Municipality of Anchorage

Public Transportation Department

Municipality of Anchorage Transit Fare Study

Final Report

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Prepared by Four Nines Technologies

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1 Executive Summary

1.1 Introduction

This report summarizes the Transit Fare Study conducted by Four Nines Technologies for the Municipality of Anchorage's Public Transportation Department (PTD) between Fall 2024 and Summer 2025.

The study was prompted by two factors: PTD's 2019 Transit Plan and a 2021 Public Transit Advisory Board (PTAB) resolution to explore fare-free options. The PTAB resolution resulted from a request by an Anchorage Assembly Member that PTD explore becoming a fare-free system.

The study aimed to identify and recommend fare strategies for both People Mover and AnchorRIDES.

The methodology included an analysis of the existing fare structure, a peer review of other transit agencies, and a detailed zero-fare analysis. Based on these findings and internal PTD feedback, Four Nines Technologies developed a set of final recommendations for PTD.

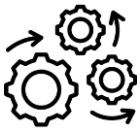
Table 1. Analysis Methodology

	Existing Fare Structure	Peer Review	Fare-Free Analysis
Objectives	Analyze the existing fare structure and technology for fixed route and paratransit services	Review of fare structures, policies and fare levels across 10 comparable public transit agencies	Examine the benefits and drawbacks of a partial or full zero-fare system for fixed route and paratransit services
Tasks	• Analyze ridership and revenue trends • Analyze usage patterns for current fare products and fare media • Analyze costs of current fare collection system	• Compare fixed route and paratransit fare structures, policies and fares • Compare fare-related performance metrics • Compare fare technology	• Identify scenarios to test • Analyze the impact of partial or zero-fare system on accessibility, operations, PTD finances, customer experience, and community and social impacts

1.2 Fare Policy Goals

Four Nines collaborated with key PTD staff and agreed on a set of fare policy goals.

Table 2. Fare Policy Goals

Categories	Fare Policy Goals
 **Ridership**	• Attract new riders • Increase ridership • Promote transit as a travel option • Enhance accessibility for all
 **Customer Experience**	• Improve customer experience • Encourage fare simplicity
 **Operations**	• Reduce agency costs • Improve boarding times and efficiency

1.3 Recommendations

Four Nines formulated a range of alternatives to meet the fare policy objectives, and collaborated with PTD personnel to refine them into a set of recommendations. The recommendations for both fare policy and technology are split into short-term and long-term due to the relationship between technology and policy and to support overall implementation timelines.

1.3.1 Fare Policy Recommendations

Implementing fare-free for specific rider groups will reduce travel costs for vulnerable rider groups, and may increase access to goods, services, employment, education, and health services for those riders. Because these recommendations will reduce fare revenue, as it decreases the proportion of riders who pay fares, PTD will need to identify alternative sources of funding to ensure that service levels can be maintained.

The Fare-Free for Youth recommendation has already been approved and became effective starting July 10, 2025. In June, 2025, the Anchorage Assembly approved an ordinance making bus fares permanently free for youth 18 years and under on People Mover public transit.

A number of the long-term recommendations require an account-based fare collection system, which is a key technology recommendation outlined below. Aligning fare structure changes with the roll-out of a new fare collection system will simplify the transition for riders.

Table 3. Fare Policy Recommendations

Short-Term Fare Policy Recommendations	● Fare-Free for all discount rider groups ○ Fare-free for Seniors ○ Fare-free for youth ○ Fare-free for veterans ○ Fare-free for riders with Disabilities ○ Fare-free for riders with medicare ● Free travel on fixed route bus for AnchorRIDES eligible riders
Long-Term Fare Policy Recommendations	● Streamline fare structure for riders ○ Eliminate 90-day pass ○ Reduce pass multiples ● Introduce fare capping ● Introduce a low-income fare program

1.3.2 Fare Technology Recommendations

Short-term fare collection technology recommendations will hasten new, convenient payment options for AnchorRIDES customers, and will lay the groundwork for an account-based fare collection solution. Account-based fare collection enables customers to purchase and reload fare media from a wider variety of locations, and supports implementation of long-term fare policy recommendations.

The long-term fare collection technology recommendations fall into two categories, replacement of end-of-life technology and adopting new technology to improve customer experience. 26 fixed route fareboxes must be replaced as the current fareboxes are at the end of their life. New technology recommendations will not only improve the customer experience, but help reduce administrative fare collection costs and efforts for PTD. Open payments enable riders to pay their fares using their existing credit/debit cards directly on the bus rather than using cash or prepaying for fare products. A cash digitization network will be especially beneficial for riders who are under/unbanked and will help to reduce the amount of cash used directly on the PTD network.

Table 4. Fare Technology Recommendations

Short-Term Fare Technology Recommendations	● Expand existing mobile app to allow the purchase of AnchorRIDES tickets with mobile app ● Procure account-based ticketing system and associated on board hardware
Long-Term Fare Collection Technology Recommendations	● Upgrade remaining fixed route fareboxes ● Explore introducing open payments ● Explore a cash digitization network

1.4 Accessibility Analysis

Four Nines conducted an accessibility analysis, using an average fare analysis, to determine the impact of the recommendations on vulnerable populations (for example, minority riders and riders with low incomes). Overall, the short-term fare changes benefit vulnerable rider groups (seniors, veterans, youth, and paratransit eligible riders). In terms of Title VI, the short-term fare changes significantly benefit all riders and slightly benefit low-income riders more than non-low-income riders. As such, there are no needed mitigations for these fare changes, especially if PTD continues to evaluate eligibility and conduct eligibility verification processes in the same ways.

For long-term fare changes, Four Nines created a demographic profile of the People Mover riders who would continue to pay a fare after implementation of the short-term fare changes. Considering the demographics of the remaining fare-paying riders, Four Nines recommends implementing accessibility measures, such as fare capping and a potential low-income fare program, to ensure that fares continue to be accessible to all.

1.5 Next Steps

A four-phase schedule was developed for implementing the study's recommendations:

- Phase I: Introduce fare-free and account-based ticketing (ABT) procurement
- Phase II: Account-based ticketing launch
- Phase III: Fare mitigation and simplification
- Phase IV: Enhancements

Actual implementation timelines will depend on PTD's procurement process and timeline. Implementation timelines should be adjusted as needed to incorporate sufficient time for system testing, staff training, and a well-publicized customer launch.

We recommend initially launching the new ABT solution with incentives for customers to migrate, such as fare capping and reduced pass multiples. Adoption of new technology will be limited as long as legacy fare media remains available; PTD should ultimately eliminate legacy fare media to simplify the customer experience and streamline PTD's fare collection administration.

PTD should develop processes and procedures for evaluating and monitoring the recommendations, especially against fare policy goals. The monitoring should include analyses of fare revenue, and fare product and fare media usage, as well as analysis of the impacts of the recommendations on vulnerable rider groups.

2 Introduction

The Municipality of Anchorage's Public Transportation Department (PTD) commissioned Four Nines Technologies to conduct the Transit Fare Study between Fall 2024 and Summer 2025. This report details the study process, the alternatives considered to develop the fare structure, and policy recommendations. The report describes the next steps for PTD to implement the recommendations.

2.1 Purpose of Study

PTD has not conducted a comprehensive fare analysis since 2013. Consequently, PTD identified a fare analysis as a priority in the 2019 transit plan titled Transit on the Move. In 2020, the Public Transit Advisory Board (PTAB) requested PTD explore the benefits and risks of going fare-free systemwide following a request from an Anchorage Assembly Member. In 2021, PTAB approved a resolution recommending that PTD expand "fare-free" options through a pilot program and further study free-fare and other fare policy options. Since the resolution has not been addressed by the Assembly or the Mayor's office, PTD recommended a fare analysis as the next step in the process. This Transit Fare Study is a response to that recommendation.

2.2 Study Goals

The objective of the Transit Fare Study is to identify and recommend fare strategies—for both People Mover and AnchorRIDES—to attract new riders, increase ridership, improve the customer experience, promote transit as a travel option, improve boarding times and efficiency, reduce agency costs, minimize the impact to fare revenue, encourage fare simplicity, and enhance access and equity.

2.3 Methodology

The Transit Fare Study consisted of:

- Analysis of existing fare structure and policies
- Peer review
- Fare-free analysis

The analysis of existing fare structure and policies aimed to understand the current fare structure and policies, how PTD's riders use available fare products, and administrative challenges experienced by PTD. The peer review compared fare structures and policies across a number of PTD's peers to identify best practices and gaps. The fare-free analysis responded to the PTAB resolution to study free-fare and other fare policy options by analyzing the likely impacts of a free-fare policy across all riders and select groups of riders.

