

2019 ANNUAL REPORT
OF THE
HONOLULU RATE COMMISSION

The City Charter Section 66.1705-1(c) requires that the Rate Commission annually report on its activities to the Council, Mayor, and Director of the Department of Transportation Services (DTS). This is the third annual report of the Rate Commission, and it represents activities for the calendar year 2019.

Current Rate Structure

The current rate structure took effect January 1, 2018 (enacted prior to formation of the Rate Commission). Transfers were discontinued on October 1, 2017.

ADULT	One Way Fare	\$2.75
	One Day Pass (valid 12 AM to 2:59 am next day)	\$5.50
	Accompanying child 5 years or younger	Free
	Monthly Pass	\$70.00
	Annual Pass	\$770.00
SENIOR and DISABILITY	One way fare	\$1.00
(65 and older) or (Approved disability)	One Day Pass	\$2.00
	Application for Disability ID card or Senior Card	\$10.00
	Monthly Pass Sticker	\$6.00
	One Year Disability Sticker or Senior Pass	\$35.00
	Two Year Disability Sticker or Senior Pass	\$70.00
YOUTH	One way Fare	\$1.25
	One Day Pass	\$2.50
	Monthly Pass	\$35.00
	Youth Annual Pass	\$385.00
	University Bus Pass Program (U-Pass)	\$225/semester
HANDI-VAN	One Way Fare	\$2.00
US MEDICARE	One Way Fare	\$1.00
	One Day Pass	\$2.00

Fare Box Recovery

According to DTS, the rate increase that went into effect January 1, 2018 raised \$54.1 M for Fiscal Year 2018 which had six months of the increase and nine months of the one-day pass after eliminating transfers. This resulted in a 26.89% fare box recovery ratio for the bus.

With Resolution 19-10 the Council changed the recommended policy for fare box recovery from 27-33% to 25-30%. In FY 2019 the fare box recovery was 25.03%. In FY 2020 based on projections from the first quarter, the fare box recovery is expected to be 24.04%

This is indicative of costs rising faster than fare box revenues. This is partially explained by a ramp up in expenditures for staffing and consultants in preparation for DTS becoming responsible for Rail Operations & Maintenance.

Rate Commission and Bill 77(2018)

In its 2018 Annual Report, the Rate Commission recommended a series of rate increases to go into effect in January 2019 and to help address the need for additional revenues. The recommendations included a 25-cent increase for the one-way fare for both TheBus and for Handi-Van. This would have been the first increase for Handi-Van since 2004. This recommendation received support from the disabled advocacy community. The recommendation also included a special \$1.00 fare for persons qualified under SSI.

The Department of Transportation Services and the City Administration submitted alternate recommendations that became Bill 66. The administration offered a higher rate structure; and they raised concerns about the SSI provision. The City Council failed to pass Bill 66 which reflected the Administration proposal. Instead, Council offered their own measure, mirroring the Rate Commission recommendations, with the exception of implementation date.

First reading of Bill 77 (2018) was November 14, 2018 and referred to the Budget Committee. In January through March 2019, multiple Committee Drafts were offered to the Budget Committee by others. The Rate Commission participated in discussions and attempted to help forge a compromise with the administration. The Rate Commission spent most of the first half of 2019 taking testimony, discussing and offering its recommendations on Bill 77.

Budget Chair Manahan informed the Commission that he intended to shelve the bill. He asked the Commission to consider a new simplified rate structure for Council consideration.

Rate Commission Recommendation on Bill 56

At this time this Annual Report is being written, Council is considering a bill that would provide free fares for high school students attending off campus and after school programs. In a letter dated December 9, 2019 Budget Chair Manahan asked the Rate Commission for its recommendations.

The Rate Commission is currently completing its comprehensive review of the rate structure in light of interim opening of rail. The consensus view on the Commission is that no special purpose programs for sub-classes of riders should be established until this comprehensive review is complete.

Further, the Rate Commission recommends that there be no special purpose fare programs unless and until a subsidy or an alternate source of funding is identified and established so that the result is revenue neutral.

Rate Commission 2019 Review and Recommendations

Throughout 2019 the Rate Commission undertook a thorough and comprehensive review of fares for TheBus in order to have an appropriate rate structure in place before interim opening of rail in December 2020. That report and recommendation will come under separate cover in early 2020.

As part of the comprehensive review, presentations were made at meetings on technical aspects of costs, the Holo card, and other subjects were made by: HART, DTS, Roger Morton of OTS, and Ulupono Initiative. A brief synopsis of these is appended to this report.

The comprehensive review also included island-wide outreach through the Neighborhood Boards and public media asking for input on a series of questions.

The Rate Commission's recommendations include:

- 1) Goals
- 2) Policy guidance
- 3) Rate categories to achieve greater simplicity
- 4) Daily and monthly rates and caps
- 5) Inter-modal transfers
- 6) Impacts of the recommendations on ridership and revenues.

A similar review of Handi-Van will be done in 2020. That review will include a look into paratransit growth management options and the taxi subsidy study.

A. Members

The Rate Commission appointments are made by the Mayor and by the Council. The following seven members constitute the Rate Commission.

	Term Expires	Status
Chair, Cheryl D. Soon	6/30/22 (5 years)	Active
Bonny T. Amemiya	6/30/20 (3 years)	Resigned 8/19
Gary L. Gill	6/30/20 (balance of term)	Started 11/19
Barbra J. Armentrout	6/30/20 (4 years)	Active
Ann. M. Bouslog	6/30/21 (3 years)	Active
Keslie Hui	6/30/19 (2 years)	Active
Dexter Kubota	6/30/19 (2 years)	Active
James Burke	6/30/21 (4 years)	Active

B. Adoption of Rules

In compliance with Section 6-1705-1(a), the Rate Commission has adopted Polices for Internal Management. These were noticed and adopted at the meeting of December 7, 2017 and affirmed at the meeting on February 6, 2018. Note changes have been made to the adopted rules.

C. Meetings – Highlights of Discussions and Topics Covered

The Rate Commission met thirteen times in 2019. Meeting notices and Agendas were properly posted according to the Hawai'i Sunshine Law. One meeting did not meet the Sunshine Law deadline, but no actions were taken. Public input was invited at every meeting. Meetings were held in the Mission Memorial Hearings Room at 550 South King Street. Meeting minutes are available at Department of Transportation Services, Third Floor, Fasi Municipal Building. They may also be found on the City web site for Commissions, <http://www.honolulu.gov/boards-and-commissions> and select Rate Commission. A summary of topics covered is attached to this Annual Report.

Respectfully Submitted,



Cheryl D. Soon, Chair
Honolulu Rate Commission

Date: January 21, 2020

SUMMARY OF TOPICS COVERED BY MEETINGS IN 2019

January 14, 2019

- Presentation about the Holo card by Steve Stowe, Director of Readiness and Activation and Robert Ko, Deputy Director of Readiness and Activation. They have achieved their target of 2600 early adopters for the pilot program which launched December 1, 2018. Working on institutional and retail applications later. Using the current bus fare structure for the pilot but with a two rider per day cap for charges. Consultant INIT is responsible for the technical interface between Holo, OTS operations and HART. Questions raised about cash payers.
- Presentation on Rail Operations and Maintenance (O&M) and P3 by Steve Stowe of HART. Explained various categories of expenditure and who would be responsible under all city (DTS) option versus P3 option. Under city option Ansaldo Joint Venture (AHJV) is responsible for vehicles, core system components, and some janitorial service. P3 bid documents are still in review.
- Questions raised about rates for park and rides, which are currently free. How to prevent non-riders from using the spaces, versus charges that add to the cost of a ride. Where does cost of maintaining the P&R come from, especially if there is no charge?
- Director Frysztacki informed the Commission that a consultant is re-building O&M costs which were last estimated in the EIS. They will be comparing the cost allocation model with AHJV to a P3 model for contracted services. Draft figures will take several weeks.
- Eileen Mark, Public Transit Division of DTS, reported the Taxi Voucher consultant study called for in ROH 17-52 is still not available.
- The 2018 Draft Annual Report of the Rate Commission was distributed for review.

