



## **Status Update – Fare Integration**

**Date:** November 22, 2023

**To:** TTC Board

**From:** Chief Strategy and Customer Experience Officer (Acting)

### **Summary**

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The TTC, MiWay, Brampton Transit, York Region Transit, Durham Region Transit (herein municipal transit agencies), Metrolinx and the Ministry of Transportation share a vision of a seamless public transit system that serves customers in Toronto and the Region. Fare Integration is a transformational step towards achieving this vision.

In early 2024, transit customers will no longer have to pay a double fare when they take the TTC and GO Transit or the TTC and another municipal transit agency when they pay with a PRESTO fare card, PRESTO in Mobile Wallet, debit card or credit card. Customers transferring between the TTC and GO Transit will be reimbursed for their single-ride TTC fare, and customers transferring between the TTC and a municipal transit agency will be able to transfer to or from those agencies using their two-hour transfer without paying a second fare. This new customer benefit is a result of the Province of Ontario, through Metrolinx, introducing the Fare Integration Removal of Double Fares (FI-RDF) program. The FI-RDF program is expected to start in early 2024 with funding committed until March 2026 with the option to extend beyond the two-year window, if the program achieves forecasted results.

Fare Integration creates benefits for customers travelling regionally and locally. Approximately 13% of TTC customers currently start or end their trip outside of Toronto: one-third use GO Transit and the TTC, another third use a municipal transit service and the TTC, and the remaining third drive or walk across the Toronto boundary. This program results in a financial benefit for those who take multiple transit agencies today and provides increased travel options for others who arrive at the TTC by car or walk across the Toronto boundary.

For the 87% of TTC customers who travel locally within Toronto, Fare Integration coupled with existing service integration between the TTC and GO Transit will also make taking the GO rail and bus network more affordable by presenting new transit travel options for customers.

The Fare Integration program is designed around these principles:

- The TTC will continue to establish fare policy and set fares for TTC services;
- The Province will reimburse the TTC for all foregone fare revenue associated with the elimination of the double fare; and

- For customers, there will be no adjustments to fares, transfer window duration, or other fare policies to offset program costs.

The Fare Integration program truly advances the vision of a seamless public transit network for Toronto and the Region and will contribute to ridership re-acquisition. Over the next few months, the TTC will continue to work with Metrolinx and municipal transit partners to implement this program.

## **Recommendations**

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It is recommended that the TTC Board:

1. Authorize the CEO to enter into a Fare Integration agreement with Metrolinx (on behalf of the Province of Ontario) subject to the following principles and in a form satisfactory to the TTC General Counsel:
  - a. The TTC will continue to establish fare policy and set fares for TTC services;
  - b. The Province of Ontario through Metrolinx will reimburse 100% of eligible trips to transit systems for their respective foregone farebox revenue;
  - c. The subsidy provided will be based on actual transfer transactions, as opposed to a formula;
  - d. The Province of Ontario will commit funding to March 2026, after which the Fare Integration Removal of Double Fares program will either be extended or, alternatively, the current fare structure will be reinstated; and
  - e. For customers, there will be no adjustments to fares, transfer window duration, or other fare policies to offset program costs.
2. Direct staff to forward this report to all City Councillors, the General Managers of MiWay, Brampton Transit, York Region Transit, and Durham Region Transit, and Metrolinx for their information.

## **Financial Summary**

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Adoption of the recommendations in this report does not result in any revenue loss for the TTC. A key principle of the Fare Integration program's design is revenue neutrality for transit system participants. The Province of Ontario, through Metrolinx, will reimburse 100% of eligible trips to transit systems for their respective foregone farebox revenue.

The Fare Integration draft agreement between the Province and the TTC indicates that the Province will fully reimburse the TTC for all foregone fare revenue resulting from customers participating in the program. The amount of funding will be based on actual participation and funding will not be capped with reimbursement of 100% eligible trips to the TTC for foregone farebox revenue by the Province.

It is estimated that approximately 29 million to 36 million customer-trips per annum will participate in the program resulting in approximately \$40 million to \$60 million in foregone fare revenue per annum which the TTC would recoup from the Province. The program is presently funded for two years with a scheduled start date of early 2024 with funding committed until March 2026. It is expected that the program will be extended beyond the two-year window, if program participation achieves forecasted results.

The TTC will be responsible for staff time to implement and monitor the program, supplementary marketing campaigns (over and above the initial Provincial marketing campaign) and any additional costs for service arising from increases in ridership. The additional cost for supplementary marketing will be included in the 2024 Operating Budget submission as a one-time cost estimated at \$60,000. The cost for additional service has not been included in the 2024 Operating Budget. The TTC will evaluate ridership patterns and will add service to address increases in ridership, if required.

The Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **Equity/Accessibility Matters**

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The TTC strongly believes that all customers should enjoy the freedom, independence and flexibility to travel anywhere on its transit system. The TTC is currently working towards making Toronto's transit system barrier-free by implementing changes that will make all of its services and facilities more accessible. All TTC and municipal transit agency bus services are accessible and operate using low-floor buses and all integrated services implemented as part of this plan will continue to be accessible.

Fare Integration will improve equity and accessibility for customers by providing a co-fare when customers transfer between the TTC, GO Transit and surrounding municipal transit agencies. This plan has significant benefits for customers who frequently travel across municipal boundaries to employment, education, healthcare, shopping and cultural activities or other opportunities. Fare Integration will also enable customers to more affordably connect to GO Transit.

Fare Integration is available to adult, youth, child, senior, post-secondary and Fair Pass Transit Discount Program customers when using the PRESTO fare card, PRESTO in Mobile Wallet, or open payment methods including debit card or credit card. Customers paying with TTC monthly passes will be able to transfer to a municipal transit agency for free as part of their two-hour transfer but when returning to Toronto or travelling on GO Transit will not receive a refund for their pre-paid fare as part of their monthly pass suggesting a single-ride fare would be a better product for cross-boundary customers. The Fare Integration program applies to customers using all TTC services including Wheel-Trans, bus, streetcar and subway.

## Decision History

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On October 16, 2017, the TTC Board approved the [Advancing Fare Integration](#) report, which established a discounted co-fare between GO Transit/UP Express and the TTC, known as the Discount Double Fare (DDF). The DDF was a step towards Fare Integration.