The Four Nines team used this information to create a set of fare policy and structure alternatives. We conducted a workshop with key PTD staff to gain feedback on these alternatives and then developed a set of final recommendations that meet the needs for PTD and its riders.

3 Existing Fare Structure and Policies Analysis

PTD provides three public transportation services for the Anchorage area:

- People Mover: fixed route bus service
- AnchorRIDES: paratransit service for seniors and people with disabilities
- RideShare: vanpool service connecting passengers with longer commutes with other participants for a shared commuting experience (not included in the scope of this study)

Analysis of the existing fare structure and policies looked at existing fare policy, fare structure and levels, the fare collection system, and associated business processes for PTD's fixed route People Mover service and AnchorRIDES paratransit service. The analysis also included an assessment of PTD's fare collection system costs, including costs to collect cash on buses.

Four Nines analyzed PTD's ridership and revenue data to understand the distribution of ridership and fare revenue across fare products, as well as National Transit Database (NTD) data to establish an understanding of fare-related performance.

3.1 Current Fare Structure and Policies

3.1.1 People Mover

PTD employs a flat fare structure for the fixed route People Mover service. People Mover's fare products include Single Ride, 1-Day Pass, 7-Day Pass, 30-Day Pass, 90-Day Pass, and an Annual Pass. The adult fare is for riders ages 19 through 59 years old. People Mover offers one discount fare category for fixed route bus service. The reduced fare is a half-fare available for seniors age 60 and over, youth ages 5 through 18, individuals with Medicare cards, and veterans.

All children under the age of 5 travel for free, and seniors are eligible to travel for free on Wednesdays throughout the year. During the summer break, youth can travel for free. The exact date changes based on the Anchorage School District calendar.

Middle and high school students use their Anchorage School District ID as proof of eligibility for free travel on the bus. The student IDs are visually validated by bus operators.

3.1.2 AnchorRIDES

AnchorRIDES operates two levels of service: core and premium. Core AnchorRIDES service is priced at $3.50, which falls below the $4.00 maximum that PTD is able to charge for Americans with Disabilities Act (ADA) paratransit rides based on the $2 fixed route fare. AnchorRIDES premium service, which expands to areas beyond the ¾-mile buffer, is priced at a flat rate of $5.50. Senior medical trips are free through a Senior Transportation Grant Program, but the rider can make a donation towards the cost of the trip.

3.2 Fare Collection

Fixed route vehicles are outfitted with Genfare fareboxes capable of accepting cash, magstripe tickets and passes, and smartcards. About half of the fleet is outfitted with Odyssey fareboxes, which have been discontinued by

Genfare; the other half is outfitted with newer Fast Fare fareboxes. Riders can pay cash on board for Single Rides and 1-Day Passes. Cash-paying riders must provide exact fare as operators do not carry change. IDs for U-Pass participating institutions as well as mobile tickets are visually validated by the operator.

AnchorRIDES vehicles are outfitted with simple Diamond drop-style fareboxes. Riders can pay with cash (exact change) or AnchorRIDES 10-ride tickets.

3.3 Fare-Related Performance

Four Nines analyzed PTD's fare related performance between 2017 and 2023 using NTD data. The COVID-19 pandemic significantly impacted ridership and fare revenue from 2020.

3.3.1 People Mover

- Ridership is recovering from the pandemic but remains lower than before the COVID-19 pandemic (20% lower in 2023 compared to 2019)
- Fare revenue for People Mover in 2023 was $3.16 million, 5% below 2019 levels
- Operating costs have increased from $26 million per year in 2019 to $31 million in 2023, an increase of 18%
- Farebox recovery rate in 2019 was 13%, and decreased to 7% in 2020. In 2023, the farebox recovery rate increased slightly to 10%

3.3.2 AnchorRIDES

- AnchorRIDES 2023 ridership exceeds 2019 numbers by 17%
- AnchorRIDES fare revenue was $900,000, 31% higher than in 2019
- Operating costs have increased from $6 million per year in 2019 to $7 million in 2023, an increase of 16%
- Farebox recovery rate in 2019 was 12%, and decreased significantly to 2% in 2020. In 2023, the farebox recovery rate increased and even exceeded the 2019 rate to reach 14%

3.4 Key Findings—Existing Fare Structure and Policies Analysis

Table 5 below highlights the key findings of the Existing Fare Structure and Policies Analysis. The strengths, weaknesses, opportunities, and threats are identified for different aspects of the fare structure and policies, including technology and customer experience.

Table 5. Key Findings of Analysis

	Strengths	Weaknesses	Opportunities	Threats
Fare Structure and Policies	• Simple flat fare structure for People Mover and AnchorRIDES • Many options for riders to choose the fare product and fare media that meets their needs • Fare discounts exceed FTA requirements	• High proportion of trips made using paper passes • Significant proportion of riders pay with cash on board • Majority of reduced fare products are purchased on paper passes • Linked trips require additional fare when boarding next vehicle	• Paratransit fares below the 2X adult fare price cap • High multiples for pass products • Industry trend towards fare capping could support equity goals so that each rider pays the best value	• Large number of period passes may make it difficult for riders to choose the pass that is the best value for them
Fare Distribution	• Significant proportion of fare product sales through mobile ticketing app	• The process for establishing eligibility for all discounts is manual and requires the rider to visit the customer service in person • Smartcards can only be obtained in person at the customer service	• While smartcard fees encourage customers to reuse the cards, this also creates a pricing incentive to use paper tickets	• Limited reduced fare sales on mobile ticketing in spite of regular enrollment implies a barrier (technical or behavioral) to usage

	Strengths	Weaknesses	Opportunities	Threats
Fare Distribution (continued)		• Smartcards can only be reloaded in person at the customer service • Card fees may discourage riders from using magstripe passes • AnchorRIDES users can only use cash or paper tickets. No mobile app or electronic ticketing available • AnchorRIDES fare products can only be purchased in person or phone so many riders need to make a trip in order to purchase a fare product • There is no paper pass sales outlet near the western or southern edges of PTD's service area, including at the Dimond Transit Center		

	Strengths	Weaknesses	Opportunities	Threats
Technology and Data		• U-Pass data relies on the bus operator pushing a separate button for each partner. This may become untenable if the number of partners increases • Limited ridership data is available for mobile ticketing due to visual validation of mobile tickets • Bus operators are required to visually validate different pass types and push different buttons to record ridership adding to their role and reducing their ability to provide customer service	• Industry is trending towards cheaper to purchase and operate off-the-shelf fare collection systems, including mobile ticketing • Open payments functionality has become more affordable to implement and can reduce fare media distribution costs and effort • Mobile ticketing and trip planning are currently offered in two separate mobile apps	• Half of the fareboxes are obsolete and will need to be replaced soon

	Strengths	Weaknesses	Opportunities	Threats
Rider Demographics			• Vast majority of riders have access to a smartphone with internet • A high proportion of riders travel on PTD services more than five times a week • Significant proportion of riders are from households with low income • Significant proportion of riders who are over 60 years old	
Customer Experience		• Small number of physical locations to purchase a ticket • Separate payment systems for People Mover and AnchorRIDES		

	Strengths	Weaknesses	Opportunities	Threats
Performance Trends	• Ridership increasing (fixed route and paratransit) following COVID-19 • Relatively high farebox recovery rate and increasing • Average fare per passenger on paratransit is increasing • Subsidy per passenger is decreasing for both fixed route and paratransit		• Paratransit fare is less than the 2X adult fare cap • Average fare per passenger is remaining constant for fixed route	• Operating costs are increasing, though at a slow rate

4 Peer Review

Four Nines identified 10 peer agencies and compared their fare structures, fare policies, and fares for fixed route and paratransit services to those of PTD.

The following peer agencies were chosen as they are similar to PTD in several ways. These agencies have similar levels of annual ridership, and comparable service area and population sizes. Seven transit agencies were initially chosen by PTD and socialized via the Transit Fare Study RFP. Four Nines added two agencies to the list: Ben Franklin Transit (Tri-Cities, WA) and Mountain Metro Transit (Colorado Springs, CO). Four Nines then used the iNTD Likeness Score from the Urban Integrated National Transit Database (Urban iNTD), which collates and integrates NTD data, to determine if any more agencies were highly similar to PTD. This led us to add one additional agency, Corpus Christi RTA, to the peer list. The selected 10 peer agencies are the following:

- Ben Franklin Transit (Tri-Cities, WA)
- Cherriots (Salem, OR)
- Corpus Christi Regional Transportation Authority (Corpus Christi, TX)
- Green Bay Metro (Green Bay, WI)
- Lane Transit District (Eugene, OR)
- Mountain Metro Transit (Colorado Springs, CO)
- NFTA-Metro (Buffalo, NY)
- Spokane Transit Authority (Spokane, WA)
- Valley Regional Transit (Boise, ID)
- Whatcom Transportation Authority (Bellingham, WA)

Four Nines analyzed NTD data to compare fare-related performance metrics across the peer agencies, including ridership, fare revenue, operating costs and farebox recovery. For fixed route services, PTD has a higher fare revenue per boarding and slightly higher farebox recovery rate than most of the peer agencies, while other fare related performance metrics are generally in line with the average for the 10 peers.

