

Fare-Free Transit – A Strategy for Sustainable Transportation

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Abstract

The Fare-Free Transit Program was initiated by the Town of Milton as a means to increase passenger participation during non-peak travel periods. By eliminating user fees, public transit was promoted as an inexpensive and sustainable transportation alternative targeting Milton residents who could most benefit from a free service, including seniors, students, and families with infants/young children. Corporate sponsorship was solicited and obtained to subsidize lost fare revenue, neutralizing the impact on the municipal operating budget.

This report is a synthesis of Milton's experience implementing a Fare-Free Program, including: communication plan development/implementation, observations/results achieved, issues brought forth, and subsequent policy recommendations for possible future opportunities. Performance data was collected through a combination of qualitative and quantitative statistical methods, including passenger surveys, daily operations tracking, and electronic farebox data recording.

Upon completion of the Fare-Free Transit Program, positive results were observed from a ridership generating capacity and a customer satisfaction perspective. Ridership levels surpassed initial projections as a result of substantial support and participation in the program. Passengers were appreciative and supportive of the fare-free initiative to promote public transit in Milton, while also expressing interest for increased service levels and frequencies. Some passengers expressed frustration and concern with student overcrowding during school dismissal hours, increasing the potential for nuisance activity.

Based on the findings of this report, it is concluded that the Fare-Free Transit Program was successful for increasing ridership during non-peak travel periods. Implementing a similar ridership growth program may be considered in conjunction with service expansion into newly developed areas. However, future ridership growth initiatives should be coupled with proactive service delivery support, including capital and operational resources, to accommodate expected ridership expansion and reduce the potential for passenger overcapacity.

Background

As one of Canada's fastest growing municipalities, the Town of Milton has witnessed rapid residential development over the last several years. This substantial growth has increased pressure on current municipal transportation infrastructure/services as well as ongoing traffic congestion. As a result, public transportation initiatives have become a priority for the Town of Milton to reduce automobile dependency and contribute to a sustainable future. Public transit use has been encouraged in the Town of Milton through a variety of innovative campaigns dedicated to promote sustainable transportation options. These strategies support the Town's goal to continue to encourage the use of, and access to, public transit throughout the municipality.

There are many elements affecting transit ridership growth, including: service reliability, efficiency, convenience, and cost. Ridership growth initiatives are intended to raise transit participation while promoting community cohesiveness, environmental awareness, and minimizing automobile dependency. This report will focus on the delivery of a leading-edge, cost-free ridership growth initiative, implemented in the Town of Milton.

Fare-Free Transit Program

The Town of Milton is one of the first municipalities in Canada to implement a system-wide Fare-Free Transit Program for an extended period of time. While encouraging further use of Milton Transit, additional ridership gained through the program not only meets several sustainable transportation initiatives, but also increases the share of provincial funding available from the Ontario Dedicated Gas Tax program for future public transit programming.

The Fare-Free Transit Program offered free rides between 9:00 a.m. and 3:00 p.m., promoting further transit use during weekday, off-peak periods. Sponsorship was solicited and obtained to subsidize lost fare revenue, neutralizing the impact on the Town's operating budget. Corporate sponsorship funding came from two sources: Mattamy Homes Ltd, Halton Division (funding for seven month duration, June 2007 to December 2007) and Fieldgate Developments (funding for one month duration, January 2008), with the program ending January 31, 2008.

The program was implemented starting June 1, 2007, and was endorsed as a complete pilot package that included:

- Unlimited free rides from 9:00 a.m. to 3:00 p.m. on weekdays
- Shuttle service, for a community festival commemorating the Town of Milton's 150th Anniversary on June 9, 2007
- Holiday Shopping Program which provided free seasonal fixed-route service on Saturdays leading up to Christmas (December 1, 8, 15, 22)

The Fare-Free Transit Program was promoted as a customer-friendly approach for residents of Milton who would most benefit from a free transit service – seniors, students, and families with infants/young children. Positive program performance could initiate future ridership growth initiatives and service expansion.

Communication Plan

The Fare-Free Transit Program communication plan recognized target participants, created key messages, and determined the most effective methods of delivery to raise program awareness and participation. Target participants were identified as: infrequent off-peak transit users and

non-users of transit. The Town also targeted local businesses along transit routes to increase their awareness of the program.

