



Finance and Capital Committee

Information Item III-B

September 11, 2025

Fare Modernization



Board Document

OVERVIEW			
PRESENTATION NAME	Fare Modernization	DOCUMENT NO.	300056
ACTION OR INFORMATION	[X] Information		
STRATEGIC TRANSFORMATION PLAN GOAL	[X] Service Excellence [] Talented Teams [X] Regional Opportunity and Partnership [X] Financial Stewardship and Resource Management		
RESOLUTION	N/A		
EXECUTIVE OWNER			
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DEPARTMENT	Planning and Performance		
DOCUMENT INITIATOR	Collins, Mike R.		
OTHER INFORMATION			
COMMITTEE	Finance & Capital	COMMITTEE DATE	September 11,2025
PURPOSE/KEY HIGHLIGHTS	<p>Provides an overview of Metro’s vision to achieve world-class fare policy and fare payment infrastructure across the region. Specifically, this presentation links Metro’s longer-term fare modernization plan to recent customer-friendly fare modernization activities, highlights the inconsistent and fragmented state of regional fare policy, and outlines efforts to further increase regional fare integration in the near and longer term.</p>		
DISCUSSION	<p>World-class fares provide customers with a uniform fare structure and a seamless method of fare payment. Fare modernization can deliver a world-class fare system for the region: a single, integrated, and scalable system to unify the customer experience. Building on the success of SmarTrip, the region could make fare payment more seamless and integrated, creating an opportunity to drive ridership growth and improve operational efficiency.</p>		



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Fare Payment Technology

The region has an opportunity to develop and adopt a single, integrated fare payment method for customers. Regional integration is not a new concept: during the design of SmarTrip, agencies recognized a need for a single, regional payment method. When implemented in 1999, SmarTrip fare integration allowed Metropolitan Washington to unify fare payments for the first time. Today, SmarTrip is the only regional payment method accepted in the Compact area—operators that accept SmarTrip provide 92% of all transit trips in the area.

SmarTrip was a major step toward full regional fare integration but has been limited by its underlying 1990s-era technology. In addition, the technology behind SmarTrip is difficult to quickly and efficiently scale beyond Metro and the region's bus operators, limiting expansion opportunities. Customers are already using the region's transit as one unified system; as part of the region's fare modernization efforts, customers want one simple and cohesive fare system.

Regional Fare Policy

Despite our shared customer base, the region's current fare policy is inconsistent and fragmented:

- The region has no consistent base fares or universal transfer policy.
- Customers cannot buy one unlimited pass for use across the region's transit.
- Low-income customers do not receive a consistent discount across the region.
- Students in both K-12 and universities have no consistent regional discount.
- Most transit operators have a senior and disabled program, but our shared customers have to apply separately for discounts on some operators.

This inconsistent policy has generated customer confusion and created difficulties in fare enforcement. This confusion can also create difficult-to-model travel behavior in customers, making it hard for us and other operators to determine the appropriate service levels on bus lines. With greater regional unity, we would expect operators across the region to realize cost savings from removing these inefficiencies.

Metro is working to increase regional fare policy cohesion in the region through the DMVMoves initiative. Metro is prepared to support operators interested in implementing the following policies:



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- **Joining Metro Lift.** Metro has designed the Metro Lift program, which offers 50% off fares for qualifying low-income households, to encourage regional operator participation. Metro Lift customers live all across the region and enrolled customers already travel on regional operators. As of September 2024, 30% of active Metro Lift customers have taken a trip on a regional operator, despite not receiving a discount on that portion of their journey. Interested operators can engage Metro today to receive a Metro Lift agreement and begin technical implementation.
- **Regional Free Transfers.** Customers transferring between bus or rail within a set period should receive the base fare of their last trip discounted off their next trip (up to \$2.25), regardless of operator. Most operators, including Metro, already participate in this policy. Of all operators currently accepting SmarTrip, only commuter bus operators do not provide this transfer discount to customers. Interested operators can engage Metro today to quickly begin technical implementation.
- **Unlimited Passes.** Unlimited passes are purchasable products that allow customers to ride Metrobus and Metrorail for free for up to a month. While many bus operators participate in the 7-Day Regional Bus Pass, no regional operator accepts Metro's other unlimited passes. Interested operators can engage Metro today to develop a revenue-sharing agreement and quickly begin technical implementation.
- **K-12 Student Passes.** Many jurisdictions already offer free transit passes to K-12 students that allow them to ride for free on their local operator and select Metrobus services in their area. However, these K-12 student passes are not yet accepted region-wide. A universal student pass accepted by all operators would enable all children to take full advantage of the National Capital Region's unique educational resources and opportunities. Jurisdictions interested in expanding their current K-12 student passes to the region can engage Metro today to begin reimbursement agreement discussions.

Regional Coordinating Authority

World-class peers go beyond shared payment infrastructure: they also have a coordinating authority responsible both for administering regional fare technology and developing regional fare policy.

