

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: August 16, 2012
TO: Frank Busalacchi, Director, Department of Transportation
FROM: Lloyd Grant, Jr., MCTS Managing Director
SUBJECT: Narrative on MCTS Fare Tariff Design

Narrative

This report describes the various types of fares that will be available with the new automated fare collection system. MTS seeks approval to authorize the fare collection system contractor to proceed with programming (software development) necessary for the automated farebox to operate using the MCTS fare structure.



**COUNTY OF MILWAUKEE
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DATE: August 16, 2012
TO: Marina Dimitrijevic, Chairwoman, County Board of Supervisors
FROM: Frank Busalacchi, Director, Department of Transportation
SUBJECT: MCTS Fare Tariff Design

POLICY

Policy matters related to the establishment of the fare tariff for the transit system are subject to Milwaukee County approval.

BACKGROUND

Planning is well underway on the design phase of the automated fare collection system for the Milwaukee County Transit System (MCTS). The system supports the use of contactless smart cards for passes and tickets and the validation of cash fares. A smart card is a pocket-size plastic card that contains an embedded memory chip or microprocessor that stores data on financial transactions. The smart card will replace paper fare forms currently used by the transit system including paper tickets, paper passes and paper transfer slips.

Transit bus operators and riders will benefit from smart card technology because the card can be used like a debit card and only requires the rider to be in proximity of the farebox which will automatically read the card and deduct the proper pre-paid fare. Implementation of the automated fare collection system will enable MCTS to market and offer different fare products and improve customer convenience.

In order for the contractor, Scheidt & Bachmann, to develop the software to operate the farebox with MCTS' fare structure, it is necessary to provide the contractor with the fare tariff that will be used in conjunction with contactless smart cards. The framework outlined below describes that various types of fare forms MCTS expects to offer to transit riders upon full implementation and installation of the automated fare collection system. In addition, existing special fare programs will be continued and the automated system will allow MCTS the flexibility to customize other fare forms as needed.

Tariff Business Rules	
Smart Card	Rechargeable stored value card for adding cash and showing card balance. Value (cash) may be added to the card at sales outlets and through the MCTS Web Portal. Fee for card to be established. Customers may establish an account with MCTS to register their card.
Fare Types	
Cash	Cash accepted at the farebox.
Single Trip Ride	Value deduction fare product. Cash can be put on (pre-loaded) a smart card for discounted one-way single trips. The farebox reads the card at the start of the trip, the fare is automatically deducted and a time-limited electronic transfer is automatically loaded onto the card.
All Day Pass	New product for smart card users. Unlimited rides for one day. Expires at the end of service on the first day of use.
7 Day Pass	Replaces weekly paper pass. Unlimited rides for 7 consecutive days beginning first-time used. Card is read by the farebox at the start of the trip for validation of fare.
31 Day Pass	Replaces paper calendar (monthly) pass. Unlimited rides, valid for 31 consecutive days beginning first-time used.
Paper Transfers	Value deduction smart card replaces paper transfer slips. Electronic transfers are only available with use of a smart card and are automatically loaded on the card by the farebox. Cash carrying customers will continue to have access to paper slips for a limited time during the transition period to the automated fare collection system.
Paper Tickets	Value deduction smart card replaces paper tickets. Riders may load pre-paid discounted single trips on a smart card. Time-limited electronic transfer is automatically loaded onto card upon boarding with valid card.

RECOMMENDATION

On the basis of the fare tariff framework presented above, it is recommended that the fare collection system contractor proceed with all planning, design and system development work necessary to meet these minimum fare tariff functionality requirements for the automated fare collection system. Functionality will include continuation of existing special fare programs including the University Pass (U-Pass) Program, Commuter Value Program, New Freedom Pass Program, Student Pass Program and Reduced Fare Program.


FISCAL NOTE

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There is no fiscal impact on transit operating costs.

Prepared by: Lloyd Grant, Jr., Managing Director, MCTS

Approved by:


Frank Busalacchi
Director, Department of Transportation

Attachment (1)

cc: Chris Abele, Milwaukee County Executive
Michael Mayo, Sr., Chairperson, Transportation, Public Works & Transit Committee
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Amber Moreen, Chief of Staff, Milwaukee County Executive Office
John Zapfel, Deputy Chief of Staff, Milwaukee County Executive Office
Pat Farley, Director, Department of Administrative Services
Craig Kammholz, Fiscal and Budget Administrator, Department of Administrative Services
James Martin, Fiscal and Budget Analyst, Department of Administrative Services
Brian Dranzik, Director of Administration, Department of Transportation