Four Nines also collected data on the peer agencies' fixed route, paratransit and microtransit fare structure and policies and compared those to PTD's.

4.1 Findings

This section highlights the key findings from the peer review.

4.1.1 Fixed Route

- PTD has a **higher fare revenue per passenger** compared to the peer agencies.
- PTD has a **high adult fare** compared to peers.
- The **multiples for period passes are high** for PTD, meaning that riders need to make more trips before they break even and benefit from cost savings for purchasing passes.
- The majority of agencies offer **fare capping** for daily and monthly caps and for all rider types, made possible by electronic fare collection investments.

- There is a trend towards **fare-free for youth**, with eight of the 10 peers offering fare-free for youth, including three covered by the same state grant.
- PTD is the only agency offering **different fare levels to seniors** based on the day of the week.
- A small proportion of the peers offer **fare-free for seniors**.
- **PTD's senior discount exceeds the FTA requirements**, as senior fares are only required for those aged 65 and above. Four of the peers similarly offer senior discounts for those younger than the FTA requirement.

4.1.2 Paratransit

- PTD's **paratransit fares are amongst the highest** of the peers, though two agencies have a higher single fare. However, PTD's paratransit single fares are lower than the two times cap set by the FTA.
- There are **fewer fare products offered for paratransit riders** than for fixed route services, although a significant minority of the agencies offer monthly passes and books of 10 tickets.
- **Three other agencies offer paratransit service outside of the ¾ mile required zone**. PTD's fares for this service are the highest but the difference between the in and out of zone fare is the lowest.
- Whatcom Transportation Authority offers **paratransit eligible riders to travel for free on fixed-route** buses. Paratransit eligible riders are given a Gold Card, which is an Umo smartcard configured to allow for unlimited free rides. (Umo is a contactless fare payment system provided by CUBIC)

4.1.3 Fare Media

- There is little variation in the fare media available on fixed route services, with the majority of peers offering **paper, smartcard, and mobile ticketing applications**.
- All agencies also accept **cash on board** their fixed route services.
- There is more **variation in the fare media used to pay for paratransit** services.
- Five agencies have a **mobile ticketing application for paratransit** services; all of them use the same mobile ticketing app for fixed route services and paratransit services.

5 Fare-Free Analysis

This section describes the findings from the Fare-Free Analysis research to examine the benefits and drawbacks of a partial or full zero-fare system for fixed route and paratransit services.

5.1 Background to Fare-Free Analysis

In August 2020, an Anchorage Assembly Member requested from the Public Transit Advisory Board (PTAB) that PTD explore becoming a fare-free system. PTD created a memo in October 2020 that discussed what zero-fare transit is, the benefits and risks of going fare-free, and possible next steps. In January 2021, PTAB approved a resolution to the Assembly recommending that PTD expand fare-free options through a pilot program and study its broader implementation. In 2021, an Federal Highway Administration (FHWA) grant was flexed through FTA to support a program offering free rides to youth and seniors. However, because the funding originated from a source that did not allow reimbursement for potential lost revenues, the program could not be implemented at that time.

The objective of this task was to examine the benefits and drawbacks of instituting a zero-fare system for fixed-route and paratransit services and address the 2021 Assembly resolution study request.

5.2 Fare-Free Policies Across the U.S.

Across the U.S., public transit agencies of all sizes have implemented or considered a range of fare-free options (known variously as “free-fare,” “zero fare,” or “fareless” options). Before 2020, transit agencies with fare-free systems were most likely to serve small and rural areas and/or university or resort towns. Prompted by health and safety concerns during the COVID-19 pandemic, a wider variety of transit agencies considered or implemented zero-fare systems. Outcomes of these zero-fare systems have been mixed, and these systems are typically precariously funded via limited and dwindling COVID-19 funding sources. Many of these agencies are considering resuming fare collection and/or have extensive efforts underway to identify sustainable funding sources.

Several agencies have implemented fare-free for specific rider groups, rather than operating completely fare-free, to support accessibility for the most vulnerable riders—for example, fare-free for youth, seniors, or people from low-income households.

5.3 Methodology

The analysis compared the benefits and drawbacks of the following fare-free policy scenarios:

- Scenario 0: Current fare structure
- Scenario 1: Fare-free for all riders
- Scenario 2: Fare-free based on age (fare-free for youth and seniors)
- Scenario 3: Fare-free based on household income level (Fare-free for riders from households with income at or below 200% of the Federal Poverty Level (FPL) for Alaska)

The analysis used the Transportation Research Board’s Fare-Free Transit Evaluation Framework and the National Cooperative Highway Research Program (NCHRP) Project 19-19 Sustaining Zero-Fare Public Transit in a Post

COVID-19 World: A Guide for State DOT's Practitioners. This spreadsheet tool was developed to aid practitioners in the evaluation of fare-free transit services. We used this tool throughout our analysis to provide qualitative and quantitative estimates of the impacts of a fare-free policy for PTD and its riders.

5.3.1 Scenario 0: Current Fare Structure

We used the current fare structure as the base/"do nothing" scenario in order to understand the positive and negative impacts of the other scenarios on the different Fare-Free Transit Evaluation Framework areas.

It should be noted that some riders are already eligible for fare-free travel on PTD fixed route services. Between 7% and 10% of riders already travel for free (where no payment is made to PTD either by riders or employers). This includes children less than 5 years old, seniors on Wednesdays, Youth Ride Free during the summer, riders on jury duty, special events (e.g., election days), personal care assistants, and Municipality of Anchorage staff.

5.3.2 Scenario 1: Fare-Free for All Riders

This scenario assumes that all riders will be eligible for fare-free on PTD's fixed route and paratransit networks. Due to the FTA requirements that paratransit fares are set no more than two times the adult single fare, if there is fare-free on fixed route services, there must also be fare-free on paratransit services.

5.3.3 Scenario 2: Fare-Free Based on Age (Fare-free for Youth and Seniors)

This scenario estimates the impacts of providing fare-free to youth (aged 18 and under) and seniors (over 60 years old). This uses the same definitions as are currently used for these rider groups. Based on the Anchorage Metropolitan Area Transportation Solutions (AMATS) Onboard Survey conducted in fall 2024 and published in 2025, 5% of PTD's riders are under 18 (youth) and 21% are 60 and over (seniors). Therefore, a fare-free policy for these age groups would impact 26% of PTD's existing riders.

There is a general trend toward providing fare-free for youth as a tool to support a population with generally lower incomes and to help reduce travel costs for families. These policies often also have a goal to encourage lifelong public transit use. A high proportion of PTD's youth riders do not pay a fare for travel today. During the school year, middle and high school students use their Anchorage School District ID as proof of eligibility for free travel on the bus, funded by the Anchorage School District through U-Pass. During the summer break, youth can travel for free already, funded by PTD. The Anchorage Mayor, Suzanne LaFrance, issued a directive that "no child is left behind," so even children without fare or ID are able to continue safely on their journey.

The FTA requires a discount of at least 50% off the adult single fare for riders over 65; therefore, all agencies offer at least a 50% discount to this age group. PTD already offers fare-free for seniors on Wednesdays, funded by PTD. Extending this policy to all seniors over 60 would simplify the policy and encourage travel across the whole week rather than one day.

As PTD already offers discounts to these groups and has established proof-of-eligibility procedures, there would not be a significant administrative burden to implementing these policies.

5.3.4 Scenario 3: Fare-Free Based on Household Income

A fare-free policy for riders from low-income households would reduce the cost barrier to travel for a significant proportion of PTD's existing riders. Some 50% of PTD's riders are from households with low incomes based on the

200% FPL for Alaska. Table 6 shows the majority of these riders (65%) currently purchase a full-fare product and do not benefit from any of the fare discounts offered by PTD.