In the Washington Metropolitan region, a coordinating authority could be responsible for:



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	<ul style="list-style-type: none"> • Serving as centralized clearinghouse responsible for processing all fare payments; • Procuring and maintaining all fare payment technology infrastructure for all region operators; • Developing and recommending a multi-year fare policy plan to jurisdictions for regional approval; and • Unifying a fare enforcement approach across all regional operators. <p>This would create a consistent customer experience, drive ridership growth, and improve operational efficiency across the region.</p> <p>Regional agreement and investment are needed to launch a successful coordinating authority. With these agreements and investments in place, the region could begin unifying the region’s transit—including Metro, regional bus, commuter bus, regional rail, Capital Bikeshare, and dockless scooters—into one consistent payment experience for customers.</p>
INTERESTED PARTIES	<p>Maryland Department of Transportation Virginia Department of Transportation National Railroad Passenger Corporation EZ-Pass Interagency Group Capital Bikeshare Littlepay Cubic Transportation Systems</p>
RECOMMENDATION/NEXT STEPS	<p>Upcoming Capital Improvement Program update</p>
FUNDING IMPACT	<p>No funding impact is directly associated with this information item.</p>

Fare Modernization: Technology and Policy



September 11, 2025

Washington Metropolitan Area Transit Authority

Fare modernization can deliver a world-class fare system for the region

Customers want transit to operate as one system, regardless of operator.

Building on the success of SmarTrip, the region could make fare payment more seamless and integrated, creating an opportunity to drive ridership growth and improve operational efficiency.

Aligns with world-class peers like Singapore, London, Japan, and Germany that provide seamless travel using a single method of payment on every transit mode.



Singapore

Payment and policy integration across all transit modes, including parking.



London

Payment and policy integration across all transit modes, including tolls.



Japan

Operators issue different smart cards, but every card is cross-compatible nationwide.



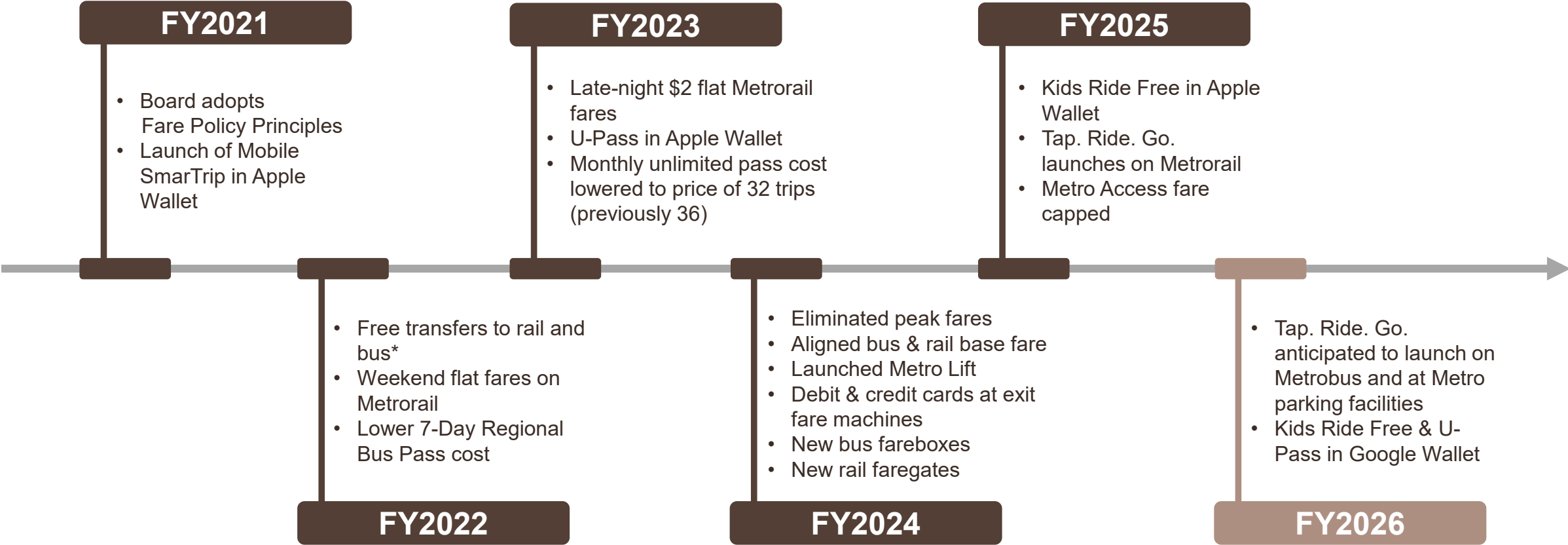
D-TICKET

Germany

Unlimited pass product valid on all local and regional transit for single monthly price.



Metro has recently implemented many customer-friendly fare changes



* Transfer credit is equivalent to the base rail/regular bus fare



SmarTrip is the primary transit payment method in the area

SmarTrip allowed the region to unify fare payments for the first time.

From its inception, agencies recognized a need for a single regional payment method.

Today, **SmarTrip-enabled operators provide 92% of transit trips in the region**, and the share of customers paying with SmarTrip has increased as the use of cash has declined.



Note: These agencies participate in the SmarTrip Operations Funding Agreement to provide for cost sharing of the funding for a seamless regional SmarTrip card system. Ride On, TheBus, DASH, and CUE are currently not collecting fares.



Customers are using the region's transit as one unified system

Customers can and do choose to travel using multiple operators.

