



CBI POLICY PAPER

A Tale of Three Transit Cities:

CBI invited transit experts from Paris and Montreal to discuss their experiences with GTHA regional transit officials

Anne Golden and Vincent Racine

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Overview

The Toronto region faces major challenges in building suitable transit infrastructure for its growing population. It isn't alone.

On October 18, 2016, The Ryerson City Building Institute (CBI) partnered with the Consulate General of France in Toronto to host "From Grand Paris to the GTHA: Regional Transit and City Building." The event featured guest panellists from Île-de-France Regional Transit (which includes Paris), Montreal's Agence Métropolitaine de Transport (AMT), and Ontario's Metrolinx.

The panellists spoke to an invited audience of more than 60 planners, practitioners, and policy-makers about regional transit governance and integrated fare systems. Although there is no "right" model that can be applied to all global cities, guests learned how southern Ontario's GO train system could emulate successful aspects of transit systems in Paris and Montreal.

This event comes at a time when the Province of Ontario is investing \$32 billion in transit infrastructure over the next 15 years, and Metrolinx is currently developing a regional fare integration structure.



Guest panellists Pierre Messulam and Marie-Hélène Massot answered questions during the From Grand Paris to the GTHA: Regional Transit and City Building luncheon at Ryerson University. Ryerson CBI co-founder Anne Golden moderated the discussion.

The Experts

All three transit authorities face similar challenges. They need to manage expensive and uncoordinated transit systems, compete with heavy vehicle use, and try to avoid congestion.

The panellists from France included Pierre Messulam, Deputy Director of SNCF in Île-de-France, and Marie Hélène Massot, Professor with the Ecole d'Urbanisme de Paris. They were joined by Daniel Bergeron, Vice-President of Strategic Information and Metropolitan Affairs with

Montreal's Metropolitan Transportation Agency (AMT)¹.

After the presentations, panellists were joined by three Metrolinx officials for a discussion which was moderated by CBI co-founder Anne Golden. Metrolinx experts included Director of Real Estate, Mike Millar, Chief Planning Officer, Leslie Woo, and Senior Manager of Applied Research and Corporate Monitoring, Eve Wyatt.

The panellists explored how jurisdictions such as Paris and Montreal might inform the evolution of GTHA transit:

- Creating a fare and service integration model that accounts for distance travelled, mode of transit, and multiple operators.
- Setting up governance arrangements that meet the accepted principles of good governance (i.e., coordination, efficiency, accountability, responsiveness, sufficient and sustainable revenue).
- Building a revenue model that balances the need to cover operating costs with the ability and willingness of riders to pay.
- Achieving political consensus.

¹ AMT, (2016). Website. Available at: <https://www.amt.qc.ca/en/about>



The event attracted more than 60 GTHA planners, practitioners, and policy-makers.

Lessons Learned

1. Fare Integration

Transit planners around the world struggle with establishing and integrating fares across different transit networks. Fares must be able to cover operational costs while still being affordable to a diverse range of riders.

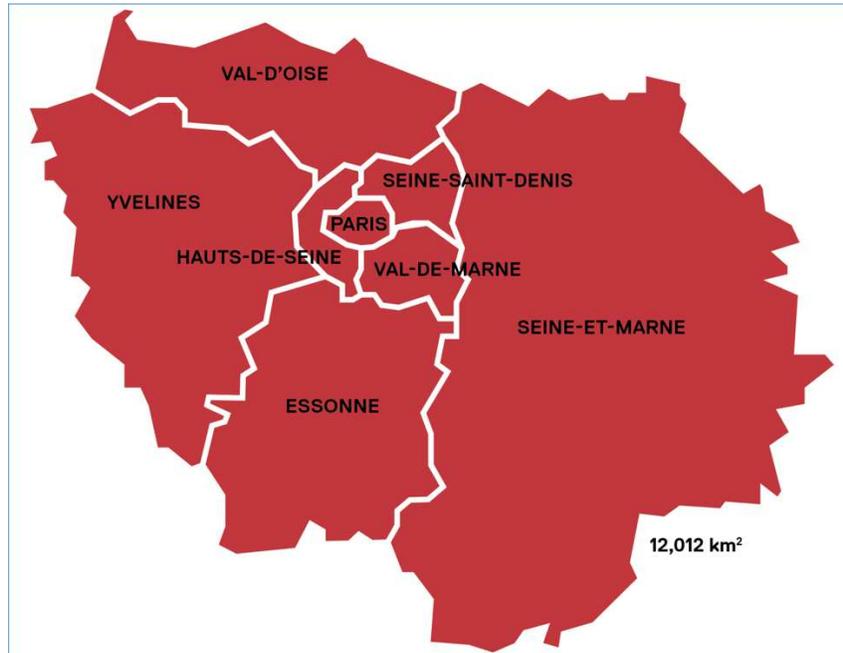
Metropolitan Paris initially charged riders fares based on distance travelled --initially with eight zones, then five--to encourage