Table 6. Types of Fares Purchased by PTD Riders from Households with Low Incomes

Fare Type	Percentage of Purchases
Full Fare	65%
Senior (60 or over)	14%
Youth (5 to 18)	0.1%
Medicare	4%
Disability	4%
Veterans	0.4%
No Answer	14%
Total	100%

Source: AMATS Onboard Survey, 2025

There are logistical and administrative challenges to consider if implementing a zero-fare policy based on household income. PTD would need to establish a method for riders to prove eligibility for the policy without placing a significant administrative burden on either PTD or riders. The majority of public transit agencies that implement fare discounts based on income require riders to show proof of income or a proof-of-income-based benefit receipt (e.g., Supplemental Nutrition Assistance Program (SNAP)).

5.4 Findings

Tables 7, 8 and 9 in this section summarize the analysis findings for each of the three scenarios compared to the current fare structure. To aid in comparison, color coded dots are provided in the second column of each table. Green means benefits largely outweigh negative impacts. Yellow means positive and negative impacts are about equal. Red means negative impacts largely outweigh benefits.

Table 7. Summary of Findings under Full Fare-Free Scenario

Area	Evaluation of Full Fare-Free	Positive Impacts Compared to Current Fare Structure	Negative Impacts Compared to Current Fare Structure
Access and Mobility Impacts	🟢	• Increases fixed route ridership by between 18% and 36% and paratransit ridership 15% and 30% • Impacts all riders	• Benefits all riders not just those in vulnerable rider groups
Operational Efficiency	🟡	• Due to current capacity levels, unlikely to be a significant impact on in-vehicle crowding • Reduced boarding times per person • APCs on all buses so no need to purchase equipment to monitor ridership levels • Reduced fare related conflicts between riders and operators	• May increase dwell times due to increased ridership and shorter journeys • Paratransit service could not meet increased demand without additional drivers and vehicles
Financial Impacts	🔴	• Possible savings from removal of fare collection equipment (if funding is secure)	• Loss of all fare revenue • Need to identify additional funding source to ensure current service levels can be maintained • Additional operating costs for paratransit to meet demand
Customer Experience	🟡	• May see an increase in customer satisfaction due to better value	• Increase in ridership could result in increased dwell times and crowding, negatively affecting customer satisfaction • May see increase in the number of riders using public transit for shelter, as a barrier to entry is removed
Community and Social Impacts	🟡	• All currently paying riders would experience a reduction in transit costs which may be used to access other goods and services • A small proportion of new riders will previously have travelled by car • Riders who transfer from walking and cycling modes will experience faster journey times	• Unlikely to have a measurable impact on the local economy • Unlikely to have a measurable impact on the local environment

Table 8. Summary of Findings under Age-Based Fare-Free Scenario

Area	Evaluation of Age-Based Fare-Free	Positive Impacts compared to current fare structure	Negative Impacts compared to current fare structure
Access and Mobility Impacts	🟡	• Increases fixed route ridership by between 5% and 10% • All youth and seniors travel free	• Paratransit riders do not benefit from fare-free
Operational Efficiency	🟢	• Due to current capacity levels, unlikely to be a significant impact on in-vehicle crowding • Proof of eligibility and process already established	• Require operators to button push to provide data on number of zero-fare riders
Financial Impacts	🟡	• Small savings from reduced fare distribution and wear and tear of onboard equipment	• Approximately 18% reduction in fare revenue • Need to identify additional funding source to ensure current service levels can be maintained
Customer Experience	🟢	• May see an increase in customer satisfaction due to better value • Requirement for proof of eligibility may discourage riders using public transit for shelter	
Community and Social Impacts	🟡	• Approximately ¼ of riders would see a reduction in transit costs which may be used to purchase or access other goods and services • A small proportion of new riders will previously have travelled by car	• Unlikely to have a measurable impact on the local economy • Unlikely to have a measurable impact on the local environment

Table 9. Summary of Findings under Fare-Free based on Household income Scenario

Area	Evaluation of Fare-Free Based on Income	Positive Impacts	Negative Impacts
Access and Mobility Impacts	🟢	• Increases fixed route ridership by between 10% and 20% • People from households with low-income benefit from fare-free	• Paratransit riders do not benefit from fare-free
Operational Efficiency	🟡	• Due to current capacity levels, unlikely to be a significant impact on in-vehicle crowding	• Complicated to implement (income verification) and likely additional administrative burden for PTD and riders • Need to develop a method to prove eligibility on boarding • Require operators to button push to provide data on number of fare-free riders
Financial Impacts	🔴	• Small savings from reduced fare distribution and wear and tear of onboard equipment	• 42% reduction in fare revenue • Small savings from reduced fare transactions • Need to identify additional funding source to ensure current service levels can be maintained
Customer Experience	🟢	• May see an increase in customer satisfaction due to better value • Requirement for proof of eligibility may discourage increased riders using public transit for shelter	
Community and Social Impacts	🟡	• Approximately ½ of riders would see a reduction in transit costs which may be used to purchase or access other goods and services • A small proportion of new riders will previously have travelled by car	• Unlikely to have a measurable impact on the local economy • Unlikely to have a measurable impact on the local environment

Table 10 summarizes the findings of the qualitative analysis across the three scenarios.

Table 10. Summary of Analysis across Three Zero-Fare Scenarios

Area	Evaluation of Full Fare-Free	Evaluation of Age-Based Fare-Free	Evaluation of Fare-Free based on Income
Access and Mobility Impacts	🟢	🟡	🟢
Operational Efficiency	🟡	🟢	🟡
Financial Impacts	🔴	🟡	🔴
Customer Experience	🟡	🟢	🟢
Community and Social Impacts	🟡	🟡	🟡

A **full fare-free policy** would have the greatest benefit for the largest number of riders; however, it will have the greatest financial impact on PTD. This scenario would require paratransit to be fare-free, which would lead to capacity issues and a need to procure additional vehicles and hire additional drivers.

An **age-based fare-free policy** would impact almost a quarter of PTD's riders; these riders already receive fare-free for some parts of the year. It would have the smallest financial impact on PTD, although the possible impact on the annual payment of approximately $28,000 from the Anchorage School District as part of the U-Pass program would need to be considered.

A **low-income based fare-free policy** would target savings at the rider population who would most benefit. However, there would be a significant impact on PTD finances as this policy would impact almost 50% of riders. There would also be administrative challenges to verify the eligibility of riders and provide them with a method to prove eligibility when boarding.

Based on the analysis in this report, we do not recommend further consideration of a zero-fare policy for all riders across the whole system. We recommend PTD further explore age- and income-based discounts (Scenarios 2 and 3).

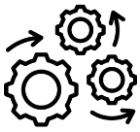
6 Fare Policy and Structure Alternatives

In this section we describe the fare policy and fare structure alternatives developed by Four Nines to enable PTD to achieve its fare policy goals based on the previous findings.

6.1 Fare Policy Goals

Four Nines facilitated a workshop with key PTD staff across the agency and agreed on a set of fare policy goals, shown in Table 11.

Table 11. Fare Policy Goals

Categories	Fare Policy Goals
 **Ridership**	• Attract new riders • Increase ridership • Promote transit as a travel option • Enhance accessibility for all
 **Customer Experience**	• Improve customer experience • Encourage fare simplicity
 **Operations**	• Reduce agency costs • Improve boarding times and efficiency

6.2 Ridership

The fare policy and fare structure alternatives in this section support PTD in attracting new riders and increasing ridership. The alternatives were developed to promote transit as a travel option for all Anchorage residents and visitors and to enhance accessibility for all riders.

6.2.1 Reduce Pass Multiples

PTD offers a number of period passes which allow riders unlimited trips for a set time period (day, week, 30-Day, 90-Day and Year). Riders generally purchase these passes if they plan to travel more than the breakeven number of trips, to benefit from lower average fare to ride and to reduce the number of transactions they need to make. Offering period passes reduces the number of payment transactions and reduces the number of physical tickets that need to be administered by PTD.

In comparing PTD's pass multiples to peer agencies, we found that PTD's pass multiples are generally at the higher end of the ranges (see Table 12). This means that PTD riders have to make more trips to break even and benefit from the cost savings of a given pass than riders at other agencies.

Table 12. PTD Pass Multiples Compared to Peers

Time Period	Anchorage PTD	Peer Multiple Single-Ride Range	
		Low	High
Day	2.5x	1.7x	3x
Week	13x	7.5x	13x
30-Day	30x	16.7x	40x
90-Day	90x	77.1x	90x
Year	330x	188x	337.5x

Recommendation

Four Nines recommends that PTD explore lower pass multiples so that riders need to make fewer trips to reach the breakeven point and start to benefit from cost savings. Table 13 highlights the positive and negative impacts of this recommendation.

