



**BOARD OF DIRECTORS
DECEMBER 13, 2004**

SUBJECT: HOLIDAY CELEBRATION FREE FARE PROGRAM

ACTION: DISCONTINUE THE HOLIDAY CELEBRATION FARES PROGRAM

RECOMMENDATION

Authorize the Chief Executive Officer to discontinue the Holiday Celebration Free Fare Program on December 24th and December 31st thereby maintaining the regular fare structure in effect between 9:00 p.m. and 5:00 a.m. for Metro buses and 9:00 p.m. until approximately 1:00 a.m. for all Metro rail lines on Christmas and New Years eves.

RATIONALE

Metro traditionally has offered a free fare period on Christmas Eve and New Year's Eve from 9pm to 5am on all Metro buses, and from 9pm to close of service on all Metro Rail trains. These free fare periods have been offered as a public service to make transit readily available during holiday celebrations in order to avoid potential traffic accidents. Historically, these time periods also have been characterized by very low ridership.

With the opening of the Metro Gold Line in 2003, all Metro services and the Metro Gold Line in particular experienced increased demand during the holiday season. Metro services have become a more convenient way to reach the Tournament of Roses, the Rose Bowl, and post-parade float viewing and other holiday festivities. Additionally, many first-time riders travel to such events on New Year's Eve and return on New Year's Day, the traditional free fare period now causes substantial confusion and has the potential of discouraging first-time riders from returning to the system.

To maximize the advantages of increased demand for Metro service at a time when overall fare revenues are tracking below budget, it is recommended that the Holiday Celebration Free Fare Program be discontinued.

BACKGROUND

In December 1994, the Board authorized staff to implement a 25-cent Holiday Celebration Fare on the nights of December 24 and December 31 between the hours of 9:00 p.m. – 5:00 a.m. The program was implemented on an experimental basis.

The purpose of this program was to offer patrons an alternative to driving their automobiles on nights, which historically experience a high incidence of traffic accidents. Similar holiday

reduced fare programs were implemented in 1989 and 1990. An experimental 25-cent Holiday Fare program was implemented to provide patrons a reduced fare on all SCRTD services operating within the Los Angeles Central Business District.

In 1995, the program was updated and the Board eliminated the \$0.25 fee. The new program was called the Holiday Celebration Free Fare Program. It was consistent with similar programs offered by local taxi companies in which persons requiring transportation were given a free ride. In October 1996 the Board made it an on-going annual event for Metro Bus and Metro Rail.

In anticipation of the millennium events and celebrations around Los Angeles, the Board approved an exception to the Holiday Celebration Free Fare Program to begin free fare service at 11:00 a.m. instead of 9:00 p.m. on New Year's Eve 1999.

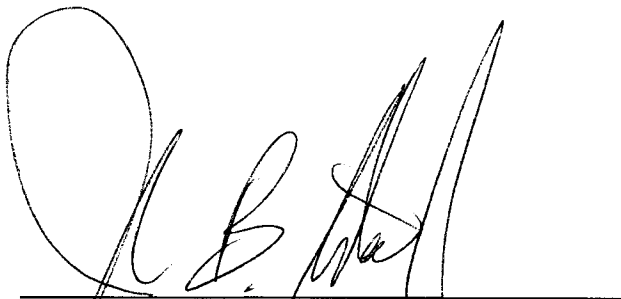
FINANCIAL IMPACT

An estimated \$75,000 - \$100,000 in fare revenue is lost from the annual Holiday Celebration Free Fare Program.


ALTERNATIVES CONSIDERED

Alternatives considered include discontinuing the Holiday Celebration Free Fare Program on New Years Eve only, because of a higher representation of non-regular transit users at that time, or to continue to offer the program only on the Metro bus system. These alternatives are not recommended because of constrained fare revenues.

Prepared by: Roderick T. Goldman, Deputy Executive Officer, and Service Development



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer