

2016 PROPOSED FARE INCREASE

Last year, Metra projected that it would likely need a 5 percent increase in fare revenue in 2016, including 3 percent to cover expected inflationary costs.

By finding budget efficiencies, making management improvements and being responsible with our finances in 2015, we are now proposing a 2 percent net increase in fare revenue to pay for the new operating costs for the federally mandated Positive Train Control (PTC) safety system and to help fund a bare-bones capital budget.

The proposed 2 percent net increase in fare revenue would generate an additional \$6.5 million for a total of \$341.4 million in fare revenue expected in 2016.

We have consistently said that if we can find ways to avoid higher fares, we will do it. By trimming the size of the needed increase, we have kept our promise to our customers.

Even with this proposed increase, Metra's one-way and monthly fares remain the lowest of any of its peer railroads in the nation.

However, we want to be clear – Metra's capital program remains substantially underfunded. Without a state bond program in 2016 and due to the budget stalemate in Springfield, approximately \$400 million of Metra's capital projects are currently on hold, including improvements to 16 Metra train stations, two rail yards, a major bridge replacement program on the Union Pacific North Line and the completion of a third track on the Union Pacific West Line.

Further, if the state's bond program proceeds do not materialize in 2016, we may need an even larger-than-expected increase in fare revenue in 2017, which was projected in November 2014 to be 8.5 percent.

What The Proposed Fare Increase Means For Our Customers

- Beginning in February 2016, Metra customers who buy one-way tickets will pay a quarter more per ticket. If these customers take the train 30 times a year, they will pay an additional \$7.50 annually to ride Metra.
- Metra customers who buy 10-Ride tickets will pay \$1.75 more or 17 cents more per trip. If these customers ride the train to work about half the time, they will pay \$3.50 more per month and \$42 more per year.
- Metra customers who buy monthly tickets will pay \$2.50 more per month. Assuming most of these customers use Metra to commute full-time to work each month, they will pay about 12 cents more per day and \$30 more per year.
- Other fare increases include an additional 75 cents on the reduced fare 10-Ride ticket and \$1.25 on the reduced fare monthly ticket.

Even With This Increase, Metra Fares Are Still A Bargain

Since 1990, Metra's monthly and one-way fares have increased far less than our peer agencies. Metra's average monthly fares have increased by 71 percent, while as a group, Metra's peers have increased monthly fares an average of 124 percent.

COMPARISON OF ONE-WAY FARES

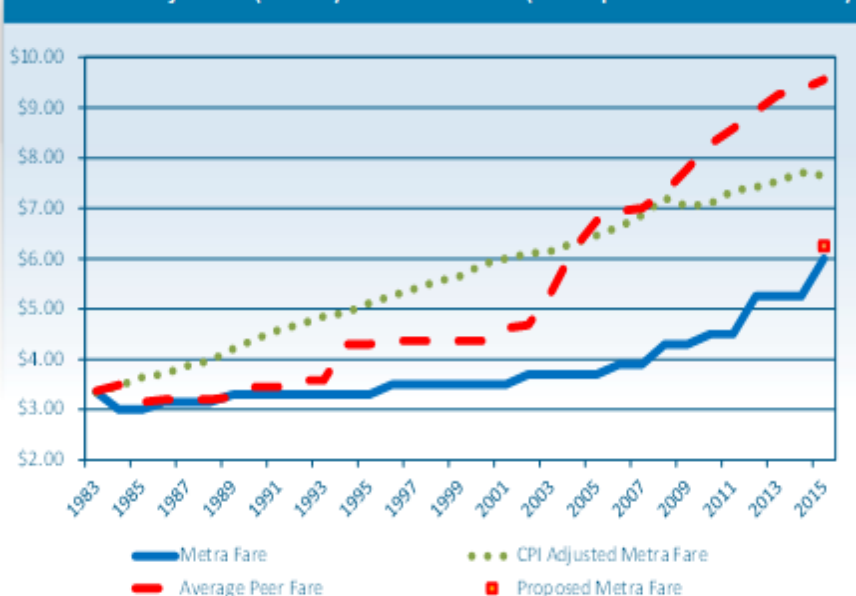
Peer Agency	Zones A-C 10-15 miles	Zones A-E 20-25 miles	Zones A-G 30-35 miles	Zones A-I 40-45 miles
Long Island Rail Road	\$10	\$12.19	\$13.90	\$17.05
Metro North Railroad	\$9.41	\$11.75	\$13.50	\$16.25
Massachusetts Bay Transportation Authority	\$6.57	\$8.53	\$9.69	\$10.50
New Jersey Transit	\$6.62	\$9.71	\$13.88	\$15.63
Southeastern Pennsylvania Transportation Authority	\$5.39	\$6.16	\$7.13	—
Metra 2016	\$5	\$6.25	\$7.25	\$8.50

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COMPARISON OF MONTHLY FARES

Peer Agency	Zones A-C 10-15 miles	Zones A-E 20-25 miles	Zones A-G 30-35 miles	Zones A-I 40-45 miles
Long Island Rail Road	\$218	\$268	\$307	\$361
Metro North Railroad	\$212	\$259	\$300	\$356
Massachusetts Bay Transportation Authority	\$208	\$266	\$304	\$330
New Jersey Transit	\$187	\$287	\$393	\$448
Southeastern Pennsylvania Transportation Authority	\$153	\$178	\$191	—
Metra 2016	\$138	\$173.50	\$202	\$237.75

Metra One-Way Fares (Zone E) vs. CPI & Peers (w/ Proposed 2016 Metra Fare)