At its meeting on January 25, 2018, the TTC Board approved the [TTC 2018-2022 Corporate Plan](#). Critical Path 4 is “make taking public transit seamless” and a key initiative within the path is regional fare integration.

On October 29, 2019, Toronto City Council provided direction regarding fare integration, including that fares not be established based on distance and that fares for any new lines be established by the TTC Board [Agenda Item History – 2019.EX9.1](#).

At its meeting on February 10, 2022, the TTC Board approved the [Advancing the 5-Year Fare Policy](#), including directing staff to restart discussions on reintroducing the Discount Double Fare, the TTC-GO Transit co-fare, to provide affordable alternatives for customers once Line 3 closes.

At its June 14, 2023 meeting, City Council reaffirmed its support for Fare Integration across all transit systems in the Toronto region while considering a report on SmartTrack Stations Program – Provincial Funding Update. [Agenda Item History – 2023.EX5.2](#).

## Issue Background

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### Strategic Alignment

The TTC, municipal transit agencies, Metrolinx and stakeholders share a vision of a seamless public transit system that serves Toronto and the Region, and improves access to employment, education, healthcare, shopping and cultural activities. These partners present this vision and supporting policies in various plans, including:

- City of Toronto: Official Plan, TransformTO Net Zero Strategy, Poverty Reduction Strategy, Seniors Strategy, Strong Neighbourhoods Strategy, Youth Equity Strategy.
- TTC: Corporate Plan, 5-Year Fare Policy.
- BT: City of Brampton Transportation Master Plan.
- DRT: Five-Year Service Strategy, Transportation Master Plan.
- MiWay: City of Mississauga Strategic Plan, MiWay Five – Transit Service Plan.
- YRT: YRT Business Plan, Transportation Master Plan, Regional Official Plan.
- Metrolinx: Regional Transportation Plan.
- Toronto Board of Trade: Erasing the Lines.

### Fare Integration Initiatives to Date

Neighbouring municipal transit agencies and GO Transit have already implemented Fare Integration outside Toronto. Neighbouring municipal transit agencies, including MiWay, Brampton Transit, York Region Transit and Durham Region Transit, accept transfers from other municipal transit agencies (except the TTC) as valid proof of payment, as long as

there is time remaining on the transfer. GO Transit has implemented Fare Integration with municipal transit agencies, as well, where customers only pay the GO Transit fare when transferring between GO Transit and a municipal transit system. This report outlines a proposal to extend the municipal transit agency/GO Transit Fare Integration model to the TTC.

The TTC has implemented incremental Fare Integration policies previously, but none to the extent described in this report:

- **Discount Double Fare:** In 2018, PRESTO fare card customers who pay-as-they-go and transfer between GO, UP Express and the TTC were offered a discount of up to \$1.50 when they paid their fare. The program was discontinued in April 2020.
- **Rouge Hill:** In 2012, GO Transit funded integrated fares with the TTC on the University of Toronto Scarborough corridor in order to avoid the duplication of running a GO bus service in parallel with an existing TTC bus service. GO customers travelling between Rouge Hill GO Station and University of Toronto Scarborough could travel on the TTC's 38 Highland Creek buses at no additional fare. The arrangement ended when the TTC-GO double discount fare arrangement started in 2018.
- **Pearson Airport:** In 1999, the TTC simplified zone boundaries at Pearson Airport to allow a one-fare TTC ride between Toronto and the airport on the Lawrence Avenue/Dixon Road bus service, replacing the previous double fare that was charged to travel a short distance across the Toronto-Mississauga boundary into Pearson Airport.

## Customer Benefits

Fare Integration creates benefits for customers travelling regionally and locally.

Approximately 13% of TTC customers travel regionally and start or end their trip outside Toronto:

- 4.5% use GO Transit;
- 4.3% use municipal transit agencies; and
- 4.2% arrive by car (and use parking or pick up and drop off) or walk up to a kilometre to/from the city of Toronto border.

Of the 13%, 8.8% of TTC customers take the TTC and either GO Transit or a municipal transit agency as presented in **Figure 1**.

**Figure 1: TTC Customers connections by Transit Agency**

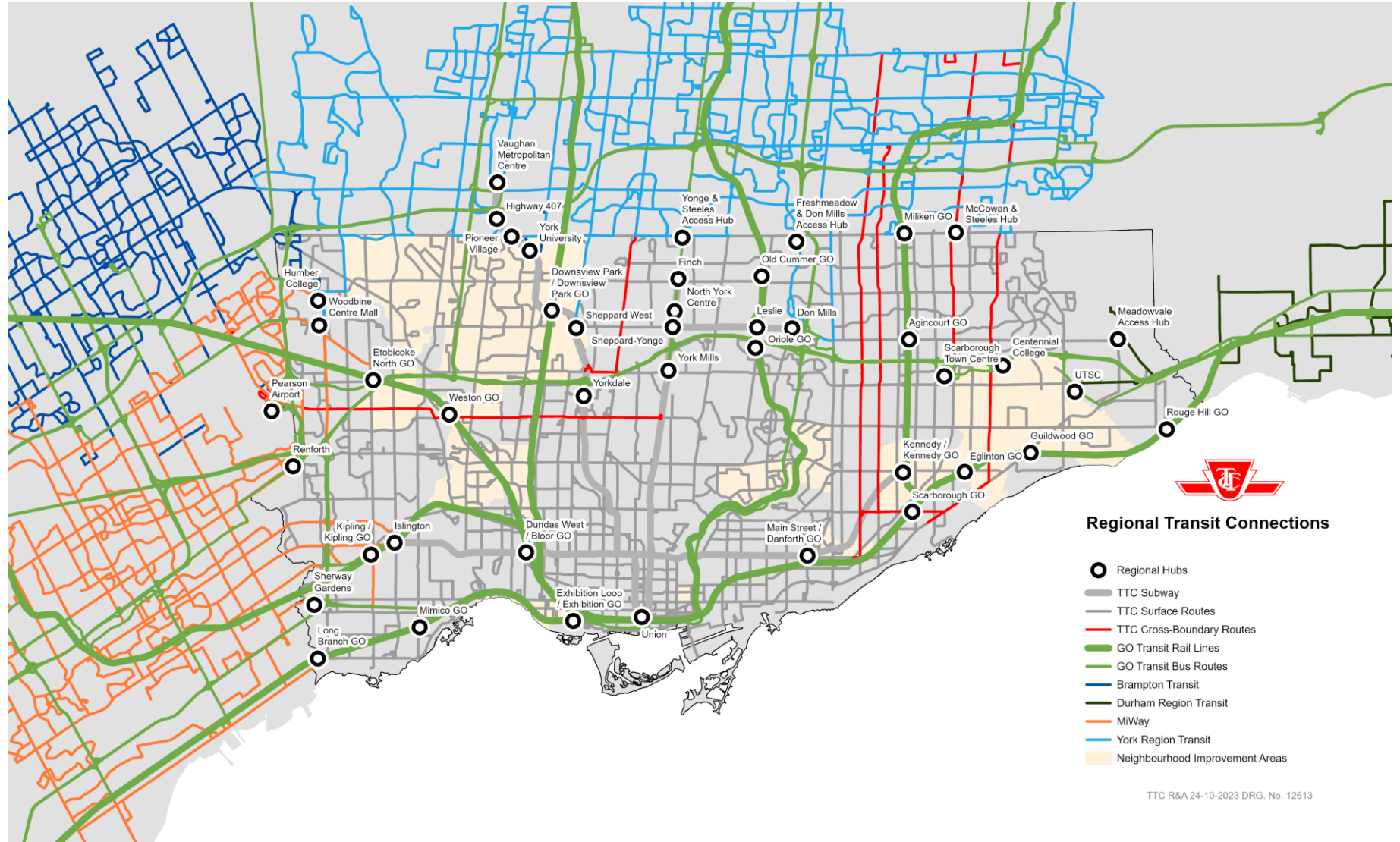
<b>Transit Agency</b>	<b>% of TTC Ridership</b>
GO Transit	4.5%
York Region Transit	2.4%
MiWay	1.5%
Brampton Transit	0.3%
Durham Region Transit	0.1%
<b>Total</b>	<b>8.8%</b>