more residents to adopt transit. However, as Paris land values soared at the turn-of-the-century, low-income residents migrated to the more affordable suburbs. Transit planners soon realized that the zone system discriminated against residents in the city's outlying areas. The fee disparity created political pressure that needed to be addressed.

In 2015, in response to this issue, the region's transportation coordinating agency, STIF, shifted to a flat fare. It started offering €70/month Navigo transit

passes that gave passholders access to Île-de-France's extensive network of regional buses and rail trains (RER), the Paris metro, and commuter trains. While

the flat fare meets the political tests of simplicity, coherence, and social equity, it negatively affected the ridership revenue ratio.



After the introduction of its €70 Navigo Pass, Île-de-France changed to a flat-fee structure.

The Montreal region is currently moving from flat fares for each local operator in its four regions to a regional zone-based fare system. AMT hopes to create a user-friendly and coherent regional system that will likely be a hybrid that takes into account the distance, transit mode, and impact on ridership and revenue.

The transit agency favours an inter-zonal unified fare structure with three zones and

two or three modal divisions. This would achieve an increase in projected ridership and revenue; improved clarity and simplicity; a harmonized fare practice among Montreal region's transportation agencies; and equity. The AMT is currently restructuring and it will be up to the new regional transportation authority to select the model and determine the actual pricing formula.



ATM is restructuring its organization to improve coordination of the four main area that comprise the Montreal Region: North Shore, Laval, Montreal, and South Shore.

Like its Montreal counterpart, Ontario's Metrolinx is currently researching and analyzing fare integration options. Chief Planning Officer Leslie Woo acknowledged that Metrolinx is thinking along similar lines to AMT's project. With 10 transit systems and an uncoordinated patchwork of fare policies, Metrolinx has an ambitious vision to create a comprehensive system of fare and service integration.

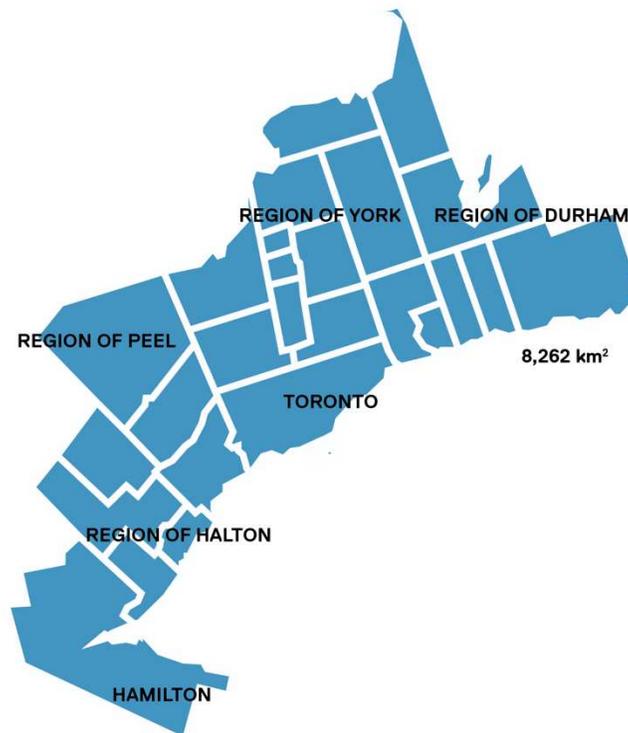
Fare and service integration are fundamental to the creation of successful and sustainable public transit. Before any

decisions can be made about integration, basic questions must be answered:

- How is fairness defined?
- How much fare box revenue is expected to contribute to total operation costs? The flat fare works for Île-de-France, because officials are prepared to accept a user revenue-to-cost ratio of less than 30 per cent. It is unlikely that this would be acceptable in the GTHA where the cost ratios range from 80 per cent (GO) and 75 per cent (TTC) to 48 per cent (Mississauga).