Customers want one simple and frictionless way to pay for service.

In **both the near term and the long term**, more work can be done to benefit our shared customer base.

77%

of customers using regional transit services also use Metro.*

20%

of all Metrobus trips start at bus stops shared with a regional transit provider.**

* Percentage of taps from cards also using Metro as a share of all customer taps on operator, May 2025. Operators not using SmarTrip in May 2025 were not included. Source: May 2025 AFC Data.

** Using regional GTFS data and July 2025 Metrobus APC counts.



Regional fare policy is inconsistent and fragmented

	Operator	Base Fare	Free Transfers	Rail-Bus Unlimited Passes	Senior & Disabled*	Metro Lift	U-Pass	K-12 Student Pass*	Smart-Benefits
	Metro	\$2.25	✓	✓	✓	✓	✓	✓	✓
Local Bus	Fairfax Connector	\$2.25	✓	✗	✓	✗	✗	✓	✓
	ART	\$2.25	✓	✗	✓	✗	✗	✓	✓
	RideOn	Free	-	-	-	-	-	-	-
	DASH	Free	-	-	-	-	-	-	-
	CUE	Free	-	-	-	-	-	-	-
	TheBus	Free	-	-	-	-	-	-	-
Regional Rail	MARC	\$6.00	✗	✓	✓	✗	✗	✗	✓
	VRE	\$5.00	✗	✓	✓	✗	✗	✓	✓
	Purple Line	?	?	?	?	?	?	?	?
	Amtrak	N/A	✗	✗	✓	✗	✗	✗	✗
Bike & Scooter	Capital Bikeshare	\$1.00	✗	✗	✗	✗	✗	✗	✗
	Dockless Scooter & Bike	N/A	✗	✗	✗	✗	✗	✗	✗
Commuter Bus	OmniRide Express	\$11.00	✗	✗	✓	✗	✗	✗	✓
	LC-Transit Commuter	\$11.00	✗	✗	✗	✗	✗	✗	✓
	MTA Commuter Bus	\$4.00	✗	✓	✓	✗	✗	✗	✓
Parking & Tolls	Parking Operators	N/A	✗	✗	✗	✗	✗	✗	✗
	EZ-Pass	N/A	✗	✗	✗	✗	✗	✗	✗

* Jurisdictions offer similar programs to one another but are not necessarily standardized or accepted by other operators.

Example: The region has multiple non-standard student fare programs

Most jurisdictions offer free transit on their local bus operator to K-12 students, but **most students cannot travel for free on other operators.**

A universal K-12 student/youth pass accepted by all operators would enable seamless travel for students/youth consistently across the region and promote administrative efficiency.

Free K-12 Student Pass Accepted:

Issuing Jurisdiction	Local Operator	Metrobus	Metrorail	Other Operators
District of Columbia	✓	✓	✓	✗
Arlington County	✓	✗ Select Routes Only	✗	✗
Montgomery County	-	✗ Select Routes Only	✗	✗
Fairfax County	✓	✗ Select Routes Only	✗	✗

Note: Jurisdictions without K-12 student passes are not shown.

Note: Other programs, including Reduced Fares (Senior/Disabled/Metro Lift) and U-Pass, have similar inconsistencies.



The challenges of inconsistent fare policy



Customer confusion



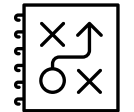
Fare enforcement



Customer fairness



Duplication of work



Service planning difficulties



Poor economies of scale



Higher paratransit subsidies in certain areas

Modernizing fare payment technology provides further regional integration opportunities

Modernization program has already increased customer convenience and decreased future expenses, and will simplify payment processes.

Mobile SmarTrip

Complete:
Customer adoption continues to increase

Customer Fare Kiosks

In Procurement:
Replacing existing fare vending machines

Faregates & Fare Readers

Substantially Complete:
In final close out

Modernize Backend System

Planned:
Included in Capital Program

Tap. Ride. Go.

In Progress:
Expanding to Metrobus and parking facilities

Parking Payment Systems

Planned:
Project development advancing



Example: Tap. Ride. Go. on Metrorail



Example: Upgraded faregates at L'Enfant Plaza

The region has many opportunities for improved regional fare integration

With an agreement to improve fare policy coordination, the region can use modern technology to improve the customer experience & maximize operator efficiency.

Further recommendations made by DMV Moves Fare Working Group

Least Complex



1. Join **Metro Lift** low-income fare program*
2. Offer **full transfer credit** to all transferring customers*
3. Accept **unlimited pass products** currently offered by Metro*
4. Implement **fare-free regional K-12 student and youth passes**
5. Adopt a **modern regional payment infrastructure**
6. Finalize regional agreement to **develop and set** regional fare policy



Operator	Current State	Future Vision
Metro & Regional Bus	✓	✓
Commuter Bus	✗	✓
Regional Rail	✗	✓
Capital Bikeshare	✗	✓
Dockless Scooters	✗	✓

Most Complex

* Metro implemented

World-class peers have both shared payment infrastructure and coordinated fares

Coordinating Authority Concept

Responsible for developing and adopting regional fare policy and administering regional fare payment technology and infrastructure