The Fare Integration program will provide a direct financial benefit to these customers by way of a reduced fare. The program will also attract new customers including those travelling to the Toronto Zoo, Ontario Science Centre and the numerous attractions in Downtown Toronto outside of walking distance of Union Station. The Fare Integration program also presents cross-boundary transit travel options for TTC customers who currently drive (reducing greenhouse gas emissions) or walk across the Toronto boundary (saving travel time).

Approximately 87% of TTC customers travel locally within Toronto. The Fare Integration program, coupled with existing service integration between the TTC and GO Transit, makes the GO Transit network of bus and rail services that operate within Toronto more affordable. GO Transit's seven rail lines and express bus services complement the TTC network and makes long-distance travel faster and easier in the city. For example, customers commuting from Toronto's outer suburbs to downtown could use the TTC bus network in combination with GO Transit rail as an alternative to the TTC subway, or customers travelling across the city from Etobicoke to Scarborough could use the TTC and GO bus services to complete their journey. Service integration between the TTC and municipal transit agencies continues to advance and will further enhance transit travel options for customers in Toronto and the Region.

The Fare Integration program makes accessing existing municipal transit services and GO Transit more affordable. **Figure 2** presents a map of connections between the TTC and regional transit services. **Figure 3** lists existing cross-boundary routes that customers can access at bus stops on-street or at regional hubs. It is estimated that 29 million to 36 million TTC customers-trips per annum will participate and benefit from the Fare Integration program.

**Figure 2: Map of Connections between the TTC and Regional Transit Services**



**Figure 3: List of Regional Transit Routes**

<b>MiWay</b>	<b>Brampton Transit</b>	<b>York Region Transit (continued)</b>	<b>GO Transit Rail</b>
<p><b>@ Kipling Bus Terminal</b>  Route 1/1C Dundas  Route 3 Bloor  Route 7 Airport  Route 11 Westwood  Route 20 Rathburn  Route 26 Burnhamthorpe  Route 35 Eglinton  Route 70 Keaton  Route 71 Sheridan-Subway  Route 76 CityCentre-Subway  Route 101/101A Dundas Express  Route 108 Business Express  Route 109 Meadowvale Express</p>	<p><b>@Humber College</b>  Route 11 Steeles  Route 50 Gore Road  Route 511 Züm Steeles</p>	<p><b>@Don Mills Station</b>  Route 24 Woodbine  Route 90 Leslie  Route 90B – Leslie</p>	<p>Lakeshore West  Milton  Kitchener  Barrie  Richmond Hill  Stouffville  Lakeshore East</p>
<p><b>@ Sherway Gardens:</b>  Route 4 Sherway Gardens</p>	<p><b>@Westwood Square</b>  Route 5 Bovaird  Route 14 Torbram  Route 30 Airport Road</p>	<p><b>@Vaughan Metropolitan Centre</b>  Route 10 Woodbridge  (effective April 2024)  Route 20 Jane  Route 26 Maple  Route 77 Highway 7  Route 720 Wonderland  Viva orange</p>	<p><b>GO Transit Bus</b></p>
<p><b>@ Long Branch GO Station:</b>  Route 5 Dixie  Route 23 Lakeshore</p>	<p><b>@Vaughan Metropolitan Centre</b>  501 Zum Queen/York U</p>	<p><b>@Highway 407 Station</b>  Route 20 Jane  Route 361 Nashville Express  Route 720 Wonderland</p>	<p>Route 16 Hamilton / Toronto Express  Route 18 Lakeshore West  Route 19 Mississauga / North York  Route 21 Milton  Route 27 Milton / North York  Route 29 Guelph / Mississauga  Route 31 Kitchener  Route 32 Brampton / North York  Route 33 Guelph / North York  Route 36 Brampton / North York  Route 40 Hamilton / Richmond Hill  Route 41 Hamilton / Pickering  Route 47 Hamilton / Hwy 407 Bus Ter.  Route 48 Guelph / Hwy 407 Bus Ter.  Route 52 Oshawa / Hwy 407 Bus Ter.  Route 54 Markham / Hwy 407 Bus Ter.  Route 56 Oshawa / Oakville  Route 61 Richmond Hill  Route 63 King City / Toronto  Route 65 Newmarket / Toronto  Route 66 Newmarket / North York Exp  Route 67 Keswick / North York  Route 71 Stouffville  Route 90 Newcastle / Oshawa  Route 92 Oshawa / Yorkdale  Route 94 Pickering / Square One  Route 96 Oshawa / Finch Exp</p>
<p><b>@ Westwood Square Terminal:</b>  Route 15 Drew  Route 16 Malton  Route 18 McLaughlin-Derry  Route 22 Finch  Route 24 Northwest  Route 30 Rexdale  Route 42 Derry  Route 107 Malton Express</p>	<p><b>@Pearson Airport</b>  Route 115 Airport Express  Route 505A Zum Bovaird</p>	<p><b>@Pioneer Village Station</b>  Route 3 Thornhill  Route 20 Jane  Route 96 Keele-Yonge  Route 107/B Keele  Route 165/F - Weston</p>	<p><b>Paratransit Services</b></p>
<p><b>@ Renforth Station:</b>  Route 39 Britannia  Route 43 Matheson-Argentia  Route 57 Courtneypark  Route 74 Explorer  Route 87 Meadowvale-Skymark</p>	<p><b>York Region Transit</b></p> <p><b>@ Finch Station</b>  Route 2 Milliken  Route 5 Clark  Route 23 Thornhill Woods  Route 77 Highway 7  Route 88 Bathurst  Route 91 Bayview  Route 91A Bayview  Route 91E Bayview Express  Route 98E Yonge Express  Route 98/99 Yonge Late Night  Route 99 Yonge  Route 300 Business Express  Route 301 Markham Express  Route 302 Unionville Express  Route 303 Bur Oak Express  Route 304 Mount Joy Express  Route 305 Box Grove Express  Route 760 Vaughan Mills/Wonderland  Viva blue</p>	<p><b>@Sheppard West Station</b>  Route 105 Dufferin</p>	<p>Wheel-Trans connects with other paratransit services at transfer hubs</p>
		<p><b>Durham Region Transit</b></p>	
		<p><b>@Centennial College / UTSC</b>  Route 900 Pulse</p>	
		<p><b>@Scarborough Centre Station</b>  Route 920</p>	