Table 13. Impacts of Implementing Lower Pass Multiples

Positive Impacts	Negative Impacts
• Reduce number of trips for rider to break even • Encourage more riders to purchase period passes and reduce single fare purchases • Better value for money for riders • Encourage increased ridership • Reduce boarding times	• Reduce average fare per passenger and fare revenue • Requires a Anchorage Municipal Code (11.70.060) change

6.2.2 Fare-Free for All Riders

Four Nines analyzed the impact of fare-free for all riders. Due to the FTA paratransit fares requirement that paratransit fares are capped at two times the single ride adult fare, if People Mover trips were fare-free then AnchorRIDES trips would be fare-free. This would lead to a significant increase in demand for AnchorRIDES trips which could not be met by the current service.

Recommendation

Four Nines does not recommend implementing fare-free for all. Fare-free for all would eliminate all of PTD's fare revenue and lead to significant increases in paratransit demand.

PTD would need to identify an alternative secure funding source to replace the lost fare revenue (approximately $4.1 million per annum); otherwise it would not be possible for PTD to continue to operate at current service levels. Surveys have shown that most customers, including financially burdened bus customers, prefer service improvements to fare reductions.[1] The level of equity benefits resulting from a fare-free policy is impacted by the funding source identified to replace fare revenue and who ultimately contributes to the funding source. If lost fare revenue is addressed by cuts in transit services—whether reductions in service frequencies or coverage area—the benefits of fare-free to customers would be significantly decreased, resulting in less mobility and poorer access to jobs, education, healthcare and other opportunities.[2]

The increase in ridership demand for AnchorRIDES services would cause significant capacity issues for AnchorRIDES and require the purchase of new vehicles and hiring new operators to meet the increased demand.

6.2.3 Fare-Free for Seniors

As noted earlier, PTD offers fare-free for seniors (aged 60 and over) on Wednesdays, funded by PTD. On other days, seniors pay fares discounted by 50%, meeting the FTA requirement of a 50% discount for seniors aged 65 and older. Extending this policy to all seniors over 60 would simplify the policy and encourage travel across the whole week rather than one day.

Some 21% of People Mover riders are seniors (over 60 years old). Seniors are a group more likely to be dependent on public transit and have a lower income than the average population. Policies that reduce the cost of travel for this population will provide significant benefits by reducing costs and increasing access to goods, services and healthcare.

Recommendation

Four Nines recommends that PTD offer fare-free for seniors and identify funding to mitigate the reduction in fare revenue and ensure current service levels are maintained. Table 14 highlights the positive and negative impacts of this recommendation.

[1] *Who's on board 2019, How to win back America's transit riders,* Transit Center, 2019. "Available at: https://transitcenter.org/publication/whos-on-board-2019/

[2] *Transit Zero Fare Impact Analysis,* Mid-America Regional Council (MARC), 2022. Available at: https://www.marc.org/transportation/plans-and-studies/transit-zero-fare-impact-analysis

Table 14. Impacts of Implementing Fare-Free for Seniors

Positive Impacts	Negative Impacts
● Simplify current fare for seniors ● Encourage more ridership from seniors ● Encourage travel across the whole week (20% of trips made by seniors are currently free) ● Increase access to food and services for seniors ● Reduce boarding times	● Reduce fare revenue (estimated 17% for seniors)

6.2.4 Fare-Free for Youth

There is a general trend toward providing fare-free for youth as a tool to support a population with generally lower incomes and to help reduce travel costs for families. These policies often also have a goal to encourage lifelong public transit use.

The AMATS survey shows that 5% of People Mover riders are youth.[3]

A high proportion of PTD's youth riders do not pay a fare for travel today. As discussed earlier, during the school year, middle and high school students use their Anchorage School District ID as proof of eligibility for free travel on the bus, funded by the Anchorage School District through U-Pass. During the summer break, youth can travel for free already, funded by PTD, and given the Anchorage Mayor's directive that "no child is left behind," even children without fare or ID are able to continue safely on their journey.

Recommendation

Four Nines recommends that PTD offer fare-free for youth. As noted above, this will reduce travel costs for families and encourage lifelong public transit use, as well as simplify the current fare policy for this age group. Table 15 highlights the positive and negative impacts of this recommendation.

Table 15. Impacts of Implementing Fare-Free for Youth

Positive Impacts	Negative Impacts
● Simplify current policy where youth sometimes require ASD ID, sometimes free, and sometimes pay a reduced fare ● Encourage more ridership from this group. Other agencies' fare-free for youth policies have seen a 50% increase in ridership from	● Reduce fare revenue (estimated 3%) ● Need to consider impacts to funding from ASD

[3] Anchorage Metropolitan Transportation Solutions, Anchorage OD Study, 2025

this group ● Reduce boarding times	

6.2.5 Fare-Free for Other Discount Groups

Anchorage currently offers a 50% discount to youth, seniors, veterans, medicare and people with disabilities. We have recommended that Anchorage PTD provides fare-free for youth, seniors, and (discussed in Section 6.2.6) ADA (paratransit) eligible riders. Therefore, only veterans and a portion of people with Medicare and with disabilities who are not paratransit eligible would pay a 50% discounted fare.

Including all Medicare holders, people with disabilities, and veterans within the fare-free category would ensure that the fare structure remained simple with only two fare levels by rider group. This would be easier to operate for PTD and simpler for riders to understand.

Approximately 7% of People Mover riders pay half-fare if they have Medicare or disabilities. For the accessibility analysis, we have estimated that less than 3% of People Mover riders are ADA-eligible and, today, receive half fare on People Mover via the people with disabilities eligibility. Approximately 2% of People Mover riders pay reduced fares through veteran status.[4] Therefore, including veterans, people with disabilities, and people with Medicare to the fare-free group would likely decrease the proportion of riders paying a fare by approximately 9-10%.

Recommendation

Four Nines recommends that PTD offer fare-free for all discount groups and identify funding to mitigate the reduction in fare revenue. Table 16 highlights the positive and negative impacts of this recommendation.

Table 16. Impacts of Implementing Fare-Free for Other Discount Groups

Positive Impacts	Negative Impacts
● Encourage more ridership from all discount groups ● Increase access to food and services for all discount groups ● Reduce boarding times ● Ensure fare structure simplicity for riders and PTD	● Reduce fare revenue

6.2.6 Low-Income Fare Program

Half (50%) of People Mover riders are from households with income below 200% of FPL for Alaska. Riders with low incomes spend a disproportionately higher proportion of their income on transit and are likely to be transit-dependent.

[4] Anchorage Onboard Origin Destination (OD) Study, prepared by Resource System Group for Anchorage Metropolitan Area Transportation Solutions (AMATS, 2025.)

PTD does not currently offer a discount specifically for low-income riders, though a number will be covered by the other discounts offered. Table 17 shows the fare currently purchased by People Mover riders from households with low income based on the AMATS survey. This shows that 65% of riders with low incomes purchase a full fare product and do not benefit from a fare discount.

Table 17. Types of Fares Currently Purchased by PTD Riders from Households with Low-Income

Fare Type	Percentage of Purchases
Full Fare	65%
Senior (60 or over)	14%
Youth (5 to 18)	0.1%
Medicare	4%
Disability	4%
Veterans	0.4%
No Answer	14%
Total	100%

Recommendation

Four Nines recommends that PTD consider implementing a fare program for riders from households with low incomes. This fare program could offer either discounted or fare-free depending on available funding. Due to the high proportion of low-income riders, this policy would likely have a significant impact on fare revenue and an alternative source of funding would need to be identified to enable PTD to continue to offer the same level of service. Table 18 highlights the positive and negative impacts of this recommendation.