Positive messages and slogans were applied and repeated through all forms of communication channels to promote the Fare-Free Transit initiative. Slogans most used included:

- *Ride for Free from 9 to 3* – general message to promote the Fare-Free Program
- *Milton on the Move* – message coupled with schedule and route adjustments
- *'Tis the Season to Ride Free on Saturdays* – to promote the Holiday Shopping Program

The primary message of Fare-Free Transit was distributed through a variety of communication methods while recognizing and identifying corporate sponsorship support (**Figure I**). Common media communication methods were:

- Media releases and arranged photo opportunities
- Onboard bus flyers/handouts
- Posters displayed at community facilities
- Online advertising and notices
- Local newspaper advertising
- Informational newsletters and bulletins
- Outdoor municipal signboards

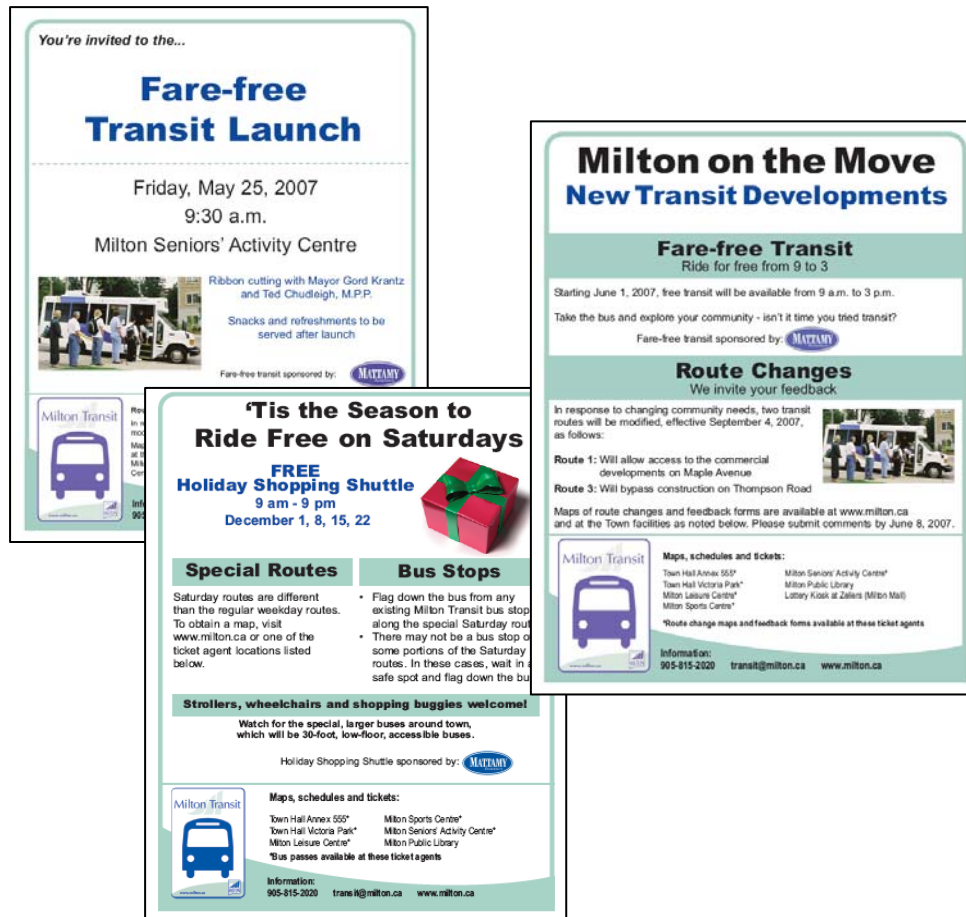


Figure I. Various posters and flyers promoting Fare-Free Transit

The Fare-Free Transit Program was officially launched at a ceremony on Friday, May 25, 2007 with a promotional ribbon cutting ceremony held at the local Seniors Activity Centre. Municipal and provincial representatives were present as well as members of the Transit Advisory Committee and local media. The program was launched to community praise and appreciation.