## Comments

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The TTC, municipal transit agencies and Metrolinx have been working towards making public transit seamless in Toronto and the Region. In its March 2023 Budget, the Province announced its intention to implement Fare Integration to address double fares between the TTC and GO Transit and municipal transit agencies thereby extending the program in place in neighbouring municipalities to Toronto.

The TTC and other municipal transit agencies have been meeting with the Province and Metrolinx through the Fare and Service Integration (FSI) Collaboration Table to participate in consultation on program design for fare integration with a focus on customer experience, PRESTO technology requirements, and requirements related to financial and ridership data.

### Program Design

The new Fare Integration Removal of Double Fares Program (FI-RDF) is designed around the following key principles:

- The TTC will continue to establish fare policy and set fares for TTC services;
- The Province of Ontario, through Metrolinx, will reimburse 100% of eligible trips to transit systems for their respective foregone farebox revenue;
- The subsidy provided will be based on actual transfer transactions, as opposed to a formula;
- For customers, there will be no adjustments to fares, transfer window duration, or other fare policies to offset program costs;
- The proposed eligible fare media in order for customers to have access to the provincially funded discount are the PRESTO fare card, PRESTO in Mobile Wallet, debit card or credit card with a requirement for municipalities to use PRESTO as their fare collection mechanism to be eligible for the FI-RDF program;
- The first phase of the program will have built-in review milestones to assess performance, requiring engagement and data sharing; and
- The program is approved by the Ministry of Transportation until March 31, 2026 with terms to be included in the agreement for the option to extend the program.

The FI-RDF program is to be fully funded by the Province of Ontario, with no requirement for the TTC or City of Toronto to provide a subsidy to make up any revenue loss resulting from the operationalization of the FI-RDF program. This represents a transformational opportunity to advance fare integration across municipal boundaries and provide improved customer experience for those who travel on multiple systems.

The TTC is working with Metrolinx to prepare an agreement that captures these principles and clearly outlines the terms of the program. This report asks the TTC Board to authorize the CEO to enter into a Fare Integration agreement with Metrolinx subject to these key principles and conditions being met.

## **Customer Experience**

The FI-RDF program is expected by the Province to start in early 2024. Transit customers will no longer have to pay a double fare when they take the TTC and GO Transit or a municipal transit agency.

Fare Integration is available to adult, youth, child, senior, post-secondary and Fair Pass Transit Discount Program customers when using the PRESTO fare card, PRESTO in Mobile Wallet, or open payment methods including debit card or credit card. A few forms of payment will not be eligible for Fare Integration, including PRESTO tickets, cash, TTC tickets and tokens because they do not support TTC-GO travel due to GO Transit's variable fare and cannot accurately capture data to support financial reconciliation.

### **How the Fare Integration Program Will Work: Use Cases**

Customers transferring between the TTC and a municipal transit agency will be able to transfer to or from those agencies using their two-hour transfer without paying a second fare as illustrated in Use Case 1 and Use Case 2 shown on the following pages.

Customers transferring between the TTC and GO Transit will be reimbursed for their single-ride TTC fare as shown in Use Case 3 on the following pages.

## **Conclusion**

The TTC, municipal transit agencies and Metrolinx share a vision of a seamless public transit system that serves customers in Toronto and the Region. Fare Integration is a transformational step towards achieving this vision and it will be implemented in early 2024.

With Fare Integration, customers will no longer have to pay a double fare when they take the TTC and GO Transit or a municipal transit agency when they pay with a PRESTO fare card, PRESTO in Mobile Wallet, debit card or credit card. Fare Integration creates benefits for customers travelling regionally and locally by making transit more affordable and presenting new transit travel options.

This report asks the TTC Board to reaffirm its support for Fare Integration by authorizing the CEO to enter into a Fare Integration agreement with Metrolinx, on behalf of the Province of Ontario, subject to the key principles outlined in the report, and in a form satisfactory to the TTC General Counsel. Over the next few months, the TTC will continue to work with the Province and municipal transit agencies to implement this program.

