

October 26, 2021

Transportation & Environment Committee
Montgomery County Council
Stella Werner Council Office Building
100 Maryland Ave
Rockville, MD 20850

Re: Fare Equity Study

Council President Hucker, Councilmember Glass, and Councilmember Riemer:

The Montgomery Better Buses coalition is grateful for the Montgomery County Council's support of Ride On's continued fare holiday through January 1, 2022, as well as instituting permanently free fares for kids, seniors, and persons with disabilities. **We would like to express our support for Alternative A: Zero Fares for All Riders of the Fare Equity Study.** Our undersigned coalition consists of nearly 30 groups, including labor, climate and transit advocates, service providers, and community organizations.

Montgomery County can invest in the local economy and further racial equity and social justice by keeping fares in the pockets of those who need it most. The Fare Equity Study reports that the average income of a Ride On rider is \$35,000 and we know that regionally nearly 80% of bus riders are people of color. Any fare reduction will overwhelmingly benefit vulnerable populations and the working class.

The results of the Fare Equity Study makes it clear that Alternatives B (Zero-Fare on Weekends & Holidays) and D (Means-Tested Fare Discount) do not provide as strong of ridership, equity, or climate benefits as compared to Alternatives A (Zero Fares for All Riders) and C (Half Fares for All Riders). Alternative B has only marginal benefits to lower-income riders, an estimated 2.4% increase in ridership, and 0.79 million reduction in vehicle miles traveled. While Alternative D has a moderate benefit to low-income riders, it costs nearly as much as Alternative C while adding significant complexity and costs to administration.

Thus, Alternatives A and C emerge as the two best alternatives. However, Alternative A offers the highest magnitude of benefit to lower-income riders and essentially doubles gains in ridership and reduction in vehicle miles traveled. These are the primary benefits identified by the Fare Equity Study, but fare-free Ride On would also eliminate the number of disputes riders have with bus operators over fares and provide an unique opportunity to market Ride On to residents who have previously failed to choose Ride On as a travel option.

A fare-free program also acts as a local economic stimulus, due to increased spending on other goods and services and improved access to jobs. A [study](#) from the University of Missouri Kansas City found that paying \$8 million to go fare-free would result in a \$13.6 to \$17.9 million increase in regional gross domestic product. Riders were expected to put their fare money primarily toward housing, medical, and retail costs. The study also predicted an injection of tax revenue into the regional economy via increased sales and property taxes. To quote Kansas City Area Transportation Authority CEO and President Robbie Makinen, “\$1.50 is worth more outside the farebox than inside the farebox.”

Furthermore, Ride On’s historic farebox recovery ratio, coverage, and ridership means that it hits a sweet spot between bus systems that are either 1) too big to publicly cover farebox costs and too heavily used to handle a sharp increase in demand and 2) small enough to cover farebox losses but lack the service quality needed to attract new riders.

Given all of these stated reasons, we are strong advocates for free fares for all riders.

However, Montgomery County cannot do this at the cost of service quality. Frequency and reliability need to be top priorities of the system, given that they are proven to provide the best rider experience and are most effective at increasing ridership. Both free fares and service improvements together would result in the most ridership, climate, congestion, equity, and economic development gains. The upcoming Ride On Reimagined Study is an excellent opportunity to consider how the system can improve frequency and reliability under current budgetary conditions, as well as offer options for service improvements given increased funding.

In the long-term, we would like to see the county work together across jurisdictions to secure a regional fare-free bus system with Metrobus and local bus systems. However, in the short-term, Montgomery County can be a regional and national leader by making Ride On permanently fare free. Therefore, we urge you to recommend Alternative A: Zero Fares for All Riders for adoption by the County Council.

Sincerely,

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Action Committee for Transit

Affordable Housing Conference of Montgomery County

Audubon Naturalist Society

CASA

Cedar Lane Unitarian Universalist Church, Environmental Justice Ministry

Coalition for Smarter Growth

Community Development Network of Maryland
Glen Echo Heights Mobilization
Habitat for Humanity Metro Maryland
Housing Unlimited
Identity
Institute for Policy Studies, Climate Policy Program
Interfaith Works
League of Women Voters of Montgomery County
Manna Food Center
Montgomery County Democratic Socialists of America
Montgomery County Faith Alliance for Climate Solutions
Montgomery County Food Council
Shepherd's Table
Sierra Club, Montgomery County Group
Takoma Park Mobilization, Montgomery County
Transit Alternatives to Midcounty Highway Extended (TAME) Coalition
The Climate Mobilization
UFCW Local 1994 MCGEO
Washington Area Bicyclists Association
Young People for Progress

CC: Montgomery County Council
County Executive Marc Elrich
Chris Conklin, MCDOT Director
Phil McLaughlin, MCDOT Ride On Chief for Planning & Implementation
Hannah Henn, MCDOT Deputy Director for Policy