The 150th Anniversary shuttle for the Milton Downtown Street Party was promoted as part of the Fare-Free Program. Free, all-day shuttle service was provided for residents wishing to participate in this anniversary celebration. The Holiday Shopping Program was an additional incentive that offered free transit service on Saturdays in the month of December leading up to Christmas and provided opportunities for holiday shopping at various local retailers including: malls, retailers, and the Downtown Central Business District. Retailers were also encouraged to help promote the initiative to customers prior to program delivery.

Upon completion of the Fare-Free Transit Program, flyers and posters were distributed to passengers informing them of regular fares being re-introduced on February 1, 2008. In addition, corporate sponsors were recognized for their contribution and support for Fare-Free Transit. To ensure a seamless transition to reintroducing fares, online notices were also posted to remind passengers of the program's expiry, with the continued dedication to serve Milton residents effectively and efficiently.

Methodology

A pragmatic approach was used to investigate and measure Fare-Free Program performance and impact, including mixed-methods of quantitative and qualitative data collection and analysis. Ridership information was collected by means of an electronic farebox system, recorded and reconciled on a daily basis. Upon boarding, each passenger was counted via operator touch-pad; dataset was then recorded by the farebox system for end-of-day reporting¹. To ensure comparable ridership information with fare-paying months and/or years, ridership during the Fare-Free period was standardized using a 17% transfer rate – the average transfer rate in 2006/2007².

An onboard, self-administered passenger survey was also conducted for a one week period in September 2007. Using a variety of closed and open-ended questioning, the survey solicited feedback from transit users regarding program satisfaction, transit use frequency, cost considerations, and whether or not customers would continue to use Milton Transit upon completion of the Fare-Free Program. The questionnaire was randomly distributed to participating passengers onboard various Milton Transit routes during the Fare-Free period. There were a total of 107 respondents who completed the survey.

Further qualitative analyses were documented, which included daily operations tracking by transit and Town of Milton staff. This reporting included: observations from transit operators, supervisors, Transit Advisory Committee members, Town of Milton staff as well as local media outlets were also reported.

¹ Ridership is reported as a "revenue passenger" figure. All transfers made on trips are deducted from total boardings to produce actual ridership information.

² It was assumed that at minimum, 17% of total Fare-Free passengers would transfer onto another bus. Therefore, all boardings were deducted a 17% transfer rate to achieve comparable "revenue passenger" data.

Key Findings

Ridership statistics were gathered for the Fare-Free Transit Program from June 2007 to January 2008. Overall, the program was quite successful in gaining higher ridership levels compared to previous years. **Figure II.** illustrates monthly ridership comparisons during the eight-month period between 2006/07 ridership (during the same eight-month period), expected ridership (if no fare-free policy was implemented), and actual ridership (with fare-free policy implemented).

Actual ridership during the Fare-Free period surpassed regular growth expectations. It is interesting to note that monthly ridership patterns during the Fare-Free period did not follow the normal monthly patterns of ridership growth. Normally, ridership declines during summer months because of vacations and school closures. However, ridership was greater in the summer during Fare-Free, and can be attributed to many factors, including:

- Initial novelty of the Fare-Free promotion
- Students taking multiple trips to commercial/retail destinations and part-time places of employment
- Seniors and caregivers using transit for shopping and medical appointments

Further ridership increases during the autumn/winter months can be attributed to a change in secondary school dismissal times to 2:30 p.m. starting September 2007, within the 9:00 a.m. - 3:00 p.m. Fare-Free period. Consequently, students were able to take advantage of the Fare-Free Transit Program for after-school travel. Also, residents were likely to use Milton Transit more often during this time as they became increasingly comfortable with the service offered.