Responsibilities

- Serves as **centralized clearinghouse** responsible for processing all fare payments
- Procures and maintains all **fare payment technology infrastructure** for all region operators
- Develops and recommends a **multi-year fare policy plan** to jurisdictions for regional approval
- Unifies **fare enforcement** approach across all regional operators

Benefits

- **Creates consistent customer experience** through the adoption of universal fare payment method and single regional base fare
- **Drives ridership growth** across the region by making payment easy and encouraging transfers between operators
- **Improves operational efficiency** by reducing duplication of procurement & maintenance activities

Appendix

Current Metro fare structure

	FY2026	Fare	Reduced Fare ¹
 Free Transfers* 	Rail Regular	\$2.25 to \$6.75	\$1.10 to \$3.35
	Mileage charge: After first 3 miles, \$0.45 per mile		
	Rail Late Night² and Weekend	\$2.25 to \$2.50	\$1.10 to \$1.25
	Regular Bus	\$2.25	\$1.10
	Express Bus Fare	\$4.80 (\$2.40 Reduced)	
	MetroAccess Fare	\$4.50 per trip (twice the base fare) ³	
	Abilities-Ride Fare	Free Promotion	
	Parking Rates	\$3.00 to \$5.20 ⁴	

* Transfer credit is equivalent to the base rail/regular bus fare
¹ 50% discount for senior, disabled, and Metro Lift customers
² Late Night fares apply after 9:30pm
³ MetroAccess trips comparable to regional operator routes may result in lower fares. Some exemptions apply to certain trips.
⁴ Rates include jurisdictional surcharges.



Reduced Fare Programs

Reduced Fare Products: Metro offers 50% off full fare to Senior and Metro Lift customers, and free trips on Metrorail and Metrobus for Disability cardholders.¹

	Senior SmarTrip	Disability Card	Metro Lift
Eligibility	Customers aged 65 and older	Medicare recipients under 65, other qualifying disabilities	Customers enrolled in SNAP in DC, Maryland or Virginia
Online Enrollment?	In Progress	No	Yes
In-Person Enrollment	Transit Accessibility Center, Montgomery County Libraries, Commuter Stores	Transit Accessibility Center, Trips Commuter Store	Transit Accessibility Center, Commuter Stores
Regionally Accepted?	Yes	Yes	No
Active Customers (June 2025)	72,000	15,000	5,500
Share of Total Metro Trips	4%	1%	0.5%

¹ Reduced fares are federally mandated for seniors and persons with disabilities. Metro also offers those customers the ability to purchase a 7-Day regional bus pass for half price.

Institutional Programs & SmartBenefits

Metro also offers discounted rides to institutions and pre-tax rides to eligible employees.

	K-12 Students	University Students	SmartBenefits
Eligibility	Varies by jurisdiction	Students enrolled at participating institutions	Employees at participating employers
Distribution Method	Through school	Through school	Through employer
Regionally Accepted?	Varies	No	Yes
Active Customers (June 2025)	40,000	12,000	154,000
Share of Total Metro Trips	4%	2%	12%
	Metro partners with participating institutions to provide free rides to student customers.		Employees can load pre-tax dollars onto their SmarTrip card.

Why Metro charges fares:

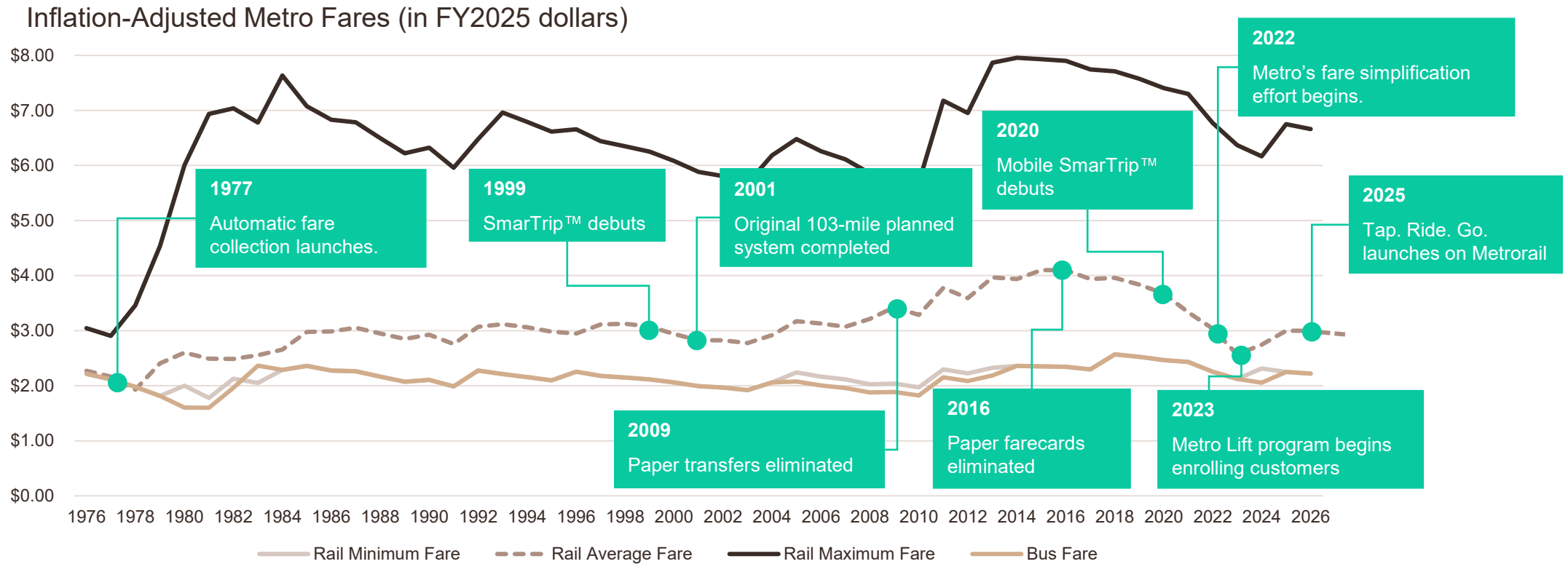
Fares pay for better service.