Table 18. Impacts of Implementing Fare-Free for Riders from Low-Income Households

Positive Impacts	Negative Impacts
● Provide discount to those most in need ● Encourage more ridership from riders with low incomes ● Increase access to jobs, healthcare and opportunities for this group	● Reduce fare revenue ● Establish proof of eligibility process ● Increased administrative effort for PTD

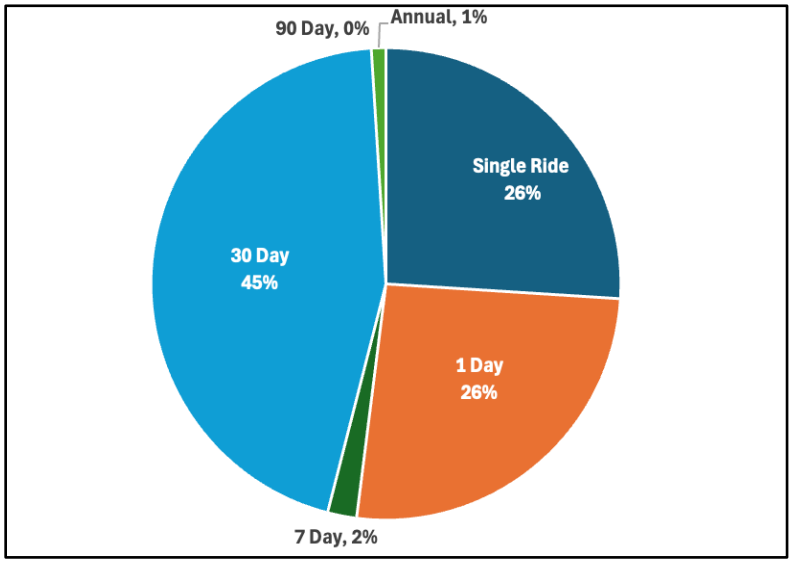
6.3 Customer Experience

This section describes the fare policy and fare structure recommendations developed to improve customer experience and encourage fare simplicity.

6.3.1 Reduce the Number of Pass Periods

As noted, PTD offers 1-Ride, Day, Week, 30-Day, 90-Day and Annual passes. Analysis of fare collection data shows that some of these are not commonly purchased by riders, suggesting that they don't meet riders' needs.

Figure 1. Percentage of Fare Products Purchased



Source: Fare Collection Data

Figure 1 above shows that Week, 90-Day, and Annual passes are the least used of these passes. PTD noted that they have not conducted significant marketing of the Annual pass in the last few years, but believes that with increased marketing to encourage riders to purchase the pass, the number of these passes purchased could increase. PTD staff suggested that linking the purchase of an annual transit pass to receipt of the Alaska Permanent Fund Dividend may be an effective marketing approach.

The usage of the Week pass could be increased with a reduction in the pass multiple and making the breakeven number of trips lower. This may encourage more purchases from riders who know their travel patterns for the next week but are not certain that the 30-Day pass will be a good value for them.

The peer review showed that few agencies offer a 90-Day pass.

Recommendation

Four Nines recommends that PTD eliminate the 90-Day Pass as this pass is not widely used by riders. Only 0.4% of fare revenue is from 90-Day pass sales. Therefore, the fare revenue impact from the elimination of this pass would be negligible.

If the pass was eliminated, riders would either transfer to purchasing 30-Day or Annual Passes. There would be no change in cost to riders if they purchase three 30-Day passes instead of a 90-Day Pass. Riders would see a cost reduction if they purchased an Annual Pass instead of four 90-Day Passes though they would have to pay the full amount up front rather than splitting the amount over four increments. Table 19 shows this.

Table 19. Rider Financial Impact with or without 90-Day Passes

Transfer to	Rider Category	No 90-Day Fare	90-Day Fare Available
Monthly	Adult	$60*3 = $180	$180
	Half-Fare	$30*3 = $90	$90
Annual	Adult	$660	$180*4 = $720
	Half-Fare	$330	$90*4 = $360

Table 20 highlights the positive and negative impacts of this recommendation.

Table 20. Impacts of Eliminating the 90-Day Pass

Positive Impacts	Negative Impacts
• Simplify the fare structure for riders • Reduce PTD administrative effort	• Impact on customers using removed passes • Customer communications campaign required • Requires a Anchorage Municipal Code (11.70.060) change

6.3.2 Fare Capping

Fare capping automatically caps fare payments to the equivalent transit pass, ensuring that riders always pay the "best fare." Fare capping is only available on account-based ticketing fare collection systems, so riders only get the best fare if using electronic fare media (fare capping cannot be applied to cash payments). As more agencies roll out this technology, an increasing number of public transit agencies offer fare capping to their riders; the majority of PTD's peers offer fare capping. As fare capping provides the best fare to all riders using the system, this means that there will be fare revenue loss for the agency. There are two types of fare revenue loss associated with fare capping:

- Revenue loss from single rider users who would now reach the fare cap
- Revenue loss from previous passholders who do not reach the breakeven point for their pass

The fare revenue loss associated with fare capping varies by agency, depending on several factors:

- Fare cap breakeven point
- Adoption rate of electronic fare media

- Purchase of passes by third parties (e.g., employers) and for convenience
- Distribution of frequency of travel
- Access to electronic fare media and ability to load value easily and conveniently

Recommendation

Four Nines recommends that PTD considers implementing fare capping when an account-based ticketing system is procured. PTD should analyze the cost and revenue impact of fare capping before deciding whether to implement this policy. Table 21 describes the positive and negative impacts of this recommendation.

Table 21. Impacts of Implementing Fare Capping

Positive Impacts	Negative Impacts
• Riders always pay best fare • Simplify fare choice decision for riders • Riders unable to afford the upfront cost of a pass pay in increments • May lead to increased ridership • Reduce cash and paper pass usage • Reduced dwell times compared to cash	• Reduce fare revenue • Requires new fare collection investments • Customer communication required to educate riders in fare capping

6.3.3 Improve Access to Reduced Fare on Mobile Ticketing

Reduced fare riders must currently register in-person. Their eligibility is updated on the mobile app and then they can purchase all reduced fare products through the mobile ticketing app. Through analysis of fare collection data, Four Nines identified that there appears to be a lower number of reduced fare products being purchased through the mobile ticketing app than is expected based on the number of riders registered for reduced fares. Between January and September, 2024, 133 additional riders registered for reduced fares on the mobile app; however, only seven reduced fare passes were sold through the mobile app in that time.

Recommendation

Four Nines recommends that PTD investigate why reduced fares are not being purchased on the mobile ticketing app. Table 22 describes the possible benefits from this investigation.

Table 22. Potential Benefits of Addressing Mobile App/Reduced Fare Purchase Discrepancy

Positive Impacts	Negative Impacts
• Improve fare collection experience for eligible riders • Reduce paper passes	

• Easier for riders	

6.4 Operations

This section evaluates how the different fare policy and fare structure alternatives considered above impact People Mover operations. Table 23 provides a summary.

Table 23. Impacts of Implementing Fare Alternatives

	Reduce Cash Payment Onboard	Reduce Dwell Times	Reduce Number of Paper Passes	Increase Operating or Capital Cost	Reduce Fare Revenue
Reduce pass multiples	✓	✓			✓
Fare-free for seniors	✓	✓			✓
Fare-free for veterans	✓	✓			✓
Fare-free for youth	✓	✓			✓
Low-Income Fare Programs	✓			✓	✓
Reduce the number of pass periods offered			✓		?
Improve Access to Reduced Fare on Mobile Ticketing	✓		✓		?
Implement fare capping	✓	✓		✓	✓

6.5 AnchorRIDES

This section specifically focuses on fare policy and fare structure changes for AnchorRIDES.

6.5.1 Allow Free Travel on Fixed Route Bus

Demand for AnchorRIDES trips is increasing, leading to challenges for PTD to meet demand. Currently, AnchorRIDES (paratransit-eligible riders) can ride People Mover (fixed route services) with a 50% discount.

Allowing paratransit eligible riders to travel on fixed route for free may encourage paratransit riders who are able to travel by fixed route services for some trips to do so, alleviating some of the demand for paratransit services.

There are a number of agencies across the U.S. that allow paratransit eligible riders to travel free on fixed route services.

Recommendation

Four Nines recommends that PTD allow paratransit eligible riders to travel for free on fixed route services. Table 24 describes the positive and negative impacts of this recommendation.

Table 24. Impacts of Implementing Fare-Free on People Mover for Paratransit Riders

Positive Impacts	Negative Impacts
• Reduce demand for paratransit services • Increase fixed route ridership	• Need to implement proof of eligibility for paratransit riders on fixed route • Customer communication campaign to ensure that eligible riders are aware of the change in policy

6.5.2 Enable Fare Purchase via Mobile App

Currently, AnchorRIDES riders can purchase fares for their trips in person or by phone. They are not able to purchase fare from a mobile ticketing application as People Mover riders can. However, four of the 10 PTD peers compared in the peer review allow paratransit fares to be purchased through a mobile ticketing application.

Recommendation

Four Nines recommends that PTD enable the sales of paratransit fares on the existing mobile ticketing application used for People Mover fares. This will give riders a seamless fare experience. Table 25 describes the positive and negative impacts of this recommendation.