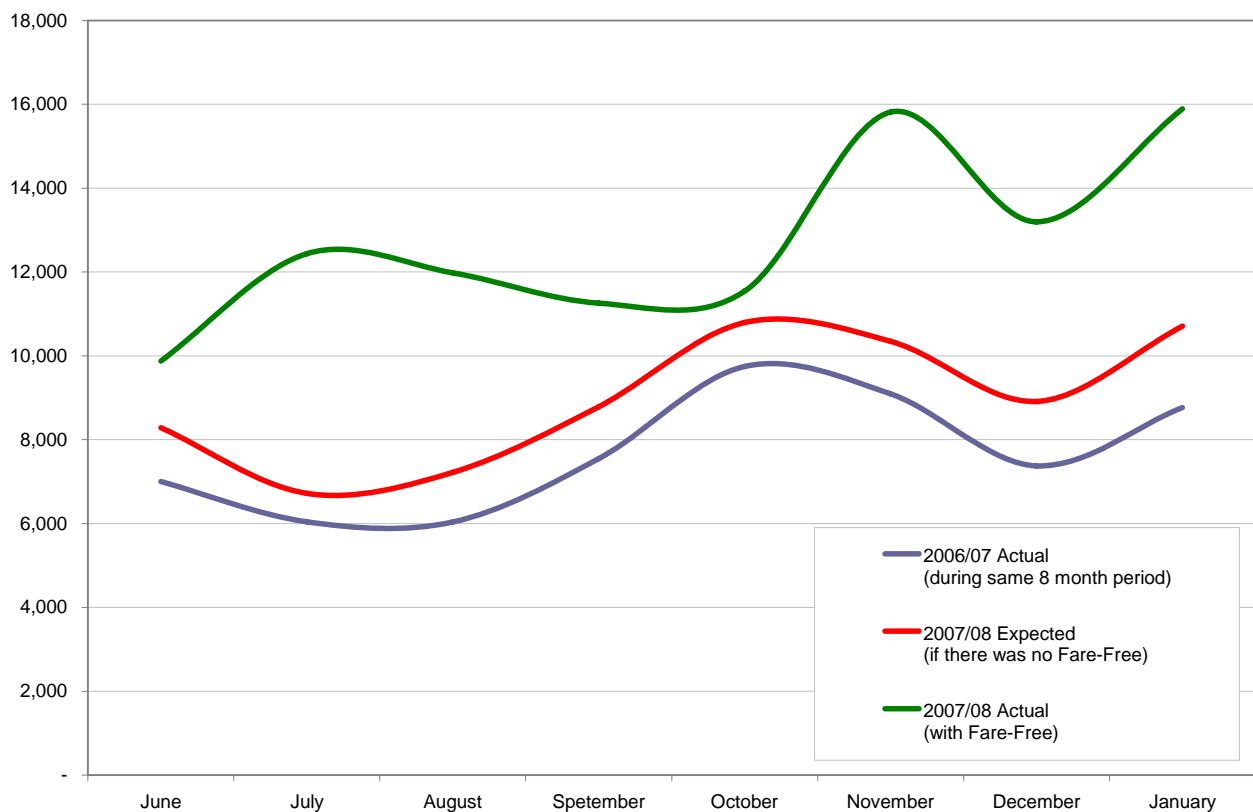


Figure II. Fare-Free Transit ridership level comparison

Figure III. displays average monthly ridership comparing 2006/07 ridership (during the same eight month period), expected ridership (if there was no Fare-Free), and actual ridership (with Fare-Free). During the Fare-Free period, average monthly ridership increased by 66% compared to 2006 levels. Adjusting for expected growth³, nearly 3,800 rides per month, or 42% more riders, were attributed to the Fare-Free Transit Program.

