



**Questions and Answers**  
on TransLink's Applications  
dated October 28 and 29 2009 for  
a FareSaver Ticket Price Increase and  
a Canada Line YVR Add Fare

*The questions answered here are based on  
comments received from the public  
between November 1 and November 20, 2009  
and on the Commissioner's preliminary review  
of TransLink's two applications and support materials.*

*Prepared for the Information of the Public by*

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## General

### 1. Why is TransLink asking for additional revenue through increased fares?

**TransLink's Response:** *TransLink's 10-Year Base Plan clearly identifies that there is a funding gap to sustain existing investments and services well short of achieving goals. To close this gap TransLink is proposing increases to a number of revenue sources including fuel tax and parking sales tax. Increases to some types of fare products are part of the overall funding package. The South Coast British Columbia Transportation Authority Act (SCBCTA Act) requires that revenue increases are in alignment with other revenue sources. Increases to other revenue sources (parking sales tax and motor fuel tax) as well as revenues from Golden Ears Bridge are budgeted at levels to ensure that TransLink maintains compliance with Section 27.1 of the SCBCTA Act which requires that incremental outcome revenues are at least twice as much as the tenth year of additional fuel tax revenue.*

### 2. How will the proposed fare increases affect revenue? What % change in TransLink's revenue will occur if the FareSaver ticket increases and Add Fare are approved?

**TransLink's Response:** *Prepaid Transit fare rates will increase by approximately 10 per cent on April 1, 2010. Cash fares will remain unchanged. The proposed fare increases represent approximately \$18 million per year, representing an approximate 5% increase in transit revenue. The Canada Line YVR Add-Fare is projected to result in \$2.5M for 2010; this represents approximately 1% of 2010 transit revenue.*

### 3. How will the proposed fare increases affect ridership?

**TransLink's Response:** *It is estimated that a one-time ridership decrease of 1.2% (approximately 2.3 million annual rides) will occur when the fare increase is implemented in April of 2010; however, it is anticipated that over the next few years, the impact will diminish in subsequent years as the level of customer acceptance and the cost of automobile travel increases.*

### 4. Will these proposed fare increases improve service quality? Or just stop it from declining?

**TransLink's Response:** *The proposed fare increases, along with other revenue increases included in the Funding Stabilization 10-Year Plan recently approved, will allow TransLink to essentially maintain existing bus service levels. It is important to note that service capacity on SkyTrain is increasing by 48 new passenger cars which are being deployed.*

## 5. What are the alternatives to increasing fares?

- a. What will TransLink do if the increases are not approved? Will TransLink cut services or projects if the increases? If so, where?

**TransLink's Response:** *Service provisions are linked to revenue streams. The continuation of current service levels places TransLink in a deficit position as expenditures exceed revenue and the cumulative surplus is eliminated by 2011. Under legislation, TransLink cannot have a cumulative funded deficit. Should the fare increases not go forward, TransLink will be forced to cut services.*

- b. TransLink should reduce executive salary, reduce administrative overhead. What are TransLink's cost containment targets for 2010, and are these big enough to remove the need for fare increases?

**TransLink's Response:** *Cost containment programs are now entrenched organization wide. In 2010, the organization established a budget based on cost containment targets. The organization was further challenged to reduce additional costs from its budget in order to offset the declining revenues caused by poor economic conditions and preserve the cumulative funded surplus. This budget setting process assumes the projected fare increases will proceed.*

- c. Surely, if turnstiles were installed, lower fare evasion could help mitigate fare increases. How big is fare evasion and what has TransLink done to minimize it? If fare evasion were halved, say, would that remove the need for fare increases?