Table 25. Impacts of Enabling Paratransit Fares to be Purchased using a Mobile Ticketing App

Positive Impacts	Negative Impacts
• Reduce administrative burden for PTD • Easier for riders to purchase fares	• Cost of implementation

6.5.3 Increase Fares

PTD's paratransit fare is $3.50 ,which is less than the FTA-allowed two times the adult fare, so it is possible to increase the paratransit fare to up to $4. However, PTD's paratransit fares are already among the highest of peers.

Recommendation

Four Nines recommends that paratransit fares are not increased and that they remain at their current rate. AnchorRIDES users are a vulnerable population and a fare increase would likely have a significant impact on their ability to travel and reduce accessibility to vital goods and services. Table 26 describes the positive and negative impacts of this recommendation.

Table 26. Impacts of Maintaining Current Paratransit Fares

Positive Impacts	Negative Impacts
• Increased fare revenue • Help manage demand • Reduced subsidy per boarding	• Increases fares for a vulnerable population

7 Recommendations

Four Nines recommends a set of short-term and long-term changes to fare policy, structure and technology that will deliver identified fare policy goals.

7.1 Fare Policy

7.1.1 Short-Term Recommendations

The short term recommendations could be implemented relatively quickly and do not require changes to technology. Table 27 summarizes these recommendations.

Table 27. Summary of Short-Term Fare Policy Recommendations

Short-Term Fare Policy Recommendations
• Fare-free for seniors • Fare-free for youth • Free travel on fixed route bus for AnchorRIDES eligible riders • Fare-free for all remaining discount groups

Implementing fare-free for specific rider groups will reduce travel costs for riders that will benefit the most and increase access to goods, services, employment, education and health services. However, these recommendations will reduce fare revenue even as it increases the proportion of riders who pay fares. PTD will need to identify alternative sources of funding to ensure that service levels can be maintained.

As noted earlier, the Fare-Free for Youth recommendation has already been implemented as of July 10, 2025.

7.1.2 Long-Term Recommendations

A number of the long-term recommendations require an account-based fare collection system to be implemented. Undertaking changes in the fare structure as part of the roll-out of the new fare collection system will reduce the number of changes that riders need to deal with and make transition easier. Table 28 summarizes the long-term recommendations.

Table 28. Summary of Long-Term Fare Policy Recommendations

Long-Term Fare Policy Recommendations
● Streamline fare structure for riders ○ Eliminate 90 Day pass ○ Reduce pass multiples ● Introduce fare capping ● Introduce a low-income fare program

7.2 Fare Collection Technology

7.2.1 Short-Term Recommendations

The short-term fare collection technology recommendations will quickly bring new convenient purchase options to AnchorRIDES customers and initiate the investments needed to launch an account-based fare collection solution. An account-based fare collection solution will enable customers to purchase and reload fare media from a wider variety of locations and is a precursor to many of the long-term fare policy recommendations outlined above. Table 29 summarizes these recommendations.

Table 29. Summary of Short-Term Fare Technology Recommendations

Short-Term Fare Technology Recommendations
● Expand existing mobile app to allow the purchase of AnchorRIDES tickets with mobile app ● Procure account-based ticketing system and associated on board hardware

PTD should work with its existing mobile app provider, Masabi, to introduce the ability for eligible customers to purchase AnchorRIDES tickets in the existing mTicket app. This would provide AnchorRIDES customers with an electronic ticketing option immediately and would likely reduce the number of customers paying with cash on board and purchasing ticket books at the AnchorRides office. Both single ride and 10-ride ticket books could be made available through the app. Tickets would be visually validated by the AnchorRIDES operator upon boarding.

To support a nearer-term launch of ABT without a huge capital investment, we recommend that PTD procure an ABT system that can work with the Genfare Fast Fare fareboxes installed on about half of the fixed route fleet. PTD could consider two options for the remainder of the fixed route fleet with legacy Genfare Odyssey fareboxes; standalone validators or replacement of fareboxes before new buses are procured.The ABT system should include components and capabilities such as:

- Reloadable smartcards
- Customer mobile app
- Customer website for managing accounts and loading value/passes
- PTD-customizable rider categories (e.g., senior, low-income, veteran)
- Fare capping
- Features to support management of employer or educational pass programs
- Agency sales solution for selling fares and fare media
- Agency reporting module

7.2.2 Long-Term Recommendations

About half of PTD's fixed route fleet is outfitted with Genfare Odyssey fareboxes that are approaching end of life and need to be replaced. Rather than making a significant capital outlay to upgrade these fareboxes all at once, we recommend replacing these in conjunction with planned vehicle upgrades. New vehicle purchases should include new fareboxes that can be installed at the manufacturer. This will help stagger the investment and may even bring down shipping and installation costs. New vehicles outfitted with new fareboxes will not require the standalone validator to support the ABT system. At any point, PTD could alternatively switch to a simpler farebox solution and maintain a standalone validator for ABT.

Table 30 summarizes these long-term recommendations.

Table 30. Summary of Long-Term Fare Technology Recommendations

Long-Term Fare Collection Technology Recommendations
● Upgrade remaining fixed route fareboxes ● Explore introducing open payments ● Explore a cash digitization network

While PTD will have the necessary technology to launch open payments once an account-based system is in place, accepting open payments (i.e. contactless bank cards for direct fare payment) can introduce additional costs and complexity that PTD may not immediately want to commit to. We recommend procuring an ABT solution that is open payments capable and assessing as part of that project whether PTD wishes to enable that functionality. PTD should be aware that equipment that may accept open payments in the future is subject to enhanced handling and tracking measures throughout its entire lifecycle, even before it is installed on board or turned on. To accept open payments in the future and reduce the need for rework, PTD should coordinate with its ABT vendor to ensure all equipment is appropriately handled to allow for open payments acceptance in the future.

Many ABT vendors offer integrations with a cash digitization network. A cash digitization network allows a transit agency's customer to walk into any of dozens of chain stores in their area (e.g., Walgreens, Holiday Stations, Fred Meyer) and reload their transit smartcard or mobile app with cash. Customers incur no fees when using this type of service; reloads at these locations may be subject to a small fee borne by the transit agency. While this type of network typically does not have a high usage rate, it can help provide access to the benefits of a transit agency's electronic fare collection system for customers who pay with cash and who would otherwise need to visit the agency's office in person to load their account. Some ABT vendors will be able to offer this at launch; others have this on their development roadmap.

8 Accessibility Analysis

While PTD does not meet the size criteria to require a formal Title VI fare equity analysis, it is important to consider the impact of the proposed fare changes on accessibility. We evaluated the proposed fare changes using an accessibility lens to ensure the proposed changes do not adversely affect low-income and minority populations (protected populations). We also evaluated proposed fare changes to ensure that non-low-income and non-minority populations (non-protected populations) do not disproportionately benefit from the proposed fare changes. We detailed our analysis and findings in the Fare Accessibility Analysis Report.

8.1 Methodology

This section describes the methodological approach used to analyze the proposed short-term fare changes and the longer-term fare changes. We used data from AMAT's 2025 Origin Destination Survey (OD Survey), also referred to as the Onboard Survey, and fare sales and usage data provided by PTD.

8.1.1 Short-Term Fare Changes

To quantitatively assess the impacts associated with the proposed fare changes on minority and low-income populations, it is necessary to use data sets that present fare payment behavior that can be segregated by ethnicity and income as the basis of the analysis. This allows an analysis that can better isolate rider populations that may be affected by the fare change and compare these groups to the non-protected rider population.

We used an average fare analysis methodology for the Fare Accessibility Analysis that considers not only the unique ticket type, but also the number of unlinked trips per use, disaggregated by income and ethnicity. As a result, the average fare per unlinked trip is somewhat less than the posted fare price. Using this analysis, it is possible to analyze the impacts of the proposed fare change on the ridership based on how each population pays their fare and uses the system. This methodology is not dissimilar to a formal Title VI Fare Equity Analysis, although there are several differences that are discussed in the Data and Key Assumptions sections of the Fare Accessibility Analysis Report.

We conducted an average fare analysis only on the short-term proposed fare changes.

8.1.2 Demographic Profile for Long-Term Fare Changes

After the average fare analysis, we determined a demographic profile of who is left after implementation of the short-term fare-free programs. Essentially, we see how many riders will continue to purchase full fare products

and reduced fare products after fare-free are implemented for youth, seniors, veterans, and paratransit eligible riders. For the remaining paying riders, we determined the number and percentage of minority and low-income riders per fare product. The demographic profile shows how many riders will potentially be eligible for a low-income fare program and supports our recommendation to make fare capping accessible for protected populations.

8.2 Findings

8.2.1 Short-Term Fare Changes Average Fare Analysis

Overall, the short-term fare changes benefit vulnerable rider groups (seniors, veterans, youth, disabled riders, Medicare riders, and paratransit eligible riders), as shown in Table 31.