Proposed 2016 Fares
 Increase One-Way Fares by \$0.25, Full-Fare Ten-Ride Fares by \$1.75, Full-Fare Monthly Fares by \$2.50, Reduced Ten-Ride Fares by \$0.75, and Reduced Monthly Fares by \$1.25

Full (Adult) Fares												
Fare Zone	One-Way, Full				Ten-Ride, Full				Monthly, Full			
	Current	Proposed	\$Change	% Change	Current	Proposed	\$Change	% Change	Current	Proposed	\$Change	% Change
A	\$3.25	\$3.50	\$0.25	7.7%	\$29.25	\$31.00	\$1.75	6.0%	\$92.75	\$95.25	\$2.50	2.7%
B	\$3.50	\$3.75	\$0.25	7.1%	\$31.50	\$33.25	\$1.75	5.6%	\$99.75	\$102.25	\$2.50	2.5%
C	\$4.75	\$5.00	\$0.25	5.3%	\$42.75	\$44.50	\$1.75	4.1%	\$135.50	\$138.00	\$2.50	1.8%
D	\$5.50	\$5.75	\$0.25	4.5%	\$49.50	\$51.25	\$1.75	3.5%	\$156.75	\$159.25	\$2.50	1.6%
E	\$6.00	\$6.25	\$0.25	4.2%	\$54.00	\$55.75	\$1.75	3.2%	\$171.00	\$173.50	\$2.50	1.5%
F	\$6.50	\$6.75	\$0.25	3.8%	\$58.50	\$60.25	\$1.75	3.0%	\$185.25	\$187.75	\$2.50	1.3%
G	\$7.00	\$7.25	\$0.25	3.6%	\$63.00	\$64.75	\$1.75	2.8%	\$199.50	\$202.00	\$2.50	1.3%
H	\$7.50	\$7.75	\$0.25	3.3%	\$67.50	\$69.25	\$1.75	2.6%	\$213.75	\$216.25	\$2.50	1.2%
I	\$8.25	\$8.50	\$0.25	3.0%	\$74.25	\$76.00	\$1.75	2.4%	\$235.25	\$237.75	\$2.50	1.1%
J	\$8.75	\$9.00	\$0.25	2.9%	\$78.75	\$80.50	\$1.75	2.2%	\$249.50	\$252.00	\$2.50	1.0%
K	\$9.25	\$9.50	\$0.25	2.7%	\$83.25	\$85.00	\$1.75	2.1%	\$263.75	\$266.25	\$2.50	0.9%
L	\$9.75	\$10.00	\$0.25	2.6%	\$87.75	\$89.50	\$1.75	2.0%	\$278.00	\$280.50	\$2.50	0.9%
M	\$10.25	\$10.50	\$0.25	2.4%	\$92.25	\$94.00	\$1.75	1.9%	\$292.25	\$294.75	\$2.50	0.9%

Reduced (Special-User) Fares												
Fare Zone	One-Way, Reduced				Ten-Ride, Reduced				Monthly, Reduced			
	Current	Proposed	\$Change	% Change	Current	Proposed	\$Change	% Change	Current	Proposed	\$Change	% Change
A	\$1.50	\$1.50	\$0.00	0.0%	\$13.50	\$14.25	\$0.75	5.6%	\$52.50	\$53.75	\$1.25	2.4%
B	\$1.75	\$1.75	\$0.00	0.0%	\$15.75	\$16.50	\$0.75	4.8%	\$61.25	\$62.50	\$1.25	2.0%
C	\$2.25	\$2.25	\$0.00	0.0%	\$20.25	\$21.00	\$0.75	3.7%	\$78.75	\$80.00	\$1.25	1.6%
D	\$2.75	\$2.75	\$0.00	0.0%	\$24.75	\$25.50	\$0.75	3.0%	\$96.25	\$97.50	\$1.25	1.3%
E	\$3.00	\$3.00	\$0.00	0.0%	\$27.00	\$27.75	\$0.75	2.8%	\$105.00	\$106.25	\$1.25	1.2%
F	\$3.25	\$3.25	\$0.00	0.0%	\$29.25	\$30.00	\$0.75	2.6%	\$113.75	\$115.00	\$1.25	1.1%
G	\$3.50	\$3.50	\$0.00	0.0%	\$31.50	\$32.25	\$0.75	2.4%	\$122.50	\$123.75	\$1.25	1.0%
H	\$3.75	\$3.75	\$0.00	0.0%	\$33.75	\$34.50	\$0.75	2.2%	\$131.25	\$132.50	\$1.25	1.0%
I	\$4.00	\$4.00	\$0.00	0.0%	\$36.00	\$36.75	\$0.75	2.1%	\$140.00	\$141.25	\$1.25	0.9%
J	\$4.25	\$4.25	\$0.00	0.0%	\$38.25	\$39.00	\$0.75	2.0%	\$148.75	\$150.00	\$1.25	0.8%
K	\$4.50	\$4.50	\$0.00	0.0%	\$40.50	\$41.25	\$0.75	1.9%	\$157.50	\$158.75	\$1.25	0.8%
L	\$4.75	\$4.75	\$0.00	0.0%	\$42.75	\$43.50	\$0.75	1.8%	\$166.25	\$167.50	\$1.25	0.8%
M	\$5.00	\$5.00	\$0.00	0.0%	\$45.00	\$45.75	\$0.75	1.7%	\$175.00	\$176.25	\$1.25	0.7%

		Adj. to	Elasticity
	Total	Feb. 1	Applied
Revenue Increase:	\$7.5m	\$7.0m	\$6.5m
% Revenue Increase:	2.3%	2.1%	2.0%