



**ITEM ID:** 2025-346-0

**TRANSMITTAL DATE:** November 7, 2025

**MEETING DATE:** November 14, 2025

**TO:** Board of Directors

**FROM:** Lisa Bahr, Chief Customer Experience Officer

**SUBJECT:** Fare Restructure Pilot Evaluation

### **Issue**

At its meeting on September 13, 2024, the Board approved recommendations from a consultant-led fare study and directed staff to implement a six-month pilot program to evaluate customer response to a restructured fare system. This report presents a preliminary evaluation of the pilot program's performance and the new student fare discount during the first three months following their launch on July 1, 2025.

### **Recommendation**

It is recommended that the Board extend the pilot for another six months through June 2026, to allow staff to collect additional data for a more reliable and comprehensive assessment of customer response to the new fares.

### **Strategic Commitment**

This report aligns with the Strategic Business Plan commitments of:

- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to bring them on board.
- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. The fare structure changes will help position the Authority to better respond to changing customer needs, streamline fare table administration, and support the Authority's transition from commuter rail to regional rail.

## **Background**

In March 2023, the Authority retained a fare policy consulting team from Cambridge Systematics to conduct a Fare Restructuring Study as the next step in Metrolink's post-pandemic roadmap to recovery and to modernize the Authority's fare collection business practices. The study objectives were to evaluate if the current fare structure still serves the needs of post-pandemic ridership markets, and to assess fare policy best-practices from other commuter rail agencies.

The fare study was completed in July 2024 and resulted in a set of recommendations for a realignment of the fare structure to capture new ridership markets and position Metrolink for long-term ridership growth and a regional rail transition. At its meeting on September 13, 2024, the Board approved the fare study's recommendations and directed staff to test customer response to the changes during a six-month pilot program.

## **Discussion**

Effective July 1, 2025, the following fare changes were implemented as part of the fare pilot:

1. **Lower Monthly Pass prices:** Prior to the fare pilot, Metrolink's Monthly Pass prices were based on pre-pandemic travel patterns and did not account for less frequent travel by commuters on hybrid schedules, which has led to a decline in Monthly Pass ridership since the pandemic. The fare pilot reduced the price of Monthly Passes by lowering the fare multiplier from 28 one-way fares to 25 one-way fares, aligning Metrolink more closely with peer agencies (e.g., METRA in Chicago uses a multiplier of 20).
2. **New and expanded discounts:** Metrolink's 10% discount for active Military was expanded to include military veterans, which has been a long-time priority of the Board. Both discounts now apply to Monthly Passes as well.
3. **New flat-rate day passes:** Since the pandemic, flat-rate day passes have shown success in attracting new leisure riders and visitors. Two new flat-rate day passes were introduced as part of the pilot to grow the non-commute market.
4. **Simplified fare choices:** The Authority's fare study consultants noted that Metrolink offers a larger number of different ticket types than other commuter railroads which has created an overly complex fare structure. This has resulted in customer confusion and greater administrative burden. The pilot program has streamlined fare options by removing several under-utilized or duplicative ticket types.

Concurrent with the launch of the fare restructuring pilot on July 1st, the Authority also transitioned the free Student Adventure Pass pilot to a regular 50% student fare discount. Ridership data for the first three months of the pilot indicate positive customer response.

### **Key results for the first three months (July-Sept, 2025):**

The success of the fare pilot is predicated on the ridership growth generated by the reduced fares and a better ridership experience that meets post-pandemic travel needs.

While customer response to the restructured fares has been positive, Metrolink has faced several challenges to ridership growth since May, including social unrest in response to ICE

raids, service reliability issues encountered from continued freight railroad interference on BNSF's San Bernardino Subdivision on which three Metrolink lines operate (Orange County, 91/PVL, and Inland Empire/OC), and challenges during the transition from Amtrak to the new operating contract with Alstom that coincided with the July 1 launch of the pilot Fare Structure.

While it is difficult to separate the negative impacts of the various factors on ridership, results during the first three months of the fare pilot remained positive:

- Average passenger revenue per trip **increased by 27%**, from \$4.42 in FY 25 to \$5.60 in FY26Q1, which reflects revenue growth from the new student discount.
- Ridership by non-students **increased by 2%** compared to the prior quarter (based on ticket sales).
- Loss in student ridership was **5% less than projected** (15% vs. 20%).
- Discounted ridership (senior, disabled, low-income, active military, and veterans) **increased 7%**.
- Full fare purchase levels remained **stable**.

Staff has devised an evaluation plan to assess the performance of the new fare structure based on the following elements:

- Sales trends for all ticket types
- Ridership response to discounts
- Changes in the revenue per boarding
- Customer comments related to the new fares
- Customer feedback from surveys and focus groups about the new purchase experience

This report provides an update on the pilot's progress toward achieving its objectives during the first three months. The results for the new student fare discount are presented separately in the analysis below to allow for an evaluation of the student fare.

## **A. Fare Restructuring Pilot**

### Objective 1: Increase Competitiveness and Affordability

- Monthly Pass prices were reduced by an average of 11%, making them more attractive to commuters on 3-day a week in office hybrid schedules.
- Sales of Monthly Passes increased by 25%, from 11,271 to 14,080.
- New riders accounted for 9% of sales.
- Many new sales came from students and former 7-Day Pass users.
- Discounted ridership (excluding students) increased by 7%, while full-fare ridership remained stable.
- Military and veteran ridership more than doubled following the discount expansion (up 134%).