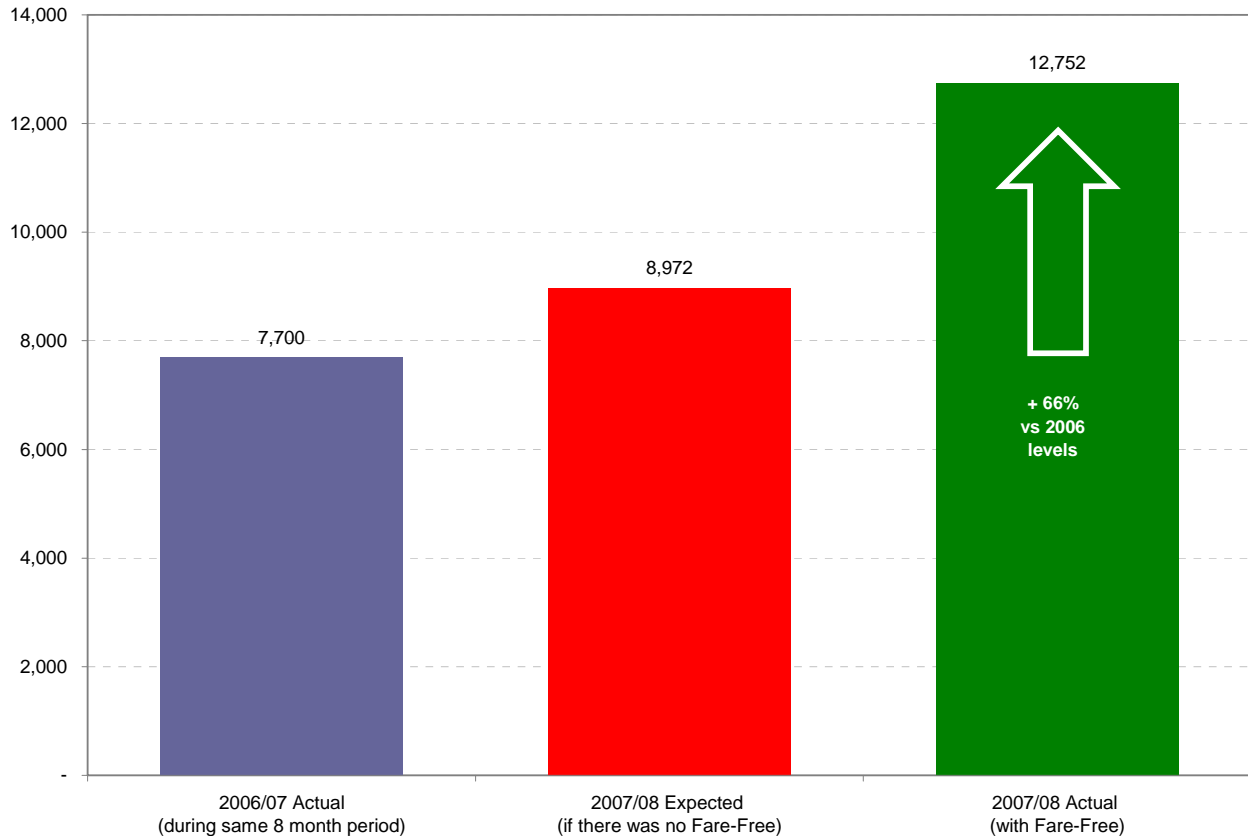


Figure III. Monthly average Fare-Free Transit ridership level comparison

One of the main objectives for implementing the Fare-Free Transit Pilot Program was to increase ridership during off-peak hours. **Figure IV.** illustrates passenger boardings by time-of-day, using one-week samples in March 2005, November 2006, and November 2007, during the eight month Fare-Free period. It is evident that the proportion of total off-peak ridership during the Fare-Free period increased almost two-fold compared to previous years (depicted by the teal trend line). Additionally, off-peak passengers represented a greater proportional share compared to their peak-rider counterparts in 2007.

Customer Satisfaction

Overall, customers using of the Fare-Free Transit Program were quite satisfied with the value-added service received – approximately 99% of all onboard survey respondents felt either “satisfied” or “very satisfied” with the program. Editorials written by passengers about the Fare-Free Transit Program in the local newspaper, the Canadian Champion, echoed these

³ Expected ridership growth was projected using a combination of previous annual and monthly ridership growth patterns.

sentiments of appreciation, citing cost savings as a boon to their frequent transit usage. Customers were also appreciative of the corporate sponsorship garnered to provide the service, while others questioned the validity and motive of corporate support providing a municipal service. In addition, some concerns were raised by GO Transit commuters for not being included in the Fare-Free promotion, as they ride Milton Transit during peak periods only. However, costs for connecting to/from GO Transit at the Milton GO Station when fares are required, are already adequately discounted as part of the GO Transit Fare Integration Program (at \$0.50 per ride).

