

Excerpts from the

**ISLAND COUNTY PUBLIC TRANSPORTATION BENEFIT AREA
Board of Directors
Regular Monthly Business Meeting
and Official Public Hearings
August 13, 1999**

***Presentation by:
Gerrit R. Moore of
Moore Planning & Consultants
Belfair, WA***

***“TRANSIT RIDERSHIP EFFICIENCY
AS A FUNCTION OF FARES”***

MR. MOORE’S QUALIFICATIONS

- Mr. Moore spent approximately 35 years with Boeing as a Systems Engineer and Systems Analyst where he compiled mathematical modeling of different systems.
- In 1988 he was appointed by Booth Gardner to the Expert Review Panel for the Central Puget Sound High Capacity Transit (now Sound Transit).
- At the same time he was appointed again by Governor Gardner to the High Speed Rail Commission, a commission that studied the high speed rail that connects Vancouver, BC, with Portland, OR. The result of that commission can now be seen in the trains that are operated by Amtrak and owned by the State of Washington.
- While on the expert panel, Mr. Moore retired from Boeing and moved to Mason County, where he was appointed by County Commissioners as a member of the Mason County Citizens’ Advisory Committee.
- Mr. Moore was also appointed by Governor Gardner to sit on the expert panel on the Washington Environmental Council with regard to transit planning.
- Mr. Moore’s study was presented at the annual meeting of the Transportation Research Board (TRB) in Washington D.C. this year. The National Transportation Research Board is a part of the National Research Council, which is part of the National Academy of Science. Their charge by Congress is to promote research in the area of transportation, which is of national interest. The paper was submitted, went through peer review and was accepted.

HIGHLIGHTS OF PRESENTATION

- Washington State has a great law which implements transit and implements funding - the State does not set up any requirement on fare box return for the local transit systems, which allows Washington State to have pre-paid, fare free transit.
- Marketplace demand is a strong negative function of price - the price goes down, demand goes up; the price goes up, demand goes down.
- The different transits in Mr. Moore's study were tied together by using the concept of ridership efficiency, which is the ridership of a transit system for a given year divided by the ratio of urban population to median income.
- When ridership efficiency is calculated, Island County and the three other fare free systems in the state rank in the top four, way above all the others; for its population, transit investment and wealth, it is one of the most affluent in the state of Washington.
- Island Transit is very clearly doing something right in terms of utilizing public funds - spending public funds in a very intelligent way.
- If a system demands that patrons do something in order to ride transit (such as charge a fare) then people will stay away, because people are not able to meet confrontation - having the correct fare, knowing whether they pay when they get on or get off, whether or not they have to speak English, etc. Bus drivers do not always have the time to properly greet patrons and answer questions because they are most concerned with looking in the rearview mirror and maintaining schedules.
- Systems are fairly insensitive to fares out to around .25 cents. But when we get around .30 cents and up, this is where the major decisions are being made about whether a person will ride transit or not. We begin to lose ridership down to around .40 cents.
- From .41 cents on is where you have your captive audience - people who have no choice but to ride transit because they don't have the financial resources to own a car, or cannot drive for health or age reasons. Mr. Moore expressed his opinion that this does not speak well about our society because we have public institutional systems that are milking people who have the least ability to resist it.
- The impact of this study is what the effects of charging fares are. Operating costs are proportional to the revenue service miles and proportional to the ridership.
- Island Transit imposes a very low tax burden on our population.
- Fare charging transits have cost elements that fare free transits do not: **the costs associated with collection of the fare** (such as, but not limited to: a fare box for each bus, at an average of \$4,500 each; fare box maintenance; state law requires 2 people count monies every night - more salary and benefit costs; a special account is needed for fare box revenue, etc.).

- Safety of riders and operators becomes an issue.
- If collecting a fare, Island Transit would not be able to maintain it's current schedules in synch with the ferry system.
- In 1994, Island Transit had 543,000 rides. Had fares been charged, ridership would have dropped to 15,800 rides.
- ***The return income Island Transit would receive from the fare box (working with .30 cents per ride, which would be the most efficient) would only be 6%.***
- ***A minimum of 15% is needed just to break even for collecting the fare.***
- The conclusion is that Island Transit would loose money if fares were charged.
- There is no way a small system such as Island Transit could make money from the fare box.
- In state audits of some other transit systems across the state, their fare collection was not even equal to the amount of money spent on charging the fares.
- Island Transit is in a position where it is operating in the most efficient and effective way it can.
- Counties with transit had an approximately 16% higher growth rate than those without transit.
- Transit provides access to jobs; reduces unemployment; workers get better jobs; people have flexibility; access to healthcare and shopping; riders get and stay more independent; riders can shop where costs are lower; riders save on their travel costs when using transit; local businesses increase their level of activity; more money is spent locally, and visitors and businesses are attracted to the community; communities benefit from the best use of their unique environment (raises community awareness).
- On an average, the benefit to the community is up to three times the cost of operating transit. When you have fare free, you have increased ridership, and the benefits are increased proportionately.