Use Case 1: Customer A lives near Jane St. and Wilson Ave. in a Neighbourhood Improvement Area and works at a manufacturer near Jane St. and Rutherford Rd. in Vaughan. The customer travels to work via the TTC 935 Jane Express and the YRT 20 Jane. Today, the customer pays \$14.36 round-trip using PRESTO (\$7.18 to work plus \$7.18 to return home). With Fare Integration, the customer will pay \$7.18 round-trip; \$3.30 to travel to work as shown in **Figure 4** and \$3.88 to travel home as shown in **Figure 5**.

**Figure 4: Use Case 1 (TTC-YRT Conventional)**

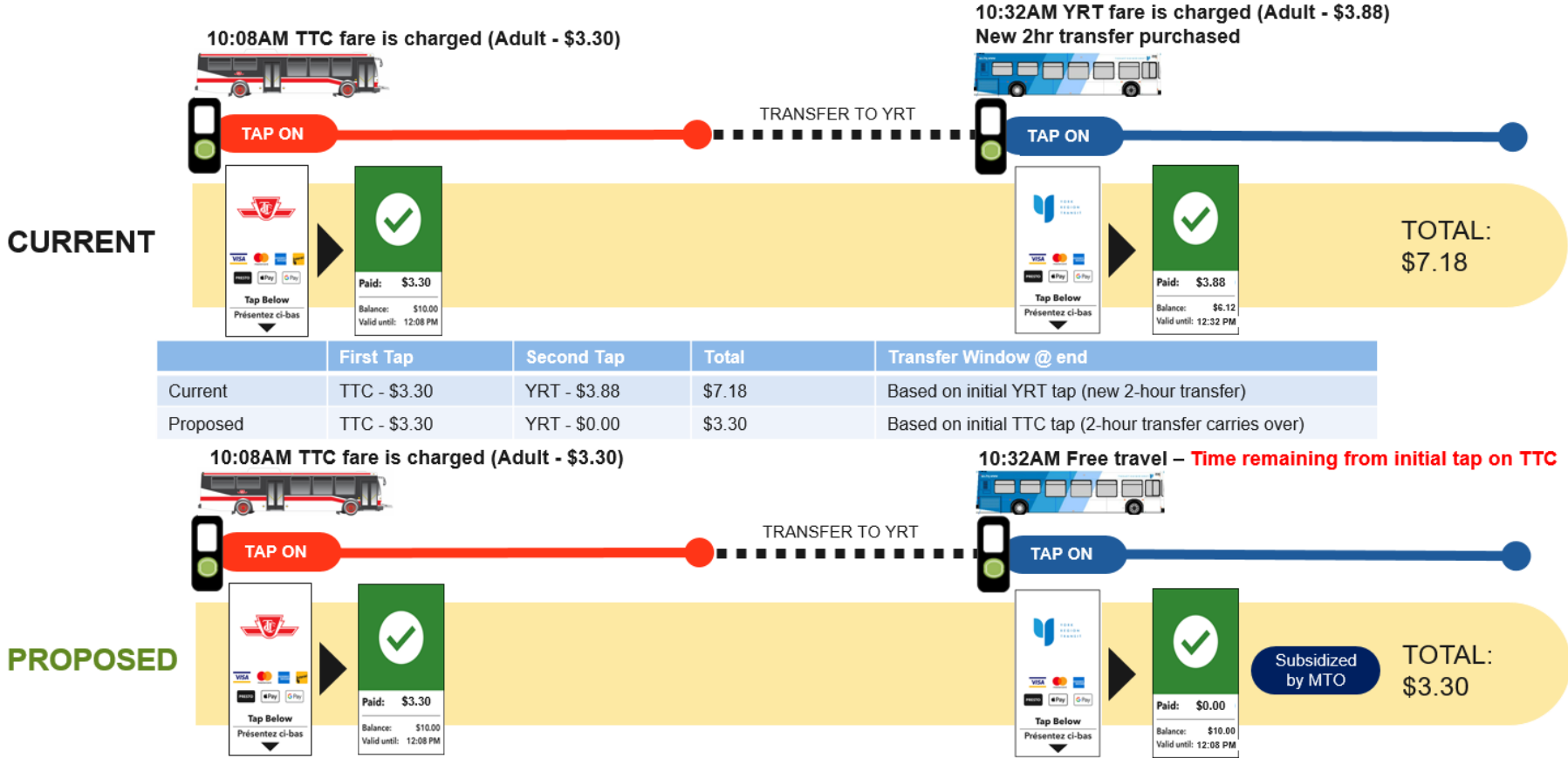
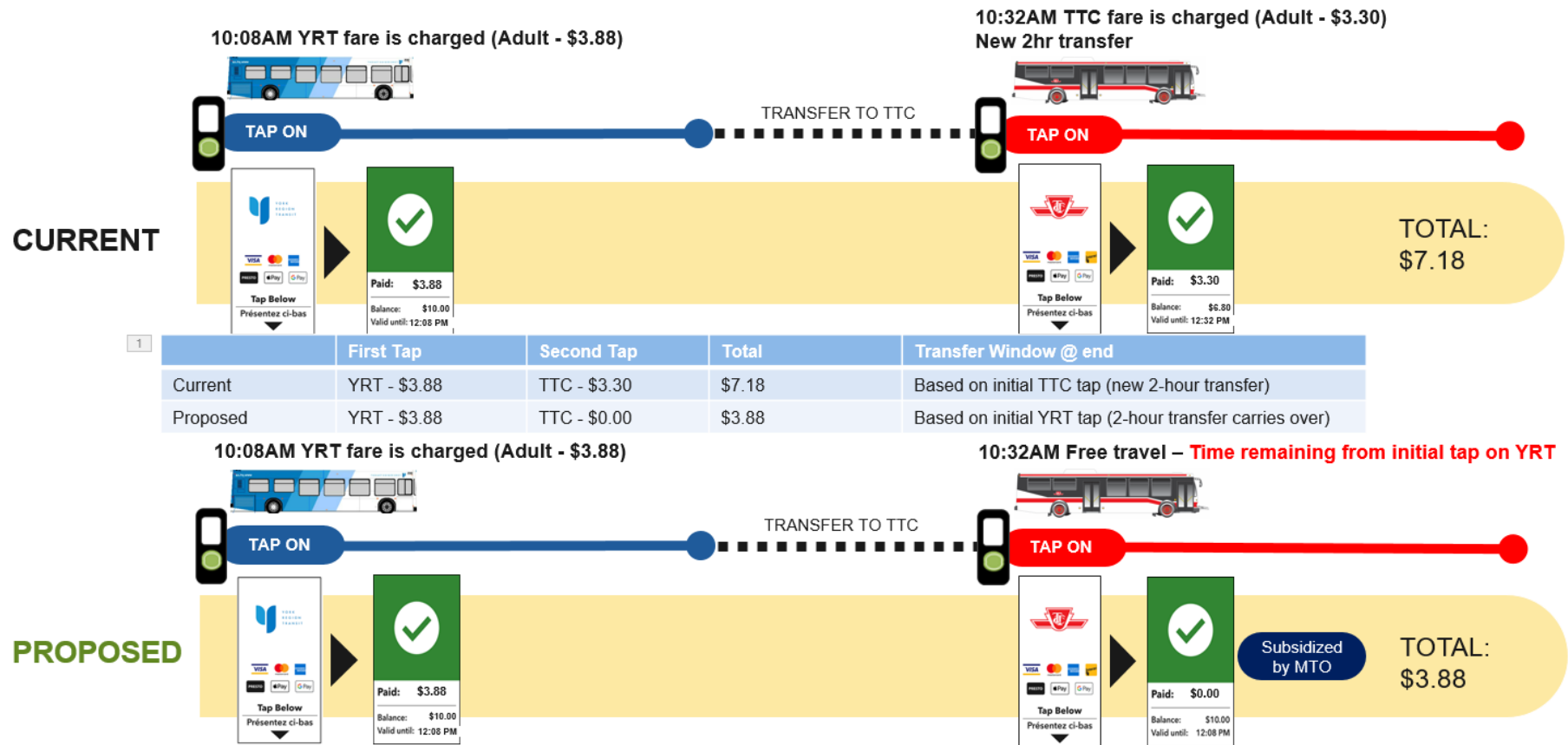