February 5, 2019

- Update on Bill 77 (2018). CD 1 walked in by CM Kobayashi changes senior monthly fare to \$8 (versus proposed \$12) and changes the senior annual rate to \$45 (from proposed \$120). Testimonies from Rate Commission and from DTS were discussed. Rate Commission updated its testimony.
- 2018 Annual Report of the Rate Commission was approved for distribution.
- Rate Commission members identified future presentations they would like for their deliberations.

March 12, 2019

- Correspondence received from City Clerk that Resolution 19-10 was adopted. It changes the policy of fare box recovery to 25-30%.
- Director Frysztacki (DTS) distributed copies of the 2018 Management Performance Review prepared by Nelson/Nygaard. It contains requested information on the tax relief subsidy co-pay program.
- Presentation made by Andy Robbins, HART CEO on the HART Recovery Plan which was first delivered to FTA in September 2017. It updates information to

November 2018 and includes information relevant to conducting a P3 procurement. As a condition of releasing the remaining federal funds (\$744 Million) FTA was looking for: 1) City commitment of \$ 44 Million from the General Fund; 2) Completion of the Recovery Plan; and 3) Decision on procurement methodology for the City Center section. All three conditions have been met according to FTA deadlines.

- The Recovery Plan shows sources and uses of all project funds. The costs of O&M is in one of the tables in the Recovery Plan. See Exhibit J-1 for operation & maintenance.
- DTS and HART are working on O&M cost estimates for interim service period between 2020 and 2025.
- Mayor Caldwell has written to HART asking that O&M not exceed \$127 Million. This is exclusive of debt service or financing costs.
Part I of the P3 RFP is underway to determine qualified teams. Award is anticipated in February of 2020. The entire project should be constructed by 2025.
- Presentation by Mr. Good HART on what are the 15 major components of Rail Operations and Maintenance. Vehicles and stations are the highest cost items. He also explained one of the performance standards for operations is 99.5% system availability (Trains on time); failure to meet the performance standard results in deductions from payments. Four train sets are needed for interim rail; currently there are six on island; and seven in construction.
- Presentation with an update of the Holo Card was made by Whitney Birch who shared data on the pilot program to date. Most of the 2,000 in the pilot are between ages 18 and 65. The Holo card can identify what type of rider is using it. In response to questions, she stated that 20% of riders are cash customers versus pass holders. Retail outlets will only sell Holo cards for regular riders; discount riders such as Seniors, Youth, Medi-care and Disabled, will have to go to Satellite City Halls or the Bus Pass Office for verification of their status. Verification by drivers can be done with pictures, as is currently the case. In response to questions, Ms. Birch said Holo card can handle a category for Extremely Low Income just as it would handle an institutional or NGO account. In response to question, Ms. Birch said value can be added to the card at retail outlets, not just on-line.
- Bill 77 update was presented by the Chair and lengthy discussion ensued on how the Rate Commission could held bring parties together. The Directors of DTS and DCS were presented to answer questions. The bill is on hold.

April 9, 2019

- The entire meeting was devoted to Bill 77 the various iterations of a CD1. The Chair presented major issues and how they had evolved. A summary of topics discussed by the Rate Commission on aspects related to Bill 77 was given.
- Public testimony centered on Bill 77 as well.

