments to crew members for time spent accounting for fares and the cost of personnel to receive cash turned in and check conductors' reports.

Dead on arrival?

For these reasons and more, DVARP is opposing the SEPTA plan. Other important constituencies are opposing it too. The SEPTA Citizen Advisory Committee has indicated it will fight the plan, agreeing with DVARP that it's bad for the passengers. CAC chairman Bob Clearfield says SEPTA staff made no effort to contact them before publishing the 378-page tariff proposal, despite CAC's legal role as representative of the riders and management's obligation to consult with them on matters like this. Nor were transportation planners in Philadelphia's city government given any inkling that such huge changes were in the works. The city is expected to oppose the plan, particularly abolishing transfers for transit trips.—MDM