Funding Source, FY2026
\$ Millions

Transit Mode	Fare Revenue	Jurisdictional Subsidy
Metrobus	\$59.8	\$769.0
Metrorail	\$399.6	\$962.1
MetroAccess	\$3.9	\$174.8
Total	\$463.3	\$1,905.0

Metrorail and Metrobus fare history

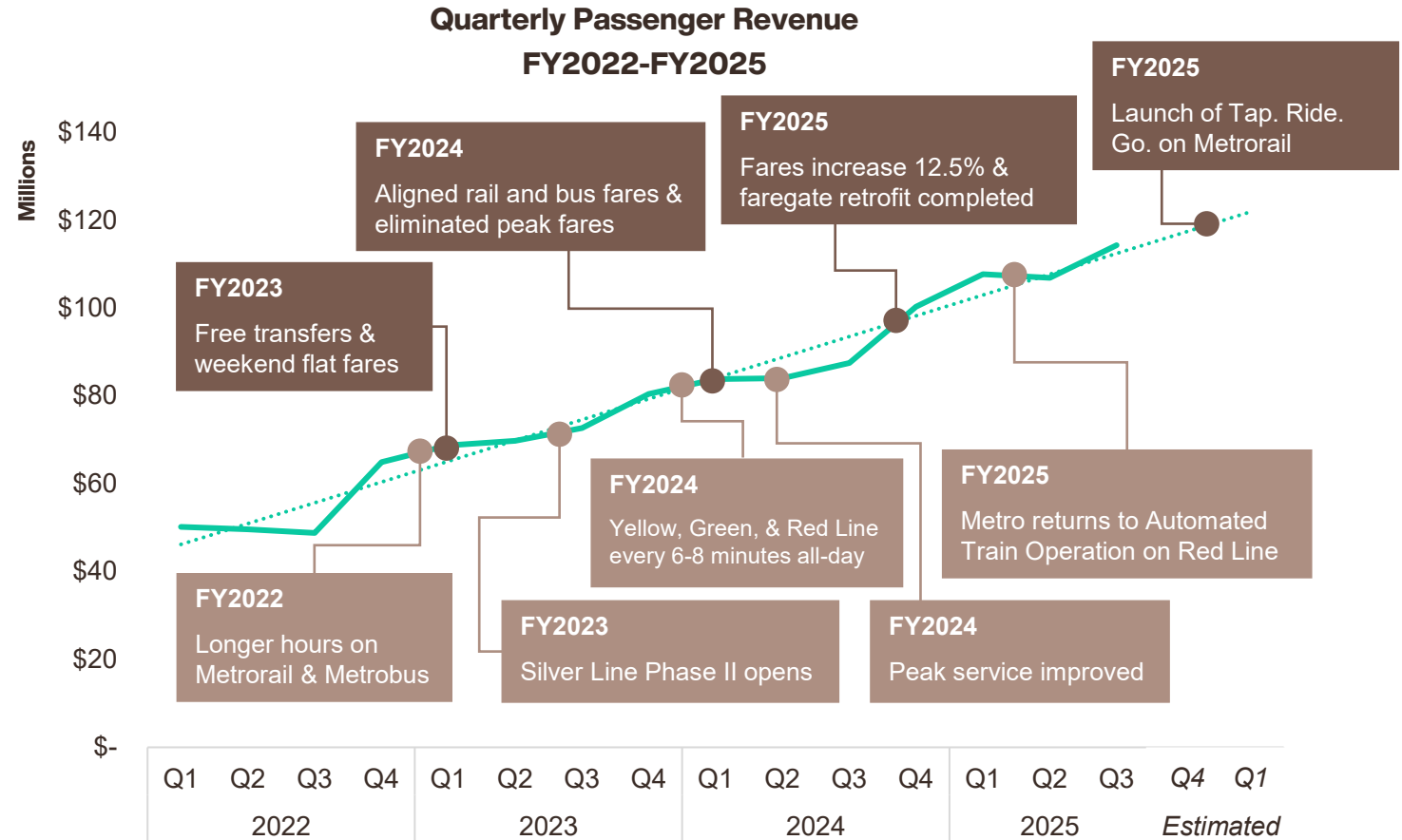
Adjusted for inflation, Metrobus and Metrorail fares have remained relatively stable since 1980.



