

## Impact of Fare-Free on the Upper Valley Community

*“Livability is considered a subjective term by many, but AT’s executive director would consider the reductions in air pollutants a factor that improves livability.”*

Federal Transit Administration, Transit Cooperative Research Board,  
“Implementation and Outcomes of Fare-Free Transit Systems”, 2012, Page 44

### *Environmental Impact*

In 2012 the Upper Valley Lake Sunapee Regional Planning Commission prepared “*Air Quality Impacts of Advance Transit’s Fixed Route Bus Service.*” Their conclusion was “Advance Transit continues to substantially contribute to improving air quality in the Upper Valley region of New Hampshire and Vermont, resulting in 15.5 tons of avoided CO emissions and 0.38 tons of avoided VOC emissions in FY 2011. The Advance Transit fleet of buses is reflective of a national trend toward ‘cleaner’ transit vehicles. Since 2012 AT has replaced 18 buses with new buses that meet stricter new emission standards reducing NOx by 95% and particulate matter by 90%. The emissions of one bus from 2000 equal the emissions of 20 buses on the new standards.

### *Economic Impact*

The economic impacts of the Advance Transit bus service fall into three categories:

1. Quantifiable impacts, such as avoided automobile use
2. Indirectly quantifiable impacts such as the reduced need for parking facilities
3. Difficult to quantify impacts, such as time saved having fewer and briefer traffic delays, the impact of providing access to employment for individuals who do not have a car or the social impact on individuals who cannot afford other transportation.

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## ADVANCE TRANSIT WHITE PAPER

### Summary

# Why is AT Fare-Free?



*“Advance Transit’s operations are funded through a diverse range of federal, state and local funds including contributions from municipalities, major community institutions as well as an emerging philanthropy and broad-based community sponsorships. Among rural transit programs in the nation, Advance Transit has developed one of the most innovative and diversified funding packages to support its operations.”*

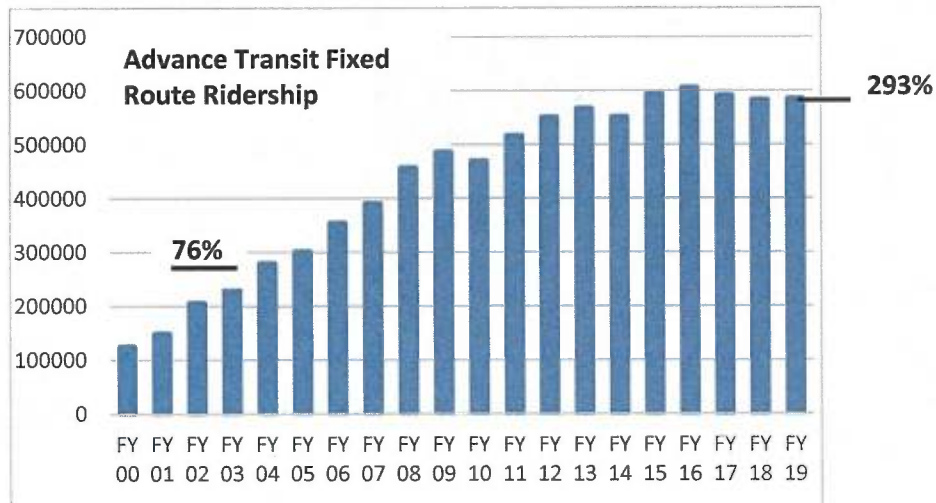
Federal Transit Administration, Transit Research Board, “Implementation and Outcomes of Fare-Free Transit Systems, 2012. Page 43

The complete Fare-Free White Paper is available upon request to Advance Transit, Van Chesnut, Executive Director  
802-295-1824

## Impact of Fare-Free on Ridership

Organized in 1981, AT service started with traditional onboard fare collection. Fares were phased out entirely over a three-year period concluding in 2002. The transition to a service without fares was enabled by AT cultivating partnerships with key institutional stakeholders, including Dartmouth-Hitchcock Medical Center (DHMC), Dartmouth College and Medical School, and Upper Valley municipalities – Hanover, Lebanon, Hartford, Norwich, Enfield and Canaan. As a continuing strategy for transit demand management, these funding partners have provided increased investment for the fixed route bus system as well as for shuttle services.

In fiscal 2003, the first full year of fare-free, ridership increased by 76.3% over fiscal 2001, the last full year when fares were charged. By fiscal 2019 ridership had increased by 293% over fiscal 2001, a most convincing argument that fare-free worked and was responsive to rider needs.



## Would the Addition of Fares Help?

At the heart of fare policy is the question of how much net revenue gain AT would receive by restoring fares. Projections indicate that AT has little to gain financially from enacting a fares. Net revenue estimates range from a gain of \$70,480 per year to a net loss of \$76,870 per year, depending on the amount of the fare and the intensity of negative customer reaction to the imposition of fares. At either end of the range, the marginal effect of net fare revenue on AT’s budget and overall financial situation is low. The maximum upside potential represents about 1.4% of the FY 2020 operating budget; the maximum downside loss represents about 1.6% of the budget. Even this modest increase in revenue requires that very few riders stop using AT. Additionally, the new fares would make AT one of the most expensive transit providers in New Hampshire and Vermont.

Beyond monetary effects, there are several potential costs associated with a possible change in fare policy that should be considered. For example, AT would lose a substantial portion of its fixed route and complementary paratransit ridership base, which would be perceived as a step back for public transit in the community. The combined total ridership losses due to fare-related attrition are estimated between 89,670 and 192,250 customer boardings, which is equivalent to between 35% and 74% of ridership aboard the fixed route system and *Access AT*. Additionally, onboard fare collection could have a significant impact on schedule reliability with serious consequences for AT customers who transfer between bus routes at AT’s three transfer hubs in Hanover, Lebanon and West Lebanon. To maintain current service additional buses and drivers would potentially have to be added.

Given its favorable identification and success as a fare-free transit system, and the substantial revenues it receives from both institutional and philanthropic sources in the name of fare-free transit, it is prudent for AT to retain its current fare policy and focus on building institutional funding partnerships and increasing philanthropic contributions.