April 23, 2019

- Discussion continued regarding Bill 77 and reviewed a working proposal for a new CD covering compromises for each category of rider, and including a category for Extremely Low Income.
- Chair announced that since the last meeting, she and the Vice Chair Hui met with Mayor and Managing Director to form the outline of an agreement.
- Elements agreed to by vote include:
 - Handi-Van fare raised from \$2.00 to \$2.50.
 - Senior monthly fare of \$8.00 and annual fare of \$45.00
 - Senior discount for income eligible \$2.00 monthly and \$10,00 annual for bus only.
 - Extremely Low Income fare of \$1.00 per one way ride on bus and \$2.00 on Handi-van. Strike reference to SSI and allow DCS to define eligibility standard.
- Vote is Five yes and one With Reservations

June 18, 2019

- Councilmember Joey Manahan attended and spoke to the Commission. Due to the large number of amendments that were being offered, he has decided to shelve Bill 77. He asked the Commission to start over and consider ways to simplify the rate structure with a new baseline. Equity programs for seniors, disabled, low income or others would be handled separately. He cited San Mateo as a system he used and found easy to understand, thus reducing anxiety for users.
- Commissioners asked questions of CM Manahan. They expressed their continued support for passing Bill 77 so that rate increases would be more gradual and accepted by the time interim rail starts.
- CM Manahan asked the Commission to consider free fares for seniors as a means of simplification. He said there was money in the budget available to subsidize the revenue loss if needed.
- Presentation by DTS on fares for mainland cities that have integrated bus and rail system. Handout available. Each seems to be unique, there is no dominant model. Data was gathered from individual city web sites.
 - Of note is that some cities have surcharges for: express service, zones (beyond a core area), peak period, airport service, and/or transportation mode.
 - Annual passes are a rarity. Even in Honolulu (other than senior annual passes) the adult monthly passes outsell annual 1,000 to one.
 - Most systems have a HOLO card equivalent which calculates the proper fare.
- Presentation by Mark Garrity contractor with Jacobs Engineering (under contract to DTS) on updating cost components of operations and maintenance for bus and rail. Handout available. They are doing an independent cost estimate in order to compare it to those of the P3 bidders who will be bidding on a thirty year operations period (in addition to building the city center section). These are separate from the updated HART O&M estimates in the Recovery Plan (which apply inflation factors to the EIS numbers). There may be some individual line item differences, but in general

they are both in the same ballpark. After his presentation, Mr. Garrity answered questions.

- HOLO card is a third party contract part of fare system and once it expires will be converted over to the P3 contract.
- Manpower at the maintenance facility are now Hitachi employees (formerly Ansaldo). Ansaldo/Hitachi cost estimates are being updated this summer and these will be wrapped into the P3 contract.
- The city will need to subsidize the gap between costs, fares and federal operating assistance. The numbers from Exhibit J-1 in the Recovery Plan are expected to change.
- Fare box recovery policy is for bus, need to determine how it applies to rail. Open question.
- Roger Morton, President and General Manager of OTS, presented under public input. Director Frysztacki had asked Roger to present his thoughts to the Commission including Bill 77, basic fare policy plan, transition of HOLO card and proposed fare categories (including resident only fares). Copies of testimony available.
 - Proposed that caps be considered as a method to simplify fares. Once the cap is reached, fare is free for the balance of the period.
 - Understands the need for the Commission to balance Social Equity and Raising Revenue. Thinks both can be achieved.
- Chair Soon distributed a list of “Topics to be Considered.” These will be distributed to the public through Neighborhood Boards and other means to gather input for commission deliberations.