Figure 5: Use Case 1 (YRT-TTC Conventional)



Use Case 2: Customer B lives in Pickering and regularly visits a healthcare specialist at Centenary Hospital in Scarborough. Customer B travels with DRT and transfers to Wheel-Trans at Meadowvale Loop Access Hub. Today, the customer pays \$13.10 round-trip using the PRESTO fare card (\$6.55 to appointment plus \$6.55 to return home). With Fare Integration, the customer will pay \$6.55 round-trip; \$3.25 to travel to the appointment as shown in **Figure 6** Error! Not a valid bookmark self-reference.and \$3.30 to travel home as shown in **Figure 7**.

**Figure 6: Use Case 2 (DRT-TTC Specialized)**

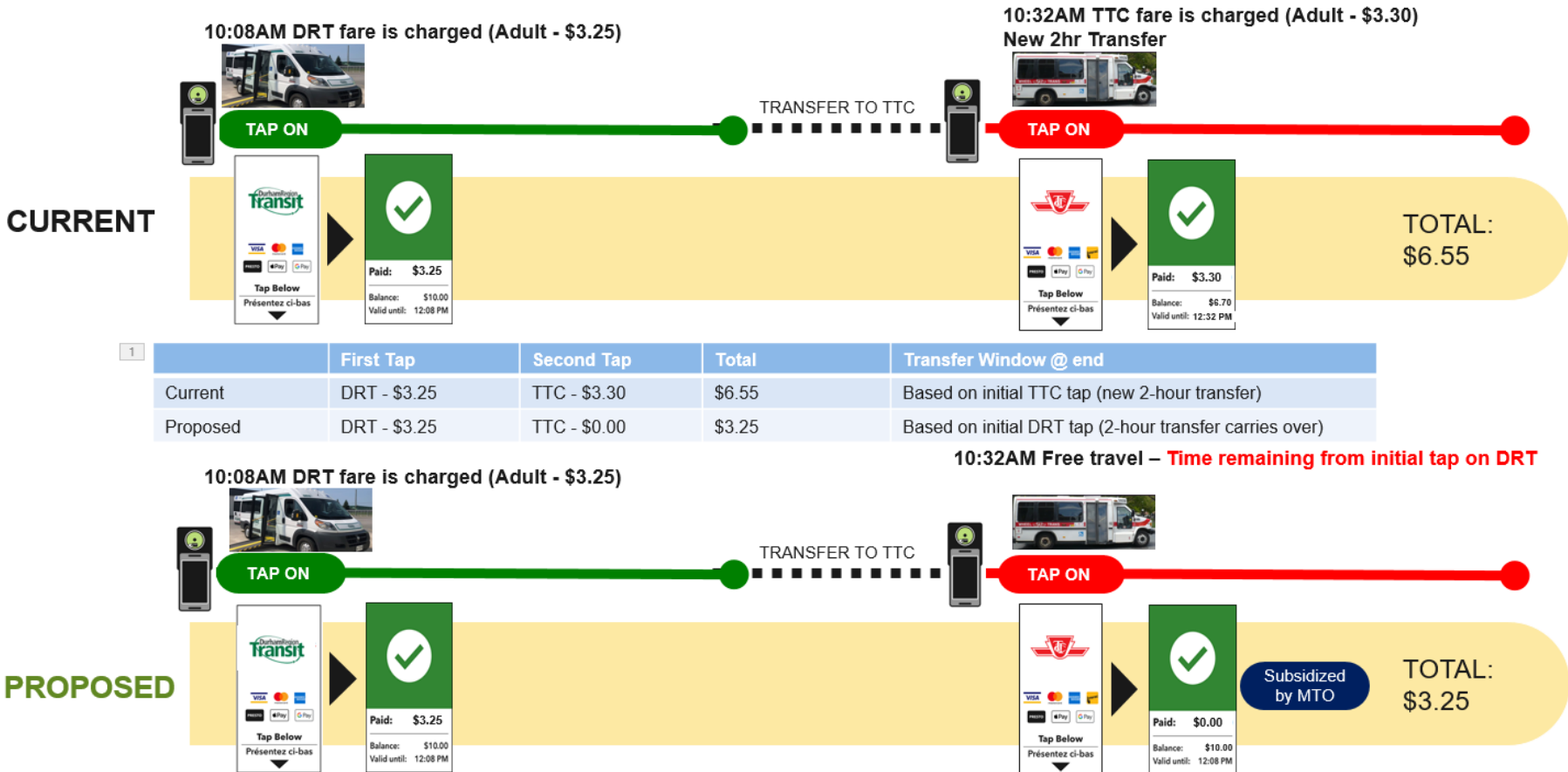
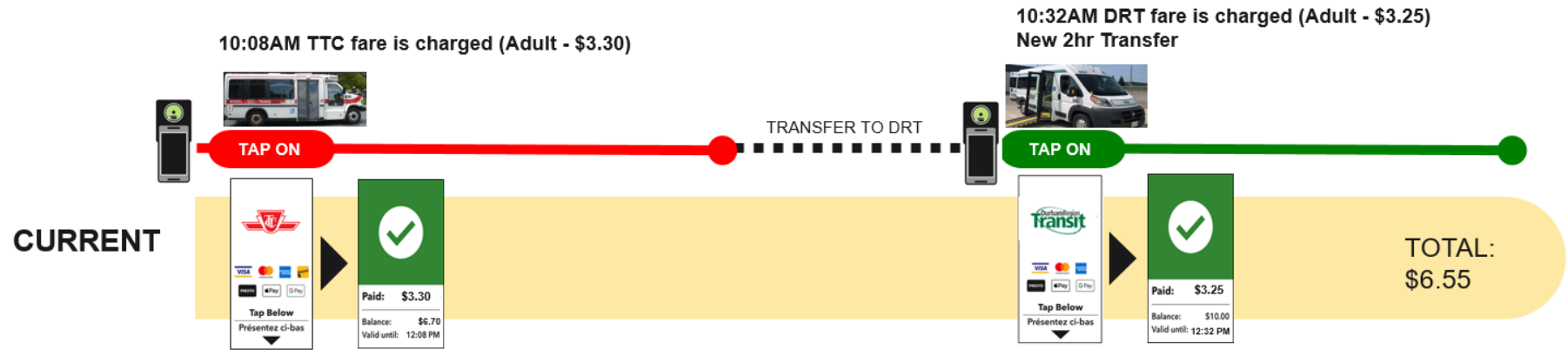
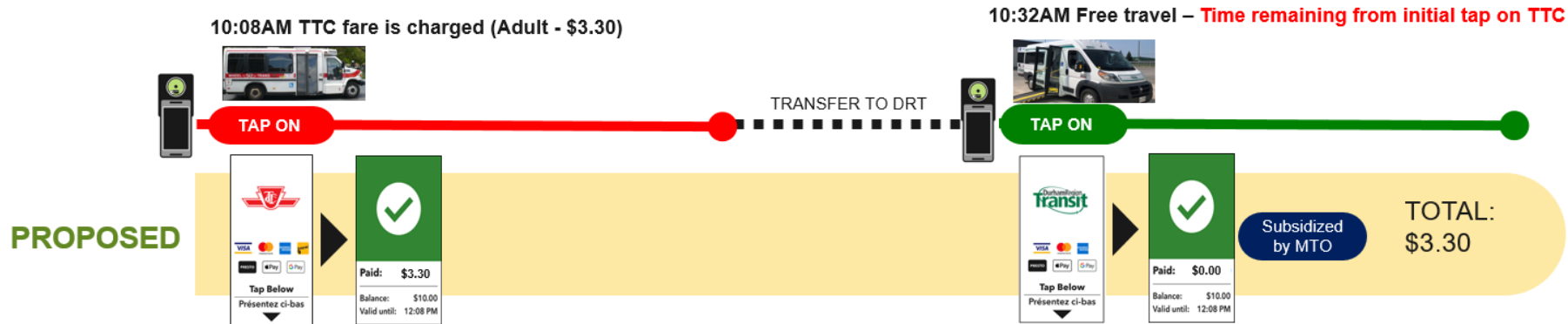