Revenue and ridership are growing

Metro's revenue and ridership are growing thanks to:

1. **Improving Metro service,**
2. **Growing regional travel, and**
3. **Fare simplification efforts**

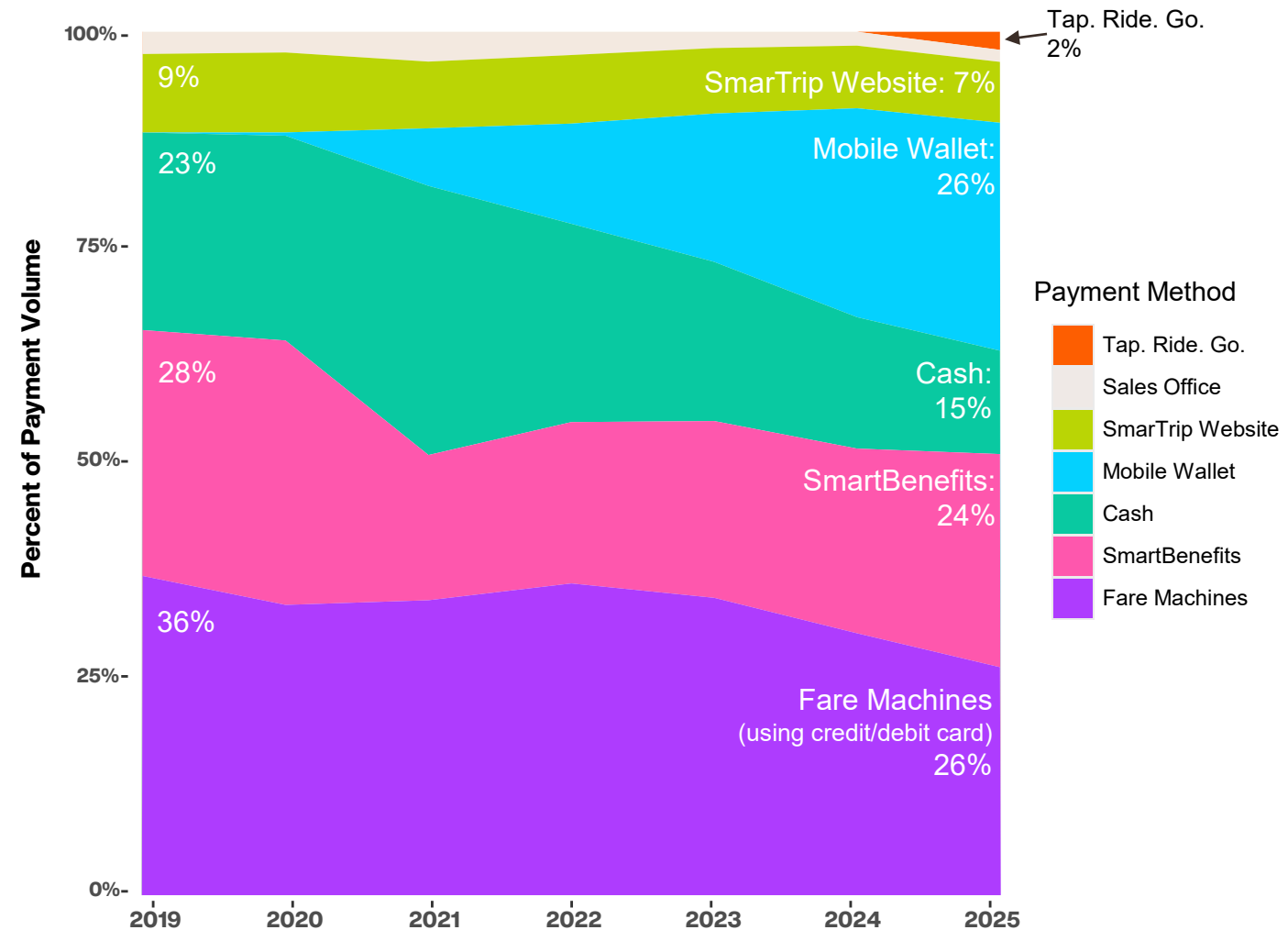


Metro has adapted to changing customer payment preferences

Customers increasingly prefer paying via mobile and Tap. Ride. Go.

- **Mobile Wallet:** Customers can add value and purchase passes on their mobile device.
- **Tap. Ride. Go.:** Customers can pay for Metrorail directly with their preferred physical or virtual credit card or debit card. Tap. Ride. Go. will be enabled on Metrobus and at Metro parking facilities soon.