July 16, 2019

- Two testimonies received ahead of the meeting based on the flyer of topics Rate Commission is seeking input on.
- Received testimony from Bryan Mick of DCAB with general principles they recommend:
 - Incentivize use of fixed route bus service by paratransit users; bus fares should always be lower than paratransit service, as is currently the case;
 - Subsidy should be provided to those who qualify as extremely low income; should apply to both Handi-Van and The Bus;
 - Reduce the categories for users to make it easier
 - Utilize a list of overarching principles to guide the discussion
- Commission discussed simplifying the rate structure by having fewer categories of riders.
 - We should try for three or four categories.
 - There are now 16-18, which is a lot. Fewer will help the operators as well.
 - Federal requirements are that seniors and disabled be no more than 50% regular adult fare during off-peak hours.
 - What is the price and benefit of making any change? Do we want to drive up ridership? Do we need to raise revenues? These are different goals.
- Discussion of rate setting considerations for interim opening of rail

- Most Commissioners do not favor distance zones. One does favor distance fares similar to Vancouver BC.
- Need to consider how fares work with transfers from bus to rail, bus to bus, rail to bus. There is an equity issue for those coming in from greater distances.
- Commissioners do not favor different rates for bus and for rail.
- Need to distinguish fare categories from subsidized programs.
- Need to consider the cash riders, not just the HOLO card users.
- Note made that Pittsburgh has five categories with cash being a little higher than card.
- Note that first interim opening only goes to Aloha Stadium and second interim opening to Middle Street. What are the demographics of those riders?
- By the time of the next rate increase, it will have been three years since an increase. It is important to get this right.

August 13, 2019

- Multiple written testimonies were received in advance of the meeting.
- Received public input. Concern raised about persons with disabilities who use coupons to ride Handi-Van. Transition to Holo card may be problematic as service agencies only want to support Handi-Van, not other uses. Also, replacement for lost cards may be more difficult than lost coupons.
- DTS responded to questions about programs outside the fare structure. Handout available. Examples include university student programs and OTS employees and retirees who can use their ID cards.
- Discussion on simplifying ROH Chapter 13 rate structure for fewer categories.
 - Need for data to support decision making will be improved when Holo card is widely used. For now, we must do our best.
 - Commissioners feel rate increase is overdue, does not want to see rates stay the same when go to full roll out of Holo.
 - While well-meaning, there are too many categories and discounts which has complicated the structure. Portland has two levels: base fare and discount. Simple is better.
- Discussion on monthly and annual passes.
 - Consider monthly caps in lieu of passes. Holo card can handle that. What number of rates should be the equivalent for the cap?
 - Should there be rate incentives to get people to ride in off-peak hours or low usage times like Sundays?

September 17, 2019

- Rate Commission continued taking Public testimony both at the meeting and as submitted in advance.
- Presentation by Kathleen Rooney, Ulupono Initiative on comparisons and best practices for reviewing and revising the rate structure. First step is to set the proper policies.

- The Rate Commission discussed their perspectives gleaned from testimonies for moving forward. One key is simplicity. TransLink in Vancouver, BC is an excellent example: they have a base fare and a “concession” fare to cover seniors, youth and disabled. They do not have an Extremely Low Income category.
- In addition to simplicity, an important issue is, who is responsible for subsidies of vulnerable stakeholders in the community.
- Commissioners preferred Flat rates versus distance-based rates.
- How can the rate structure build ridership? This is especially a consideration during interim opening, to capture riders early.
- In Vancouver, ridership on rail is so high, they get 100% cost recovery; for bus they get 60%.
- Commissioners do not favor free fare for any category of rider since it de-values the asset and people come to feel entitled.
- Need to reconcile that most riders will need to transfer to a bus once or twice in their ride; should not have to pay again. Need to consider that interim rail is only from Kapolei to Aloha Stadium. That should be a factor in next round of rates.
- Discussed fare box recovery policy of 25-30% and whether that is achievable in early months of rail. Commission will ask DTS for more data.