Figure 7: Use Case 2 (TTC-DRT Specialized)

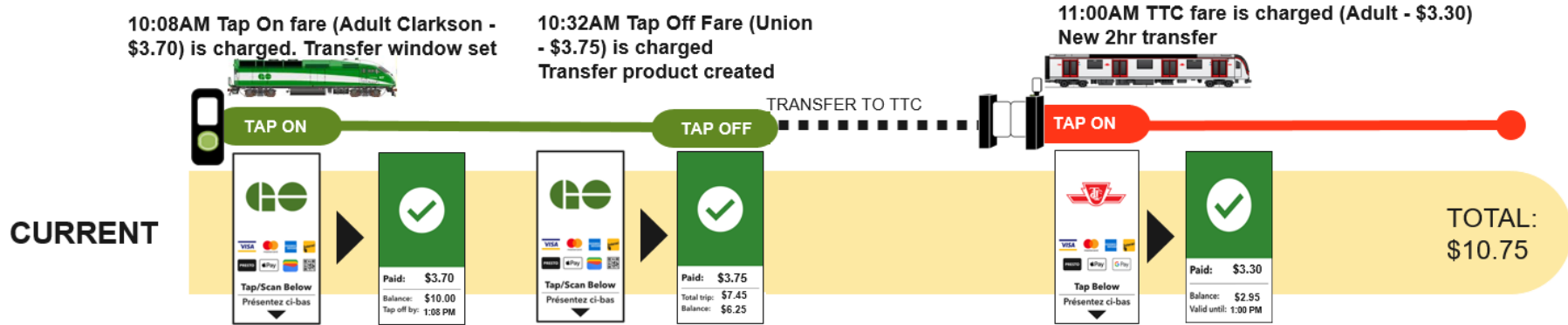


	First Tap	Second Tap	Total	Transfer Window @ end
Current	TTC - \$3.30	DRT - \$3.25	\$6.55	Based on initial DRT tap (new 2-hour transfer)
Proposed	TTC - \$3.30	DRT - \$0.00	\$3.30	Based on initial TTC tap (2-hour transfer carries over)



Use Case 3: Customer C lives near Clarkson GO Station in Mississauga. Once a month the customer travels to Toronto to meet with friends. Today, the group of friends are visiting the Royal Ontario Museum. Customer C walks to Clarkson GO Station and takes the GO train to Union Station where they transfer to Line 1 and travel to Museum Station. Currently, Customer C pays \$21.50 round trip with PRESTO (\$10.75 to the museum plus \$10.75 to return home). With Fare Integration, the customer will pay \$14.90 round-trip; \$7.45 to travel to the museum as shown in **Figure 8** and \$7.45 to travel home as shown in **Figure 9**. The TTC single-ride fare is reimbursed.