**TransLink's Response:** *Fare evasion is approximately 2% (see Fare Evasion Internal Audit: Price Waterhouse Coopers 2007 report) of total fare revenue. Assuming this rate on the 2010 budget, that is approximately \$8m. If fare evasion were halved, there would be an approximate reduction of \$4m; not significant enough to remove the need for fare increases.*

## Proposed FareSaver Ticket Price Increase

### 6. What are FareSaver Tickets?

*FareSaver Ticket books of ten TransLink tickets can be used on the bus, SeaBus or SkyTrain. They offer savings over buying single fares of \$2.50 for 1 zone adult; \$3.75 for two zones; and \$5.00 for three zones. For example, if TransLink's application is approved, buying 10 single fare tickets for 1 zone will cost \$25, while using FareSaver tickets at TransLink's proposed rate would cost \$21, a savings of \$4 or 16 per cent.*

### 7. What is the price of FareSaver book of 10 tickets, today and proposed?

*The table below shows the current and proposed price of FareSaver book of 10 tickets; the dollar and per cent change.*

Price of a FareSaver Book of 10 Tickets				
Item	Current (\$)	Proposed (\$)	Change	
			\$	%
1 zone adult	19.00	21.00	2.00	10.5
2 zone adult	28.50	31.50	3.00	10.5
3 zone adult	38.00	42.00	4.00	10.5
Concession	16.00	17.00	1.00	6.3

### 8. When did FareSavers and FareCards prices last increase, and by how much?

*In 2008, to both FareSavers and FareCards: about 6 per cent for FareSavers and between 4 to 6 per cent for FareCards, depending on zone (see table below).*

Price of a FareSaver Book of 10 Tickets					
Item	2008 (\$)	2009 (\$)	Proposed (\$)	Per Cent Change	
				2008 to 2009	2009 to 2010
1 zone adult	18.00	19.00	21.00	5.6	10.5
2 zone adult	27.00	28.50	31.50	5.6	10.5
3 zone adult	36.00	38.00	42.00	5.6	10.5
Concession	15.00	16.00	17.00	6.7	6.3
Price of Monthly Fare Cards					
1 zone adult	69.00	73.00	81.00	5.8	11.0
2 zone adult	95.00	99.00	110.00	4.2	11.1
3 zone adult	130.00	136.00	151.00	4.6	11.0
Concession	40.00	42.00	46.50	5.0	10.7
FastTrax Student	69.00	73.00	81.00	5.8	11.0

### 9. How long have FareSaver passes and FareCards been offered?

*Both rate structures have been in place since 1998.*

**10. Why has TransLink not applied to increase cash fares, only FareSaver tickets?**

*TransLink's Response: Over the past several fare increases the prices of FareSaver tickets and/or FareCards have been frozen while the price of cash fares has increased. While this has encouraged greater use of pre-paid fares, it has resulted in an imbalance in the price of cash fares compared to FareSaver tickets and FareCards. Tickets and passes have become substantially discounted, particularly in comparison to what is provided in other cities and has been the case historically in Metro Vancouver. Holding cash fares at current levels would rebalance the different fare products and would result in a level of discounts for prepaid fares that is more comparable with that provided by other transit agencies.*

**11. What are TransLink's proposed changes to monthly, employee and concession pass prices?**

*The following are TransLink's proposed changes to proposed fare products:*

Price of Monthly Fare Cards					
Item	2008 (\$)	2009 (\$)	Proposed (\$)	Per Cent Change	
				2008 to 2009	2009 to 2010
1 zone adult	69.00	73.00	81.00	5.8	11.0
2 zone adult	95.00	99.00	110.00	4.2	11.1
3 zone adult	130.00	136.00	151.00	4.6	11.0
All zone concession	40.00	42.00	46.50	5.0	10.7
FastTrax Student	69.00	73.00	81.00	5.8	11.0
Employer Pass (Annual Rate)					
1 zone adult	720.00	762.00	846.00	5.8	11.0
2 zone adult	984.00	1026.00	1139.00	4.3	11.0
3 zone adult	1344.00	1406.00	1561.00	4.6	11.0
Price of West Coast Express Fare Products					
Weekly Pass					
1 zone adult	36.00	38.00	42.25	5.6	11.2
2 zone adult	36.00	38.00	42.25	5.6	11.2
3 zone adult	49.50	52.25	58.00	5.6	11.0
4 zone adult	60.00	63.50	70.50	5.8	11.0
5 zone adult	83.00	87.75	97.50	5.7	11.1
1 zone concession	24.25	25.50	28.25	5.2	10.8
2 zone concession	24.25	25.50	28.25	5.2	10.8
3 zone concession	32.75	34.50	38.25	5.3	10.9
4 zone concession	40.25	42.50	47.25	5.6	11.2
5 zone concession	56.25	59.25	65.75	5.3	11.0
28-Day Pass					
1 zone adult	115.00	121.50	134.75	5.7	10.9
2 zone adult	115.00	121.50	134.75	5.7	10.9
3 zone adult	152.50	161.00	178.75	5.6	11.0
4 zone adult	185.00	195.50	217.00	5.7	11.0