October 8, 2019

- Advance public testimony was received. There was no additional public testimony at the meeting.
- Commissioners discussed thoughts on what interim opening of rails would look like and possible bus route changes.
- Three tiered Categories of regular fares, discounted fares, and low income seems logical. This is based on the research in other cities. But most people will not want to give up the low priced annual passes.
- Note made that most seniors say they do not mind paying the yearly rate of \$35, which they can only get at Middle Street, not the retail vendors.
- Note made that the overwhelming majority of testifiers want the rate for bus and rail to be the same.
- Cap system in lieu of daily and monthly fares was discussed. Holo card makes this easy to implement.
- Introductory fares should not be free, but possibly discounted.
- There is a strong relationship between fares and Holo card, but they are not the same. How Holo card is charged should be considered in rate setting. Note made that some people refuse to use the Holo card because they do not want to give out their financial information. Also, should the car itself be free for those who do go that route. Promotion of Holo by HART or others should not be stating rates until they are set by recommendation of this body and action by Council.

November 12, 2019

- Public testimony received in advance of the meeting was distributed.

- Received additional verbal public input.
- Bryan Mick of DCAB passed out their Guiding Principles on Public Transit
 - One important principle is that increases should be in small increments.
 - Another is to include subsidies for severely low income. DCS input on administering this will be sought.
 - Monthly discounts are not applicable to paratransit rides, so this is a consideration in determining equity.
- Chair requested that the focus for this year's recommendations be on bus and rail and that paratransit be taken up after rates are set for bus/rail. This is a matter of being timely in giving our recommendations to Administration and Council in the beginning of 2020 in time for interim opening later in the year. Members agreed.
- Discussion on written policies for setting rates. Chair distributed a draft proposal.
 - Included in the draft paper was a history of policies the Commission has used in the past as documented in Annual Reports. Also, the questions used to gather public input and the Uluono proposed approach presented in the September meeting.
 - Three goals: Encourage ridership; Promote transit over automobile use; and Maximize the transit investment.
 - Commissioners wished to revise the third goal to be more in line with Raising Revenues for Financial Sustainability.
 - Commissioners do not want a penalty for transfers; make them free. Within what time period? One hour? This is a hub and spoke system and most people have to make on or more transfers. But right now, only rail has a tap off; that affects how the transfer system works.
 - Commissioners did not favor freezing rates for a set period of time as this has to always be measured against fare box recovery and fiscal responsibility. It is our Charter responsibility to look at fares annually.
 - Stressed the importance of the City raising revenues for transit not just from fares.
 - Some Commissioners support subsidies based on need, but not on age as a matter of public policy.
 - Commissioners do not favor free rides for anyone. The service has value. Discounts are a better approach.
- Director Frysztacki fielded clarification question from the Commission.
 - Questions asked about the tap-off capability. If this is added to bus, it not only facilitates the transfer issue, but it gives better data on system usage. Halo card readers are only on the front of the bus, not the back. This would have to change.
 - Confirmed that first interim from East Kapolei to Aloha Stadium is set for December 2020 and second interim opening to Middle Street for December 2022. The full system to Ala Moana will open December 2025.
 - Questions raised about the bus interface for interim opening, what routes will be running. Director stated that all routes will run as they do now which means some replication of service with rail; that transition of bus routes will not take place until after full opening (see Appendix D of the Rail EIS), although they are being worked on increased connectivity and island-wide upgrades now.

- Director reported that their proposed budget for FY 2021 assumes no increase in fares. The department must look at both fares and new revenue enhancing opportunities. Their proposed budget has two parts, one for the department's normal duties, and one for being the city-wide lead on rail for the first six to nine months of operations.
- Director explained that the P3 contractor selection has been extended to give bidders more time on their proposals. O&M costs of \$128 Million would be paid to the successful developer, as reported in the newspapers.
- Director was asked how they do a spreadsheet for forecasting, in particular when a fare proposal may cause a drop in ridership. He responded that as a rule of thumb, each 10% increase leads to a 3% drop in ridership. This would especially impact discretionary trips rather than work trips.
- Temporary and permanent parking locations will use the Holo card, whether charges are applied or not. Any parking revenues will not go into fare box recovery.
- Commission discussed the process it would take to decision-making on Goals, Policies and Rates in the December meetings. Start with the structure issues, then fare categories, and then equity. Only after these framework issues are resolved can we look at actual rates to apply and interim opening specials.