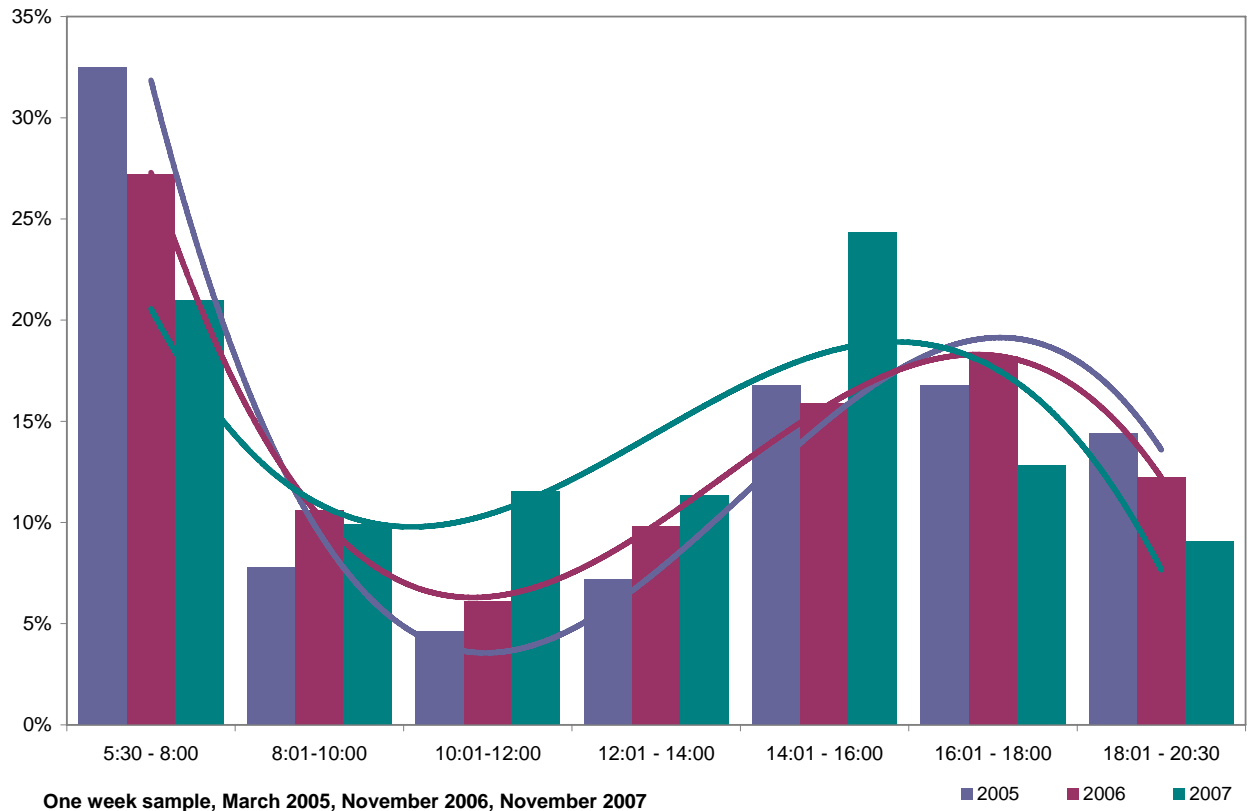


Figure IV. Proportion of boardings by time-of-day

As the Fare-Free Transit Program continued through the autumn season, many operators and passengers expressed increased concern with bus overcapacity, especially during afternoon dismissal times at local secondary schools. The overabundance of passengers raised the potential for nuisance activity and disorderly behaviour, resulting in new operating policies to restrict the number of riders, based on the potential for compromising the safety of drivers and passengers. Milton's new larger buses, arriving in spring 2008, should play a significant role in mitigating this impact in future programs.

Ridership Frequency

Those who responded to the self-administered, onboard survey were mostly frequent riders. Approximately 80% of all respondents used Milton Transit during the Fare-Free period quite frequently – at least two or more times per week. Of those frequent riders, 86% indicated they

would continue to use Milton Transit when fares were reintroduced, while only 13% of those same riders would use transit less frequently. Approximately 67% of senior respondents were fairly frequent users of transit during the Fare-Free promotion (more than two times per week). However, only 33% of those riders indicated they would continue to use transit at the same level without a Fare-Free Program. Alternatively, 86% of mature persons (31-50 years) that use transit fairly frequently would continue to do so upon fare re-implementation. Students were seen to have similar results as middle-aged adults, where only 17% of frequent users would reduce their ridership level if they had to pay a fare. Overall, certain demographics are affected by the cost of transit fares more than others, mainly fixed-income seniors who would significantly reduce the level of transit use when fares are required. However, a large proportion of respondents tend to be captive riders, and have limited alternatives other than transit as a viable transportation option.