5 zone adult	255.00	269.00	298.50	5.5	11.0
1 zone concession	70.50	74.50	82.75	5.7	11.1
2 zone concession	70.50	74.50	82.75	5.7	11.1
3 zone concession	94.50	99.75	110.75	5.6	11.0
4 zone concession	117.00	123.50	137.00	5.6	10.9
5 zone concession	165.00	174.00	193.00	5.5	10.9
FastTrax Student	115.00	121.50	134.75	5.7	10.9
Community Pass	80.00	84.75	94.00	5.9	10.9
UPass Student	80.00	84.75	94.00	5.9	10.9
Employer Pass – Monthly Rate					
1 zone adult	104.00	110.00	122.00	5.8	10.9
2 zone adult	104.00	110.00	122.00	5.8	10.9
3 zone adult	140.00	148.00	164.00	5.7	10.8
4 zone adult	170.00	180.00	200.00	5.9	11.1
5 zone adult	235.00	248.00	275.00	6.0	10.9

**12. If FareSaver increases are not approved, will monthly, employee (annual) and concession pass prices still go up?**

*TransLink's Response: Yes, TransLink will be proceeding with increases in long-term fares. TransLink would need to evaluate the revenue impact of not increasing the price of FareSavers, and potential additional increases may be needed in other fare prices to make up the revenue shortfall.*

**13. What other increases is TransLink considering?**

*TransLink has argued that significant additional revenues are required to sustain the transportation system, that without TransLink would incur annual deficits and erode its cumulative surplus by 2012. Current projections indicate that an additional \$130 million annually is required from existing revenue sources as allowed under the law to maintain assets in good repair and minimize program and service cuts. These increases include:*

- Fuel tax increase by 3 cents/litre, effective January 1, 2010;*
- Fare increase of 7 per cent in 2010 and 2013, over what is legally permitted under a base plan;*
- Parking sales tax increase to 21 per cent from 7 per cent in January 2010.*

## Proposed Canada Line YVR Add Fare

### 14. Why is TransLink asking for a fare increase between the Bridgeport and Templeton Canada Line stations? In particular:

- a. The journey time from downtown Vancouver to the Vancouver International Airport is approximately 25 minutes – the same travel time as from downtown Vancouver to Richmond. If the journey time is the same, why is an add-fare being proposed for travel to and from Bridgeport and YVR?

**TransLink's Response:** *The Canada Line YVR Add-Fare was created as a funding mechanism specific for the Canada Line project. There is a contractual requirement that requires the funds to be raised by the implementation of an Airport Passenger Fare.*

- b. When the Millennium Line became operational, why wasn't an Add Fare considered for this line? Why is the Canada Line YVR leg being singled out?

**TransLink's Response:** *The Canada Line YVR Add-Fare was created as a funding mechanism specific for the Canada Line project.*

### 15. What travel requires payment of the Canada Line YVR Add Fare?

- **Trip #1:** If I arrive by air at YVR to travel downtown in peak hours, must I first buy \$3.75 2-zone ticket, and then buy a \$2.50 Add Fare ticket? (This would be confusing for a stranger to the region). Can I not buy a single ticket to cover the trip, i.e. a flat rate for passengers coming or going from the airport rather than an Add fare?

**TransLink's Response:** *Yes, a two-zone fare and an add-fare would be required. Customers purchasing their fares at the Canada Line stations on Sea Island will be presented with fare options that include the YVR Add-Fare, so a single-ticket purchase. For the customers that already have prepaid FareSavers (purchased at a TransLink FareDealer vendor), the customer would need to 'upgrade' their ticket for the Add-Fare.*

- **Trip #2:** If I travel from Richmond Centre to YVR, must I buy first a \$2.50 1-zone ticket and then a \$2.50 Add Fare?