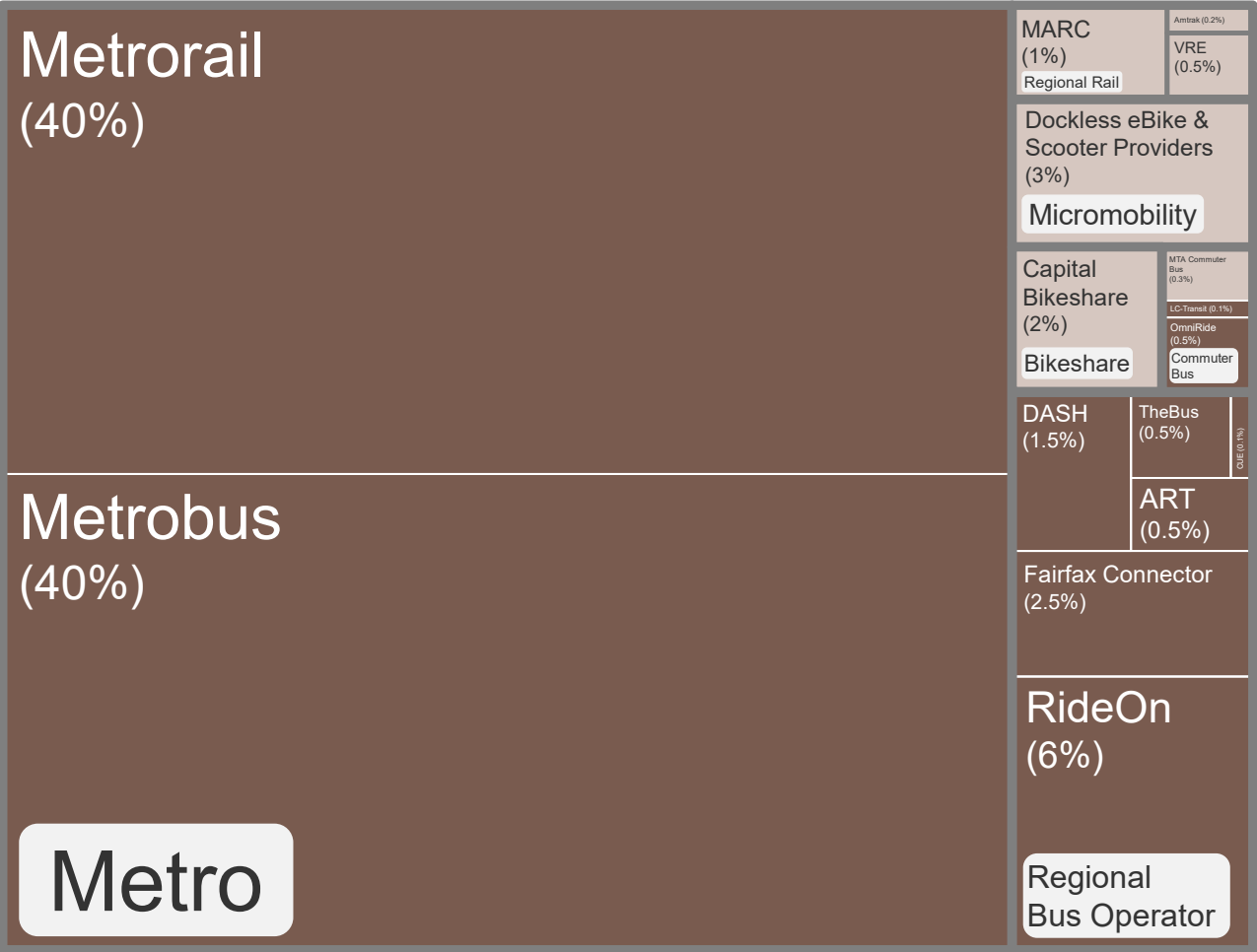
Total Dollar Volume of Sales Transactions by Payment Method



Source: Metro Sales Transactions, January 2019 – August 2025.
 Note: Credit/Debit Card at fare machines includes at CPOS.
 Note: Unused SmartBenefits Non-Rollover excluded.
 Note: 85% of all cash payment occurred at fare machines.



Travel on Metro represents at least 80% of regional ridership



SmarTrip-Enabled Operator

- SmarTrip-Enabled Operator (92%)
- Not SmarTrip-Enabled Operator (8%)

Data from 2024.
Note: Some SmarTrip operators currently fare free



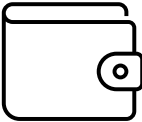
The future of fares in the region

Fare payment should work as one integrated system for customers regardless of operator



Regional Fare Policy

Jurisdictions and transit providers should offer uniform and cohesive fares.



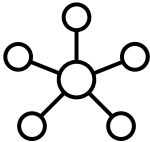
Regional Fare Payment

Customers should have a consistent and seamless regional payment method.



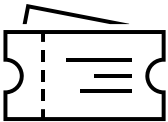
Regional Reduced Fares

Reduced-fare programs should be accepted by every transit provider in the region.



Regional Infrastructure

All transit providers in the region should use a single centralized fare system.



Regional Products

Customers should be able to purchase pass products that are accepted by every transit provider.

Regional Inconsistency: Senior and Disabled Passes

Jurisdictions that use federal dollars for their services are required to offer reduced fares to seniors and disabled customers.

On local bus operators, customers can use their SmarTrip card to receive a senior or disabled discount. However, **most other operators require these customers to apply separately** to receive any discount off their fare.