Service Level Requests

Most open-ended survey comments were service-level related, requesting and inquiring about evening and weekend service availability/commencement. Fare-Free Transit customers presented the benefits of evening and weekend service, citing retail employment demands as well as entertainment opportunities (restaurants, cinemas, etc). Others commented on the availability of fully accessible transit vehicles, with low-floor/curb-level capabilities. Further requests for increased transit service frequency were documented for possible future transit initiatives.

150th Anniversary Downtown Street Party Shuttle

As part of the Milton 150th Anniversary celebrations, a Downtown Street Party was held on June 9, 2007 to commemorate the history of the Town of Milton. Milton Transit provided free, all day shuttle service, in conjunction with the Fare-Free Transit Program, sponsored by Mattamy Homes Ltd. One shuttle route was designed to pick-up participants at various locations in Town to bring them to the downtown festivities.

The one-day transit shuttle was well received and used by many residents, with a total of 238 passenger boardings recorded. Successful participation and high levels of interest have brought forth suggestions to include annual shuttle service for future special Town events.

Holiday Shopping Program

The Holiday Shopping Program was comprised of two cross-town fixed routes, servicing the majority of the Milton urban area (**Figure V**). Routes were designed to maximize service efficiency and reliability, attracting many different catchment locations. Service was provided by Oakville Transit with fully-accessible vehicles for compatibility with personal shopping carts and strollers. Sponsored by Mattamy Homes Ltd. as part of the Fare-Free initiative, the shuttle service was available during regular business hours to support retail shopping in the community.

The Holiday Shopping Program was well promoted and received by transit users; however, ridership levels were negatively affected by substantial inclement weather on most service days. Participation rates averaged approximately 78 riders per service day (**Table I**).

The program also provided some feedback on the potential for Saturday-level service. Although ridership levels during the shopping program represented approximately 16% of regular weekday ridership in 2007, a longer term Saturday service initiative may solicit further use from

riders who require a more permanent, reliable means of transportation on weekends (such as service sector employees and students with part-time positions).