### Objective 2: Grow Leisure and Visitor Markets

Two flat-rate day passes were introduced in July aimed at visitors and leisure riders: the \$15 SoCal Day Pass, and the \$5 L.A. Zone Pass.

The new SoCal Day Pass offers unlimited systemwide travel on a single day for \$15. This pass mirrors the successful \$15 Summer Day Pass, which was offered in 2022, 2023, and 2024 as a seasonal pass. The SoCal Day Pass will be available year-round and has already been met with strong customer response, with sales reaching three times the number of the previous \$15 Summer Day Pass.

Secondly, the new LA Zone Day Pass offers unlimited travel on a single day within an 11-mile zone around LA Union Station and is eligible for a 50% discount for low-income riders.

- Sales of the SoCal Day Pass tripled compared to the seasonal Summer Day Pass.
- The new day passes accounted for more than 26% of total ridership during the first three months, drawing heavily on former round-trip riders.
- New riders accounted for 20% of passes sold.

### Objective 3: Simplify the Fare Structure and improve administrative efficiency

Prior to July, Metrolink's fare structure had a larger number of different ticket types than are offered by other commuter railroads. This created an overly complex fare system and resulted in customer confusion.

In order to streamline fares, the Authority removed several redundant ticket types from the Metrolink fare structure:

- Round-trip Ticket (alternative options: One-way Ticket, Day Pass);
- 10-Day Flex Pass (alternative: 5-Day Flex Pass); and
- 7-Day Pass (alternative: Monthly Pass).

This has allowed the Authority to increase the administrative efficiency in managing the fare structure and the fare collection system.

- Reduction in the number of required fare tables from 40 to 36 (↓10%)
- Reduction in the number of unique fares from 215,150 to 174,332 (↓19%)
- Improved ridership data quality
  - o Unknown destinations dropped from 21% to 11%
  - o Unknown origins dropped from 17% to 0%

### Objective 4: Improved customer experience

The restructured fares necessitated changes to the screens of Ticket Vending Devices (TVDs) and on the mobile app. Staff used this opportunity to redesign all screens, creating a more intuitive and less confusing purchase process. Customer surveys found overwhelmingly positive reactions to the new screen designs.

- Over 90% of respondents to a survey in August found the new screen more intuitive and faster.
- Implementation was smooth: out of 1,624 customer complaints received during July - September, only 15 were about the fare changes, mostly regarding discontinued ticket types.

## **B. Student Fares**

In October 2023, the Authority launched the free Student Adventure Pass pilot, replacing the previous 25% student discount fare. In July 2025, the program transitioned back to a student discount, this time a 50% discount, as reported at that month's Board meeting. This transition coincided with the launch of the fare restructuring pilot discussed above.

Although the free student fare ended, the decline in student ridership was less than expected. In actuality, there was a 23% increase in the number of active mobile student accounts compared to the previous year.

Prior to July, student fares were available either as a free day pass on the mobile app or as a free round-trip paper ticket. While the mobile Student Adventure Day Pass was issued only to verified student mobile app accounts, the paper student round-trip tickets were available for free to anyone at a Ticket Vending Device (TVD) without prior verification. This resulted in fraudulent by individuals who were not students. Metrolink fare policy requires students to present a student ID as proof of eligibility upon request during fare inspections. But in a recent survey of more than 1,300 students, 68% indicated that during fare inspections conductors did not ask to see their student ID to verify eligibility.

Following the end of the free student fares, student ridership using paper tickets at TVDs dropped at twice the rate as for mobile student tickets, which suggests the extent of fraudulent use of free student fares using paper tickets. After reconciling ridership data before and after the fare change, valid student ridership is estimated to have declined by 15% in July following the end of the free program, which is less than the anticipated 20% loss. Furthermore, student ridership is recovering fast as students are returning to school. In September 2025, students accounted for 25% of Metrolink ridership, which compares to 33% a year ago and 17% before the launch of the free Student Adventure Pass in October 2023.

**Student ridership (monthly boardings)**

July 2025	117,160
August 2025	132,266
September 2025	156,581

Also, the number of active student mobile accounts is growing and reached 19,202 active accounts during September, which is up 23% from a year ago.

**Active student mobile accounts**

	2024	2025	Change
July	11,082	15,497	40%
August	13,308	16,330	23%
September	15,589	19,202	23%
<b>Total</b>	<b>39,979</b>	<b>51,029</b>	<b>28%</b>

**Budget Impact**

There is no budget impact as a result of this report or the recommended action.

**Next Steps**

If the Board adopts the recommendation, staff will continue to monitor the pilot's performance and on-time performance, and report back to the Board in April 2026 with an update on the latest results. At that time, staff will also initiate the public outreach as required under FTA Title VI guidelines.

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Approved by: Lisa Bahr, Chief Customer Experience Officer  
Tom Schamber, Chief Financial Officer

**Attachment(s)**

[Presentation - Fare Restructuring Evaluation](#)