**TransLink's Response:** *Yes, the fare information is correct. If the ticket is purchased at a Canada Line Ticket Vending Machine, there will be one single ticket issued.*

- **Trip #3:** If I travel from Templeton to Waterfront, must I buy first a \$3.75 2-zone ticket and then a \$2.50 Add Fare?

**TransLink's Response:** *Yes, the fare information is correct. If the ticket is purchased at a Canada Line Ticket Vending Machine, there will be one single ticket issued.*

- **Trip #4:** If I travel from YVR to Templeton, what do I pay?  
*Passengers are exempt from fare payment while travelling between Canada Line stations located on Sea Island.*

**16. Will all types of fares have to pay the Add Fare?**

- E.g. a monthly pass holder, who currently has all-zone access on weekends and evenings?
- E.g. concession fares for seniors, students and children?

If so, how does this square with the originally stated intention to target airline passengers, of whom, surely, only a tiny fraction will be holding monthly passes etc?

*TransLink’s Response: The original intention was to target passengers traveling on the “YVR Line”, meaning the three Canada Line stations on Sea Island. The majority of people traveling on the Airport leg of the Canada Line will be either airline passengers or Sea Island employees. Sea Island employees will be exempted from the fare (as will Burkeville residents). There are no exemptions based on fare payment type. Limited exemptions will be made including exemptions for Sea Island employees and Burkeville residents.*

**17. Will Burkeville residents, and airport and Sea Island employees be exempted from paying the Add Fare and how will this work?**

*TransLink’s Response: Exemptions from payment of the Canada Line YVR Add-Fare will be made for Sea Island employees and for residents of Burkeville. The airport authority will be administering exemption identification cards to employees on Sea Island and TransLink will administer exemption identification cards for Burkeville residents.*

**18. How will TransLink enforce the YVR Add Fare purchase?**

*TransLink’s Response: Inspectors will be enforcing the Canada Line YVR Add-Fare for all customers travelling to and from Sea Island. The penalty will be a fine of \$173, similar to the fine levied for non-payment of fares on other parts of the system.*

**19. What % of airline passengers are forecast to use the Canada Line versus other modes of travel to/from YVR in 2010?**

*TransLink’s Response: It was expected that approximately 10% of airport passengers would use the Canada Line.*

**20. Isn’t the YVR Add Fare just another airport improvement fee (AIF)?**

- a. There is an AIF in place already when an airline ticket is purchased – why do we need another one? Why not ask YVR to increase the AIF by \$3.5 million per year instead of imposing the Add Fare?

**TransLink's Response:** *The Airport Improvement Fee is a YVR funding mechanism. There is a contractual requirement that requires the funds to be raised by the implementation of an Airport Passenger Fare.*

- b. All airline passengers benefit from the various pieces infrastructure on Sea Island whether they physically use that piece or not. Why shouldn't all beneficiaries pay?

**TransLink's Response:** *There is a contractual agreement that specifies the Airport Passenger Fare would be charged to passengers traveling on the Canada Line.*

- c. What is the projected 2010 annual revenue from the AIF, and what percentage increase would be required to generate an extra \$3.5 million?

**TransLink's Response:** *TransLink does not have this information. Questions regarding Airport Improvement Fee revenues are best directed to YVR.*

**21. What % of the total ridership in the YVR-Bridgeport leg of the Canada Line will pay the YVR Add Fare?**

TransLink's 2010 projection for YVR Add Fare revenue implies 1.4 million one-way riders (=3.5 million/2.5) paying the Add Fare in 2010.

