

Victoria Regional Transit Commission

Chair and Members

March 19, 2024

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SUBJECT: TICKET FARE PRODUCT DISCOUNT

PURPOSE

To provide the Commission with an update on the adoption of the Umo fare technology and request a change to the discount provided by the paper ticket fare product to support further adoption. This report is presented to the Commission for **APPROVAL**.

BACKGROUND

The Umo fare technology platform offers customers more convenient payment methods and the added feature of daily fare capping, ensuring riders pay no more than the value of a DayPASS for unlimited daily ridership within the transit system. However, the platform is unable to accommodate both fare capping and the existing discount tickets, requiring the elimination of discount tickets as a fare product.

As a result, in August 2022 the Commission approved the removal of the ticket fare upon the completed transition to Umo and the cessation of the sale of traditional physical fare products. Umo was subsequently launched in August 2023 and BC Transit is working towards the completed transition, involving the removal of traditional magstripe passes and paper tickets from sale for conventional riders, before the end of 2024.

DISCUSSION

Current adoption of Umo is sitting at an estimated 42 per cent of total riders. This figure is largely driven by high pass product adoption, which sits at 76 per cent. Due to the nature of the traditional fare technology and products, the true number of unique non-pass riders is unknown; however, BC Transit estimates that the adoption of Umo amongst less frequent riders is approximately 23 per cent. It is observed that this lower adoption rate is driven in part by the continued availability of the discounted ticket fare product that riders are incentivized towards purchasing given the 10 per cent discount they receive on sheets of ten.

In anticipation of the full transition to Umo, expected to occur later this year, BC Transit is seeking to minimize the potential for any customer service, communications or logistical challenges that might arise in the leadup to the full fare product cutover. To support customers in their full transition to Umo, BC Transit is taking a two-fold approach. Firstly, a long lead time with ample communication and appropriate supports is being planned. Secondly, strongly encouraging adoption between now and the cutover date will help to minimize issues associated with the removal of existing products.

To encourage riders to make the transition sooner, BC Transit is recommending that the removal of the discount provided by the ticket fare product be pulled forward to May 1, 2024. The paper ticket product will continue to be available for purchase but at the full fare rate of \$25.00, which removes the incentive for its continued purchase and use and encourages further adoption of Umo.

Any changes to the ticket fare would apply to both conventional and custom riders, as fares are aligned across service types within the region. Physical ticket and pass products will continue to be available for use by custom riders beyond the completed transition to Umo for conventional services.

RECOMMENDATION

It is recommended that the Victoria Regional Transit Commission **APPROVE** the ticket fare product be priced at \$25.00 effective May 1, 2024.

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