- Should transit fares address socio-economic disparities? Should there be reduced pricing for targeted groups (e.g., seniors, low income, disabled)? Or are there better tools to tackle social problems?
- How do you achieve political consensus?
- How much should distance count in the formula? The more distance is

discounted, the more fare revenue decreases. Any change within a stable overall revenue framework will inevitably have winners and losers. Those who have their fares reduced will no doubt be enthusiastic about the change. But those whose fares will go up may resist, regardless of how logical and compelling the reason.



Metrolinx is envisioning a coordinated fare and service system across the 10 different transit operators in the GTHA.

2. Governance

Three interesting ideas emerged from Daniel Bergeron's presentation on Montreal's new regional governance model. The first was AMT's decision to separate local transit operators from local governments and make them accountable to the regional transportation agency which treats the operators as contractors.

This move injects competition and removes jurisdictional barriers to planning an integrated system.

The second governance innovation was to separate strategic planning from operations in the new transit authority. (In Metrolinx, strategic planning, policy and operations are not separate.)



The AMT is restructuring its organization into a three-level governance: the Montreal Metropolitan Community, the regional authority, and the operators. The regional authority would be responsible to set fares and fare structure.

3. Financing

Financing remains the biggest challenge in planning an integrated regional transportation system. As noted in the chart above, the fare box contribution to operating costs of the two largest transit

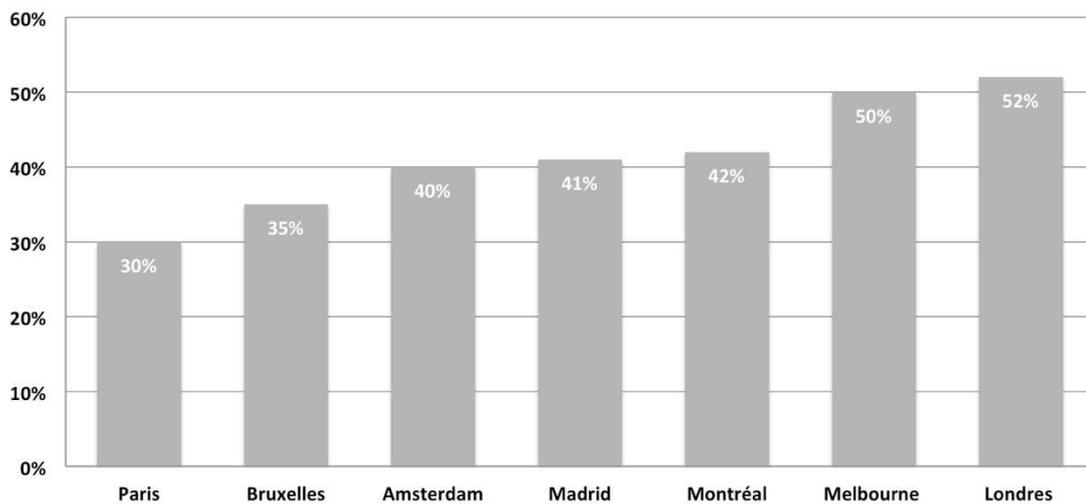
systems in the GTHA are quite high: 80 per cent for GO Transit and 75 per cent for the TTC. This compares with less than 30 per cent for Paris and 42 per cent for Montreal.

The flat fare adopted by Île-de-France is only possible because of its chosen

revenue tools: an employer tax based on total gross employee salaries for companies with more than 9 workers,

provides 48 per cent of operating revenue (an unlikely GTHA revenue tool in the future).

Contribution of users in the coverage of operating costs (DGTPE, 2009)



Around the world, user revenue-to-cost contribution to operation cost is much lower than in Toronto.

4. Integrating Land Use Planning with Transit Infrastructure

French transit planners have explored the potential of obtaining retail revenue by renting space in transit stations. (However, online shopping could diminish this retail potential in the future.) In contrast, Toronto planners have generally

captured enhanced land value through condo or office developments along transit lines and near stations. Meanwhile, neither Montreal nor the GTHA agencies have made significant gains in land value capture.



Links for more information and media coverage of our event:

- Inside Toronto, [5 Ways the Paris Transit System is Different from Toronto](#)
- Urban Toronto, [Public Transit: Service, Fares, Governance in Paris and Montreal](#)

- Ryerson Today, [From Paris to Montreal to Toronto](#)

Vincent Racine is a graduate student in urban and regional planning at Ryerson University. He is a Research Assistant at Ryerson City Building Institute.