Senior or Disabled Card Accepted

	Operator	Senior & Disabled Program	Accepts Senior SmarTrip	Accepts MetroAccess Card
	Metro	✓	✓	✓
Local Bus Operator	Fairfax Connector	✓	✓	✓
	ART	✓	✓	✓
	RideOn	-	-	-
	DASH	-	-	-
	CUE	-	-	-
	TheBus	-	-	-
Regional Rail	MARC	✓	✗	✓
	VRE	✓	✗	✗
	Amtrak	✓	✗	✓
Commuter Bus	OmniRide Express	✓	✓	✓
	LC-Transit Commuter	✗	✗	✗
	MTA Commuter Bus	✓	✗	✓



Regional Inconsistency: University Passes

Metro offers unlimited travel on Metrobus and Metrorail to full-time students at thirty-five participating colleges and universities for a low per-student price.

No other operator accepts this pass product, requiring these students to pay full fare when travelling throughout the region.

U-Pass Accepted

	Operator	Accepts U-Pass
	Metro	✓
Local Bus Operator	Fairfax Connector	✗
	ART	✗
	RideOn	-
	DASH	-
	CUE	-
	TheBus	-
Regional Rail	MARC	✗
	VRE	✗
	Amtrak	✗
Commuter Bus	OmniRide Express	✗
	LC-Transit Commuter	✗
	MTA Commuter Bus	✗



Modern fare payments benefit Metro and our customers

A modern payment framework is simpler, more convenient, and cheaper.



Alignment with Board fare policy goals:
Simple and convenient ways to pay your fare.



Reduced maintenance, same control of fares:
Fewer ongoing operations and maintenance costs.



Built for today and for the future:
Adaptable to customer payment preferences.



A smaller fare payment footprint:
Procuring fewer fare vending machines.

Fare modernization will deliver a world-class transit experience for customers

Modernized infrastructure could unlock new fare products for transit customers.



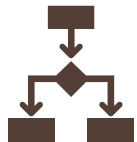
Novel Fare Products: New products—such as family passes, bundled transit, and better integration with other transit modes



Fare Capping: New infrastructure would remove technical restrictions currently preventing Metro from implementing fare capping technology on SmarTrip.



Program Qualifications: New infrastructure could decrease barriers to qualifying and enrolling customers in discount programs, as well as distributing fare media digitally.



Customer Retention: New infrastructure could allow Metro to implement modern customer-retention strategies like loyalty and rewards programs.

World-class peers have both shared payment infrastructure and a coordinating authority



Singapore
Land Transportation Authority manages shared payment infrastructure across operators.



London
Transport for London manages shared payment infrastructure across operators.

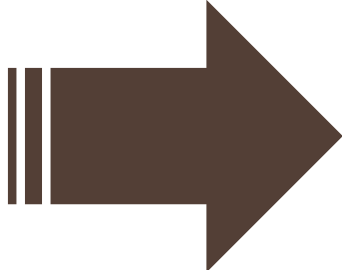


Japan
Central coordinating authority ensures inter-compatibility between operators



D-TICKET

Germany
Coordinating authority provides enabling infrastructure for Germany's many operators



Common Themes:
High Transit Mode Share
+
Centralized Regional Coordinating Authority
+
Unified Vision of Pricing Policy

Singapore

Singapore's Land Transport Authority is one of most comprehensive in the world, overseeing planning, designing, building, and maintaining transit infrastructure and systems, roads, cycle paths, automobile regulations, traffic, and more.

The Land Transportation Authority's integrated payment method (called SimplyGo) allows customers to pay for public transit buses and trains, retail, taxis, and car parking. Note that car parking may require the use of the SimplyGo app.

In Singapore, customers are charged by total distance travelled in a journey, regardless of transit mode taken. Using a formula, the Public Transportation Council sets distance-based fares using a formula. This includes any reduced-fare programs or other concessions.



London

Transport for London allows customers to pay with either an Oyster card or their contactless bank card to access London bus, Tube, Docklands Light Railway, tram, Uber Boat by Thames Clippers, London Overground, and most National Rail services.

In general, Transport for London also sets fares for all transit modes (excepting National Rail services).



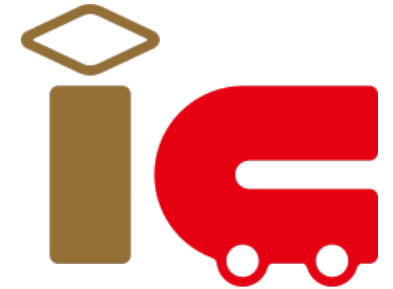
Japan

Rechargeable IC Cards work across almost all trains, subways, and buses in most of Japan's largest cities, including Tokyo, Osaka, Kyoto, Nagoya, and Fukuoka.

Several operators offer these IC Cards, which are all cross-compatible with each other using the umbrella Nationwide Mutual Usage Service. In almost all cases, so long as one card is accepted at a transit operator, all other IC Cards will also be accepted.

This interoperability allows customers to make cross-regional (or cross-national) trips using their usual payment card.

While the service also allows providers to load concession programs onto a particular card, it does not necessarily extend across regions. For example, a senior discount loaded in Yokohama may not be accepted in Tokyo. Customers will pay full fare if a discount is not accepted.



Germany

The D-Ticket, Germany's unified unlimited pass, is exclusively available through an app or NFC card. For a single monthly subscription, customers can take unlimited trips on any regional or local transit operator across the entire country. In some cases, specific states can even extend this offer to partnering countries during the summer. States may also choose to offer discounts on the D-Ticket to specific groups in this system (e.g., a student discount or senior discount)*.