**Figure 8: Use Case 3 (GO Transit-TTC Conventional)**



	First Tap	Tap Off	Second Tap	Total	Transfer Window @ end
Current	GO - \$3.70	GO - \$3.75	TTC - \$3.30	\$10.75	Based on initial TTC tap (new 2-hour transfer)
Proposed	GO - \$3.70	GO - \$3.75	TTC - \$0.00	\$7.45	Based on initial GO tap (3-hour transfer carries over)

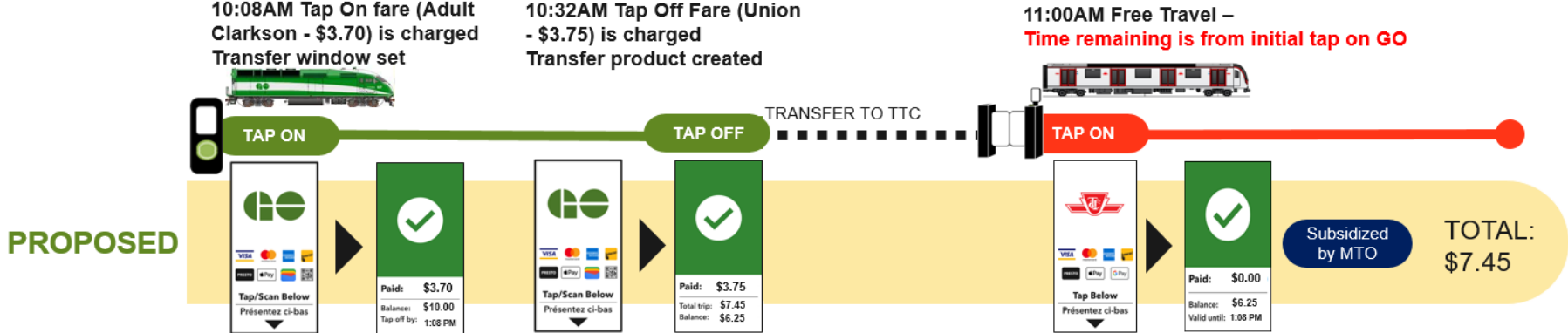
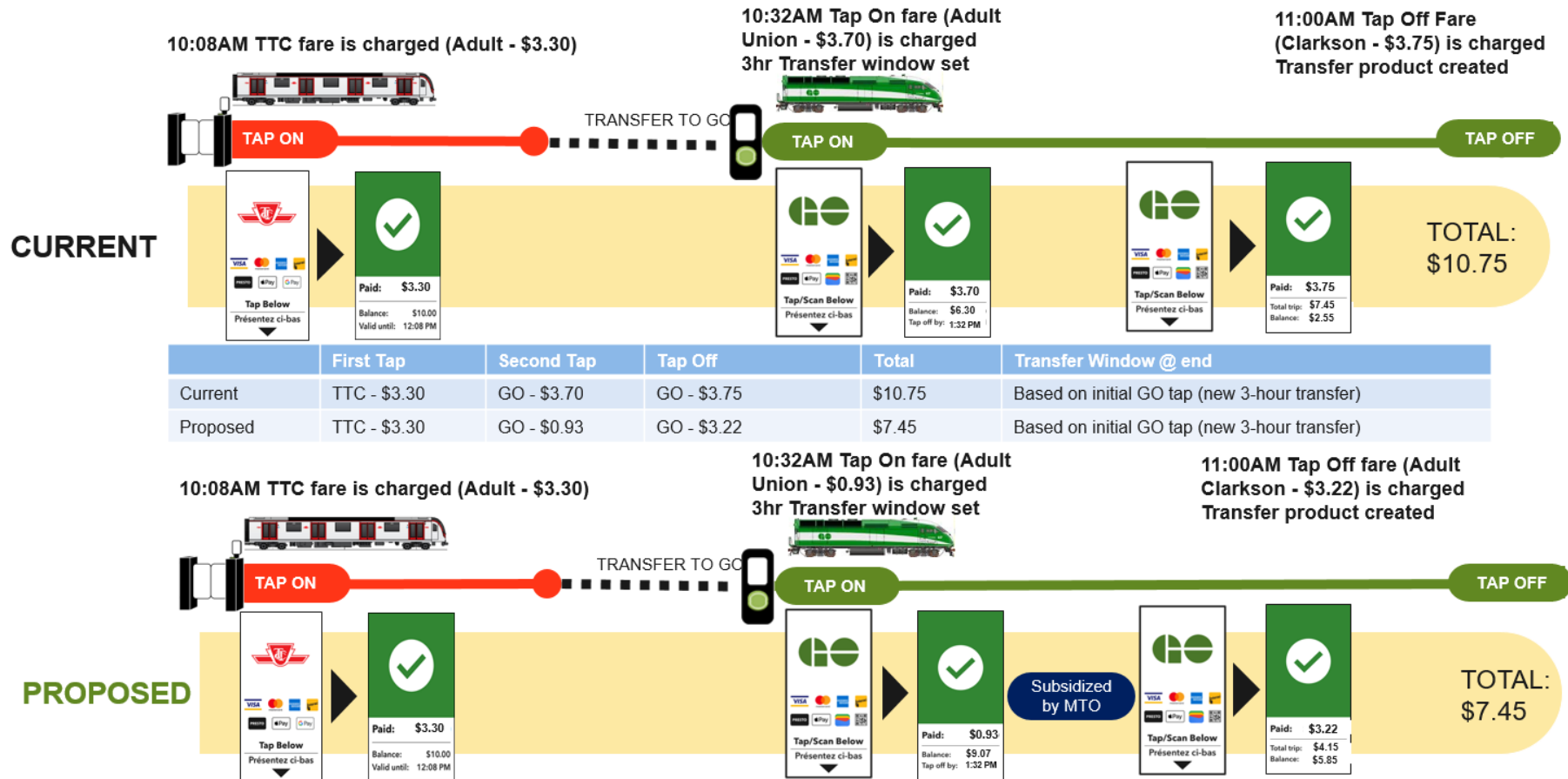


Figure 9: Use Case 3 (TTC-GO Transit Conventional)





## Contact

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## Signature

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