

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: May 22, 2012
TO: Michael Mayo, Sr., Chairperson, Transportation, Public Works & Transit Committee
FROM: Frank Busalacchi, Director, Department of Transportation
SUBJECT: Update Report on Use of Paper Transfers on MCTS Buses

POLICY

MCTS periodically provides informational reports to the Committee on transit issues.

BACKGROUND

During the May 2012 meeting of the Committee on Transportation, Public Works and Transit, a request was made to provide a report for the June meeting cycle on the status of steps being taken to address issues being raised by Amalgamated Transit Union Local 998 (ATU) about the use of paper transfers on MCTS buses.

Paper slips (paper transfers) are issued by bus drivers to customers who pay their fare with cash or by ticket and need to transfer to other bus routes to reach their destination. The paper slip allows customers to transfer between buses for free with a time limit up to one hour and nineteen minutes from the time of issuance. As reported to the Committee in January 2012, MCTS expects to eliminate the use of paper slips for transfer between buses in conjunction with implementation of the new fare collection system which supports the use of contactless smartcards for passes and tickets and validation of cash fares. Time needed for patron transfers between buses can be encoded on the smartcard electronically by the farebox.

All bus drivers are trained and expected to follow MCTS protocol and policy. It is MCTS policy to issue a paper slip for transfer on all bus routes only upon customer request at the time of payment of a cash or ticket fare. In the case of a fare payment or fare validity problem, MCTS policy is designed to protect the safety of the driver and avoid any escalation of a perceived or real problem. Specifically, when a question arises with a customer as to payment of a fare, the correct fare or the validity of a pass, ticket or paper transfer, the driver is expected to request the proper fare only once in a polite manner. If the customer persists, the driver should not further request the proper fare. Drivers are expected to request security when needed. The vast majority of bus drivers adheres to this policy and rarely has a fare problem that culminates in conflict with a passenger.

MCTS has been proactive in adding onboard technology to protect drivers from passenger assaults. In addition to radio and emergency communications, all buses are equipped with video surveillance equipment to deter problems on buses and assist police in the apprehension and prosecution of offenders. Contracted security personnel spend nearly 70 percent of their hours riding buses interacting with drivers and passengers to maintain a high security presence and order. And, police are boarding buses as part of their regular patrol duties. Moreover, in December 2011, Milwaukee County directed MCTS to install door enclosures (protective shields) on all future bus purchases to improve driver safety.

Since the Committee meeting in January 2012, MCTS has conducted research on 34 other mid-size and large transit systems on the subject of paper transfers. In all cases where the use of paper transfers was discontinued, it was done so only after introduction of an advanced fare collection system built around magnetic stripe cards or contactless smartcards. The research results revealed:

- 32% (11 of 34) eliminated the use of paper slips (transfers), but only after procuring technology that encodes transfers on reloadable magnetic stripe cards or smartcards.
- 38% (13 of 34) use technology built into the farebox to issue transfers. In this case, a transfer card is dispensed by the farebox to cash paying customers.
- 29% (10 of 34) still use paper transfers.

MCTS is not aware of any transit system in the nation that has taken the course of action being sought by ATU Local 998 for the immediate removal of paper transfers. In addition, MCTS has had several meetings with ATU in an effort to assess whether paper transfers could possibly be phased out before the introduction of contactless smartcards. The outcome of these discussions was a demand for management to present to the Union a plan that eliminates paper transfers now. Nevertheless, management has continued its efforts to assess what might be done differently that does not create a financial burden on riders and Milwaukee County. We discussed several possible alternatives with ATU including: (1) a lower cash fare and (2) a one-day pass.

Reduced Adult Cash Fare

ATU suggested a reduction in the adult cash fare to \$1.25. This would result in a substantial decrease in farebox revenue which is unlikely to be fully recovered through increased ridership. Such a reduced fare would be advantageous for passengers who pay by cash and do not need to transfer to other buses as part of their trip, but it would create a disadvantage for customers who need to make multiple transfers between buses to reach their destination.

Also, a reduction in the adult cash fare to \$1.25 would require a similar reduction in paratransit fares because Federal Transit Administration (FTA) rules do not permit paratransit fares to exceed twice the fixed route bus fare. Similarly, adult tickets are currently discounted 33% below the adult cash fare. As such, a redesign of the entire fare structure would have to be carefully reviewed to determine the financial impact on Milwaukee County and riders, particularly given that many of MCTS' fare forms are linked. MCTS must also be mindful of federal requirements regarding fare changes. The FTA requires recipients whose service area has 200,000 or more residents to conduct a fare equity analysis in the course of a fare change. The analysis is required to assess how the fare change impacts low-income and minority riders. About 50 percent of MCTS riders pay their fare with cash or by ticket.

One-Day Pass


MCTS is currently taking a closer look at the one-day pass as a possible option. While this alternative removes the driver from physically handing out paper transfers to customers, it involves increased printing costs for security features to prevent counterfeiting. Our preliminary research revealed that the average cost for a one-day pass at most transit agencies is 2.5 times the base fare. Also, we recognize from the customer perspective that the ease and accessibility to purchase a one-day pass must be carefully considered. Again, nearly 50 percent of MCTS riders use cash or a ticket to ride the bus. Switching to a day pass will require them to change their riding habits by purchasing the day pass in advance before they board the bus.

The above outlines action MCTS has taken to address issues raised by Amalgamated Transit Union Local 998 (ATU) about the use of paper transfers on MCTS buses. None of these options are easy and they all have benefits and flaws. We expect to continue to work with the Union in an effort to identify other steps that might also be taken to minimize or eliminate conflict between passengers and bus drivers. A meeting has been scheduled with the Union on May 22 to further discuss their concerns about driver safety and their desire that the use of paper transfers be discontinued.

RECOMMENDATION

This report is informational only.

Approved by:


Frank Busalacchi,
Director, Department of Transportation

Lloyd Grant, Jr.
Managing Director, MCTS

cc: Chris Abele, Milwaukee County Executive
Marina Dimitrijevic, Chairwoman, County Board of Supervisors
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