AVANTAGES AND DISADVANTAGES OF FARE-FREE TRANSIT POLICY

PROBLEM STATEMENT

From time to time, either transit policy board members or transit managers seriously consider providing transit services free of charge to passengers. There are a number of factors behind the motivation to offer fare-free transit—e.g., a desire to increase the use of public transportation and possibly decrease traffic congestion; a recognition that farebox revenue is sometimes relatively minimal and possibly not worth the effort and expense to collect; a political desire to "fill empty buses"; a strategic effort to introduce younger people to transit services in order to encourage future ridership; a desire to accommodate certain niche passenger markets in resort areas where transit operating revenue can be gained through other sources; a strategic decision to help redevelopment of a particular area; or some other public policy goal.

There are consequences to any operational transit policy, and those who make decisions about whether to offer fare-free service should be aware of their possible effects. Many factors influence whether fare-free transit would be a negative or a positive experience in any given environment. Among these factors are the size of the community and transit system, the degree of commitment to fare-free service by both the community and the transit system management and employees, and the age and establishment of the transit service (Hodge, Orrell, & Strauss, 1994).

OBJECTIVES

This study investigates the advantages and the disadvantages of fare-free service in differing transit system environments within the framework of several fundamental policy questions:

- How much would it cost to implement a fare-free policy in the system?
- How would fare-free policy impact existing transit services?
- How would fare-free policy affect the attainment of the transit system's goals? (Hodge et al, 1994)

FINDINGS AND CONCLUSIONS

The suggestion to offer transit on a fare-free basis is almost always well-intended. However, while fare-free policy might be successful for small transit systems in fairly homogenous communities, it is nearly certain that fare-free implementation *would not* be appropriate for larger transit systems. Two well-documented fare-free demonstrations in larger systems in Denver, Colorado and Trenton, New Jersey, conducted during the late 1970s, were limited to off-peak hours and were both discontinued after approximately one year in spite of increased ridership. Since that time, there has been only one other fare-free system-wide experiment in a large transit system, which was conducted in Austin, Texas from October 1989 until December 1990. While several large transit agencies (*i.e., Seattle Metro; Denver, Colorado; Houston, Texas; Baltimore, Maryland; Pittsburgh,*

Pennsylvania; St. Louis, Missouri; and Tri-Met in Portland, Oregon) offer fare-free service on a small portion of their systems, there has not been a full fare-free policy instituted on a system-wide basis since the experiment in Austin. The negative consequences of these experiments, the Austin experiment in particular, have left lasting impressions on transit operators throughout the country.

A fare-free policy will increase ridership; however, the type of ridership demographic generated is another issue. In the fare-free demonstrations in larger systems reviewed in this study, most of the new riders generated were not the choice riders the transit systems were seeking to lure out of automobiles in order to decrease traffic congestion and air pollution. The larger transit systems that offered free fares suffered dramatic rates of vandalism, graffiti, and rowdiness as a result of the younger passengers who could ride the system for free and who caused. Vehicle maintenance and security costs escalated due to the need for repairs associated with abuse from passengers. The greater presence of vagrants on board buses also discouraged choice riders and caused increased complaints from long-time passengers. Furthermore, inadequate planning and scheduling for the additional ridership resulted in overcrowded and uncomfortable conditions for riders. Additional buses needed to be placed in service to carry the heavier loads that occurred on a number of routes, which added to the agencies' operating costs. Nevertheless, the crowded and rowdy conditions on too many of the buses discouraged many long-time riders from using the system as frequently as they did prior to the implementation of free-fares.

Researchers thus conclude that a fare-free policy might be appropriate for smaller transit systems in certain communities, but it is ill advised for larger transit systems in major urban areas. The findings demonstrate that a more effective way to increase choice ridership in larger systems would be to offer incentives such as reduced fares to students and to the elderly, all-day passes, and pre-paid employer-provided passes to workers in areas served by transit. All well-informed transit professionals that were surveyed spoke strongly against the concept of free fares for large systems, suggesting some minimal fare needs to be in place to discourage vagrancy, rowdiness, and a degradation of service. Ultimately, people are more concerned about issues such as safety, travel time, frequency and reliability of service, availability and ease of schedule and route information, infrastructure at stops, and driver courtesy than about the cost of fares. When fares are eliminated, substantial revenues that help to pay for such service characteristics are lost.

BENEFITS

This research documents that there have been no recent studies of the impact of no-fare systems on a large scale, and that the thinking in the industry is that a no-fare policy results in more problems than benefits. Transit agency managers are often asked about the merits of such policies, and this research will provide them with the most current information on the subject.

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