**TransLink's Response:** *Ridership for Canada Line was estimated using two separate models. The EMME2 model estimated ridership based upon typical land uses in the corridor including residential and commercial/industrial (employment) uses. A separate model was developed to estimate air passengers as only the employees at the airport and residents in Burkeville would be picked up in the EMME2 model. There is a third user and that is for YVR employees who park at Templeton and use the line to shuttle to the terminal. These riders were not estimated because they travel for free as part of TransLink's financial arrangements with YVR. The initial projections for total ridership on the YVR section (not including the shuttle ridership) was approximately 7% of system ridership.*

**22. How much of TransLink's debt will the YVR Add Fare service, and what % is this of the total Canada Line debt?**

**TransLink's Response:** *The Airport Passenger fare exists to raise a portion of the project funding for the Canada Line. The Concessionaire (contracted to build and operate the line) agreed to finance additional capital (\$55M) and TransLink would repay this amount through revenues received through the additional fares. These payments total \$259M over the life of the concession agreement.*

**23. If the Add Fare is not approved, is there a financial impact on company contracted to operate the Canada Line?**

**TransLink's Response:** *There would not be an impact to the operator. The impact would be to TransLink, as there remains an obligation to repay the Concessionaire.*

## 24. What is the basis for the YVR Add Fare revenue projections?

The Funding Stabilization Plan passed by the Mayors' Council on October 23 2009 shows \$3.5 million incremental revenue from the Add Fare in 2010, rising to \$7.2 million in 2019.

***TransLink's Response:** The revenues for the Canada Line YVR Add-Fare are based on the models that were prepared for the expansion project. Factors include ramp-up of ridership levels in the early years with a continued increase to ridership levels and inflationary increases to the rate.*

## Commissioner's Role and Process

### 25. What is the TransLink Commissioner's role?

***The Commissioner replies:** The commission (i.e. the office of the Commissioner) is the independent regulator of TransLink. One of its tasks is to regulate "short term fares".*

*Under the law TransLink must obtain the Commission's approval before making any increase in existing "short-term fares" greater than 2 per cent compounded annually and also before introducing a new "short term fare".*

### 26. What is the Commissioner being asked to approve?

***The Commissioner replies:** TransLink is requesting the Commission to approve increases of up to \$4.00 for FareSaver 10-ticket books, effective April 1, 2010.*

*TransLink also seeks approval to charge a \$2.50 "Canada Line YVR Add Fare," effective January 1, 2010 to passengers travelling between Bridgeport and Templeton Canada Line stations in either direction.*

### 27. What is a "short term fare" and what is its significance?

***The Commissioner replies:** A short-term fare is a transit fare excluding passes of longer than three days validity. This means that cash fares and FareSaver tickets (see next question for a description) are considered short-term fares, but monthly FareCards, for instance, are not.*

*Because the effective per-trip price of passes is typically set to be less than the cash fare or FareSaver ticket price (otherwise they would not be worth buying), these "short term fares" are in practice a cap on the per-trip price paid by (e.g.) monthly pass holders.*

### 28. When will the Commission make a decision?

***The Commissioner replies:** The Commission must make a decision within 90 days of application dates of October 29 and 30, 2009, i.e. January 26 and 27, 2010.*

**29. What impact will the recent Comptroller General’s Report on TransLink have on this?**

*The Commissioner replies: None. Only new legislation could affect matters. In the Commission’s opinion, it is unlikely that any legislative changes could be made before the Commission is required to decide on TransLink’s applications.*

**30. How can I provide input?**

*Please write to the Commissioner at [comments@translinkcommission.org](mailto:comments@translinkcommission.org), or by Canada Post to: TransLink Commission, P.O. Box 1497, Comox, B.C., V9M 8A2. Though the formal period for receiving responses to be considered in his decisions ended November 30, 2009, the Commissioner is still interested to receive your comments.*

**31. Where do I find more information?**

*Further information is available at the TransLink Commission website [www.translinkcommission.org](http://www.translinkcommission.org) or at the TransLink website: [www.Translink.ca](http://www.Translink.ca).*

**32. Will there be public hearings?**

*Under the legislation, after 30 days for public comment, the Commissioner may decide to hold a public hearing.*

**33. What will the Commissioner consider in deciding on TransLink’s applications?**

*In its final decision on whether to approve the fare, the Commissioner must weigh four considerations:*

- *maintain financial stability of TransLink;*
- *allow TransLink to provide planned services;*
- *encourage TransLink to minimize expenses; and*
- *keep fares as low as possible.*

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