December 10 and December 16, 2019

- Director Frysztacki introduced Patrick Preusser, the new Director of Rapid Transit.
- DTS presented the results of fare box recovery for FY 2018 (26.89%), FY 2019 (26.1%) and year to date for FY 2020 (24%). These numbers are reported to Department of Budget and Finance. A handout was distributed showing the breakdown by category of fares. The data shows a 8% increase in costs over two years, and a 6% increase in fares recovered.
- Presentation by DTS on parking charges at rail stations.
- Presentation by DTS on Holo card status.
- Council Budget Chair Manahan has asked the Commission to consider Bill 56 which would establish a free program for high school students to attend classes on another campus. DTS estimates that because this is so broadly worded, it could result in loss of nearly half (\$2 Million) from the Youth category which raises \$4.5 Million each year. There are also costs to administer, certify eligibility, modify software, and create rule-making. After discussion, the Commission voted unanimously to ask Council to defer this item until we can discuss it in light of the overall review now underway.
- Chair Soon distributed a Preliminary Proposal with revised goals and policies based on refinements from the last meeting. Commission agreed on the following goals:
 - Goal One: Grow ridership on transit
 - Goal Two: Optimize utilization and encourage people of all income levels to use transit and alternate modes rather than automobile
 - Goal Three: Optimize revenues from all sources and be mindful of the established policy of 25-30% fare box recovery

- The Commission agreed on the following policies:
 - Simplify the rate structure so it is easy to understand
 - Use the same fare for a bus ride and for a rail ride
 - Flat rates, no distance rates
 - Single charge for multi-modal linked trips; No penalty for transfer between modes if taken within three hours
 - Encourage frequent use; create daily and monthly (by calendar) caps.
 - Eliminate annual passes
 - Encourage new riders to try rail with introductory discounts: one month at half price (all modes) and \$1 on Sundays for three months
 - Ratio for daily cap should be no more than 3 trips; and for monthly should be no more than 30 trips
 - Three categories of fares: Base, Eligible Discount, and Extremely Low Income
 - Special programs must have an identified funding source
- Test three versions of fares for ridership and revenue impacts
 - \$3 base fare; 50% off base for eligible riders (Youth, Senior, Disabled, Medicare cardholders); 75% off base for Extremely Low Income
 - \$2.75 base fare; 50% off base for eligible riders (Youth, Senior, Disabled, Medicare cardholders); 75% off base for Extremely Low Income
 - \$2.50 base fare; 50% off base for eligible riders (Youth, Senior, Disabled, Medicare cardholders); 75% off base for Extremely Low Income
 - Determine how close these come to Fare box recovery of 25-30% for bus; strive to meet this same threshold for rail within four years of opening.
 - Determine ridership losses (if any).
- Discussion on what is the appropriate time for allowing the free transfer between modes. Previously, it was two hours from first embarkation. This would need to apply to both Holo card users and cash riders (despite greater possibility for mis-use who need a paper transfer).
- Director of Community Services, Pam Witty-Oakland, presented information on how Extremely Low Income is calculated. They use the HUD definition of 30% of area median family income (AMI). This is determined based on household size, from one to seven persons. Based on census data, in 2017 there were 41,179 ELI households in Honolulu. Her department is trained to certify eligibility for housing, and is willing to do the same for the transit program. Currently, less than two dozen people use this transit discount program which provides a \$10 discount off the monthly pass fee (it has not been marketed); previously it was closer to 500. What is being proposed by the Commission is more generous and would have more users. About 30% of seniors are likely to be eligible under the ELI definition.
- Discussed Bill 56. Commissioners feel this is not timely, should await the comprehensive review of the full rate structure. Opposed to any special program that does not have a identified source of funding to replace lost revenues (revenue neutral). Should not be attached to trip purpose, which is hard to verify.