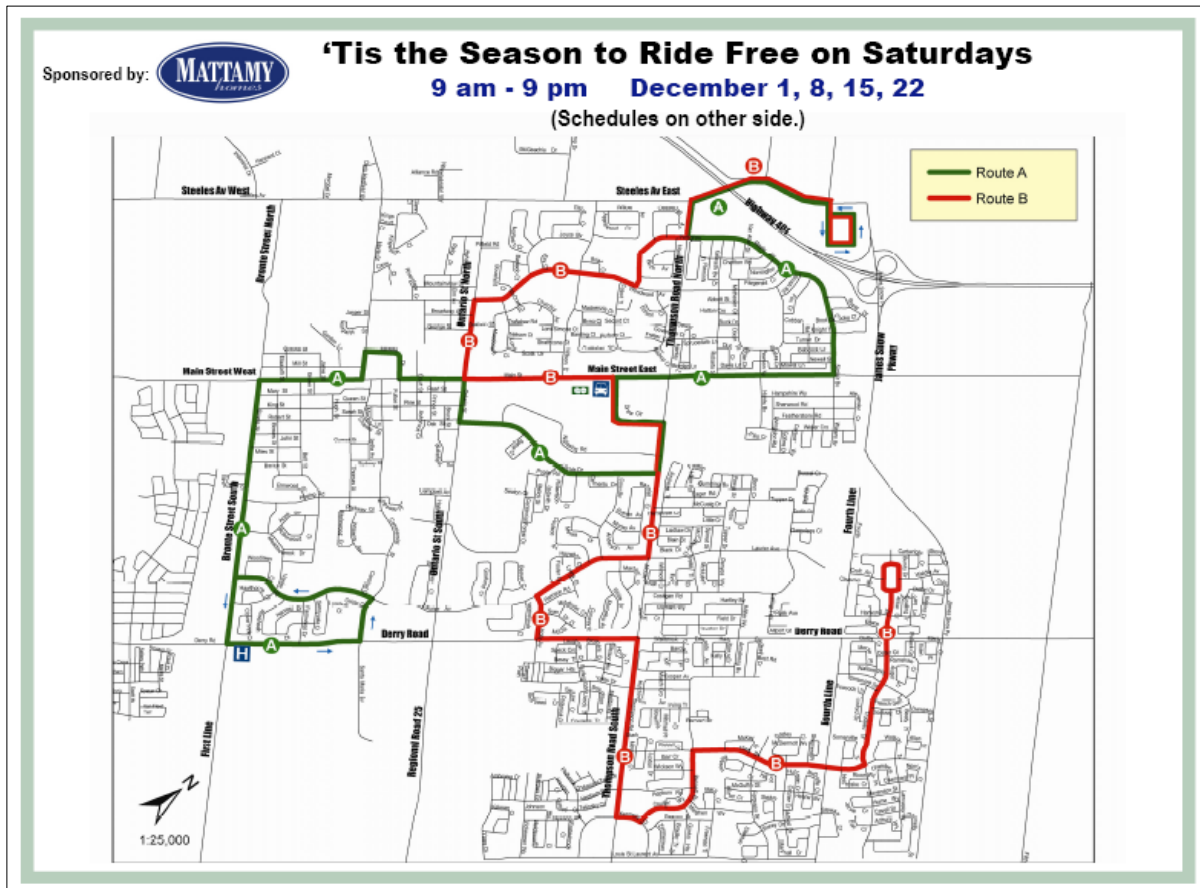


Figure V. Holiday Shopping Program route map

Table I. Holiday Shopping Program ridership levels

	Route A	Route B	Total
December 1	36	30	66
December 8	71	46	117
December 15	35	25	60
December 22	31	37	68
Daily Average	43	35	78

Summary and Conclusions

The program elicited positive results from both a ridership generating perspective as well as a customer satisfaction perspective. Most program participants felt a sense of pride that Milton was embarking on innovative initiatives to facilitate transit ridership growth.

The following summarizes some lessons learned and potential future transit opportunities based on the experience gained from the Fare-Free Transit Program in Milton:

1. Service Quality

Eliminating fares are only one aspect of transit service quality – effective routing, speed, frequency, fleet investments, and service level are all necessary elements required to achieve a sustainable public transit system, and a competitive advantage to other modes of transportation.

2. Transit Resource Support

As fare-free programs are primarily ridership growth initiatives, recognizing growth potential (via capital and operating resources required) prior to program implementation is critical to support probable system overflow. Any future fare-free programs undertaken should aim to reduce issues related to vehicle overcapacity and passenger nuisance activity. Milton's new larger buses, to arrive in spring 2008, should play a significant role in mitigating this impact in future programs.

3. Equitability

Establishing time-boundaries related to Fare-Free promotions (i.e. 9:00 a.m. - 3:00 p.m.) aids in promoting ridership during instances of low participation. However, equitability issues arise when specific populations are targeted. This issue should be addressed by including a key message in future marketing programs targeting GO Transit commuter riders, who already receive a substantially reduced rate to ride Milton Transit through the GO Transit Fare Integration Program.

4. Public Perception to Sponsorship

Sponsorship funding is required to recover lost farebox revenue. However, there may be negative public perception/interpretation regarding the validity and motive for large corporations to fund municipal services. Milton's program sought to minimize attention drawn to corporate sponsorship by including only minor references to sponsors in marketing. For example, if corporate logos were used, they were of a small size and placed at the bottom of a flyer, poster, etc. If possible, only the company name(s) were mentioned without logos.

5. Timed-Transfer Initiative

Because most off-peak transit trips have the potential to be short term (less than two hours), similar ridership growth results may be achieved by implementing a time-expired transfer. This type of transfer allows for stopovers and travel in any direction, within an allotted amount of time (usually two hours). Further research is to be conducted on the time-transfer concept in Milton with regard to revenue impacts, market opportunity, and ridership potential.

6. Transit Subsidy Initiative

Some participants of the Fare-Free Program were more sensitive to the price of fares than others, mainly seniors. The purpose of a transit subsidy initiative is to provide subsidy to residents with a fixed household income below a stipulated level. Further research is to be completed on the logistics of subsidy programs and eligibility requirement standards.

With the reintroduction of fares on February 1, 2008, uptake on the impact of ridership will be monitored. Reintroducing the Fare-Free Transit Program in the future is dependent on continued ridership success and the ability to sustain the program (i.e. further funding and/or

sponsorship opportunities). However, the Town of Milton continues to be dedicated in providing an efficient and effective transit program that strives to meet the needs of all Milton residents, supporting the importance public transit as a sustainable urban transportation alternative.