Table 31. Average Fare per Boarding for All Riders and Rider Categories

	Average Fare Per Boarding									
	Systemwide, All Rider Types		Minority		Non-Minority		Low-Income		Non-Low-Income	
	Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed	Existing	Proposed
Impacts of proposed short-term fare changes	$1.06	$0.85	$1.05	$0.84	$1.09	$0.87	$1.06	$0.84	$1.06	$0.85
		-19.88%		-19.59%		-20.52%		-20.04%		-19.47%

Among existing People Mover riders, the current average fare for minority riders ($1.05) is slightly lower than all riders ($1.06) and non-minority riders ($1.09). The current average fare for low-income riders ($1.06) is the same as all riders ($1.06) and non-low-income riders ($1.06).

The percentage decrease in the average fare per boarding for low-income riders is greater than for non-low-income riders, while the percentage decrease in the average fare per boarding for minority riders is slightly less than for non-minority riders:

- Minority Riders: the average fare per boarding is expected to decrease from $1.05 to $0.84, a 19.59% decrease.
- Non-Minority Riders: the average fare is expected to decrease from $1.09 to $0.87, a 20.52% decrease.
- Low-Income Riders: the average fare is expected to decrease from $1.06 to $0.84, a 20.04% decrease.
- Non-Low-Income Riders: the average fare is expected to decrease from $1.06 to $0.85, a 19.47% decrease

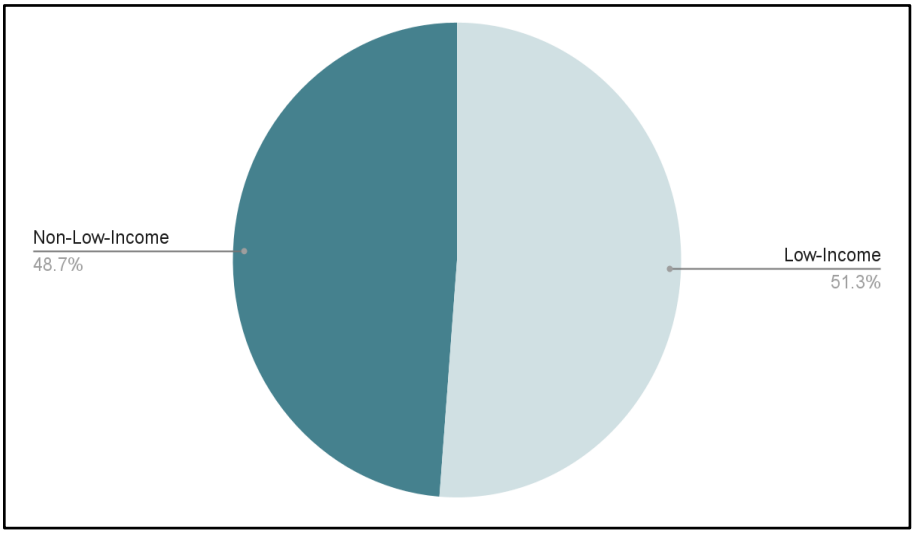
The analysis shows that the proposed fare changes significantly benefit all riders and do not disproportionately benefit non-minority or non-low-income riders. Therefore, we can assume that the proposed fare changes will help to increase the accessibility of People Mover. The proposed fare changes meet the fare policy goal of ensuring accessibility for all.

8.2.2 Demographic Profile for Long-Term Fare Changes

After the implementation of short-term fare changes, there will be a proportion of People Mover riders who will continue to pay a fare, either full fare or half fares. We are able to determine an approximate demographic profile of the rider population who will continue to pay fares, and we will suggest ways to support this population in accessing PTD's fare structure. The following bullets and charts detail overall characteristics of the proposed fare-paying population:

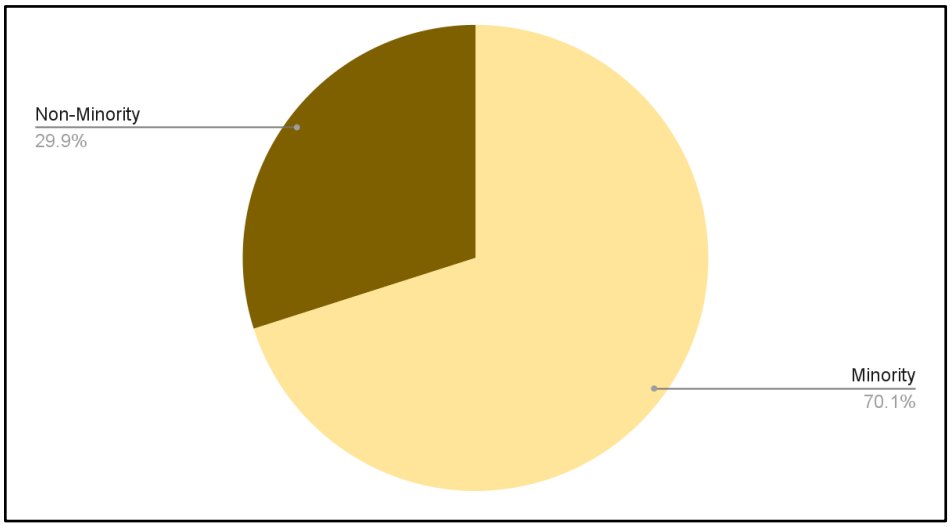
- Approximately 60% of Anchorage PTD riders will continue to pay a fare after the short-term fare changes are implemented
- Of the remaining fare paying riders, approximately 51% are from households with low incomes (see Figure 2)
    - If PTD implements a low-income fare program, almost half of the remaining fare-paying customers could be eligible for the fare program.

Figure 2. Proportion of Fare-Paying Riders with Low Incomes



- Approximately 70% of the remaining fare-paying riders identify as a member of a minority group (see Figure 3)

Figure 3. Racial/Ethnic Profile of Fare-Paying Riders



Overall, riders who will continue to pay a fare after the short-term fare changes are similar demographically to current systemwide ridership. The short-term fare changes significantly increase the proportion of People Mover riders who will ride fare-free (i.e., from approximately 12% fare-free before the fare changes to approximately 40% fare-free after the changes).

8.2.2.1 Smartphone and Bank Account Access

Since fare capping requires an account-based ticketing system, transit agencies implementing fare capping should consider their ridership's access to smartphones and bank accounts. The following details People Mover riders' access to smartphone and bank accounts.

- According to the OD Survey, almost 95% of People Mover riders have access to a debit or credit card (1,291 respondents out of 1,365 total)
- Similarly, approximately 94% of People Mover riders have a phone with internet (1,285 respondents out of 1,365 total)

While the overwhelming majority of People Mover riders have access to smartphones and credit and debit cards, this looks slightly different for low-income riders:

- Out of all respondents with low incomes, approximately 91% have access to a smartphone
- Out of all respondents with low incomes, approximately 91% have access to a debit or credit card

People Mover riders who identify as a member of a minority group have the same access to debit or credit cards (95%) and smartphones (94%) as systemwide ridership.

8.2.2.2 Low-Income Fare Program

If PTD develops a low-income fare program, there are several aspects to the program that will need to be determined:

- Income eligibility criteria
- Eligibility verification
- Personal Identifiable Information (PII) compliance

- Discount level

Some of these decisions will impact the accessibility of the program. PTD should consider if there is funding to offset fare revenue and to support administrative overhead after implementing a low-income fare program. If a low-income fare program results in a loss of revenue for service improvements, for example, service cuts could ultimately harm low-income riders more than proceeding with fares for that rider group.

8.3 Recommendations

8.3.1 Short-Term Fare Changes

Overall, the short-term fare changes benefit vulnerable rider groups (seniors, veterans, youth, riders with disabilities, riders with Medicare, and paratransit eligible riders). Riders who will continue to pay a fare after the short-term fare changes are similar demographically to current systemwide ridership. The short-term fare changes significantly increase the proportion of People Mover riders who will ride fare-free (i.e., from approximately 12% fare-free before the fare changes to approximately 40% fare-free after the changes). In terms of Title VI, the short-term fare changes slightly benefit riders with low incomes. As such, there are no needed mitigations for these fare changes, especially if PTD continues to evaluate eligibility and conduct eligibility verification processes in the same ways.

8.3.2 Long-Term Fare Changes

The Fare Accessibility Analysis showed that the proposed long-term fare changes will impact a population of riders wherein approximately 50% of those riders come from low-income households, with the majority identifying as a member of a minority group. The Fare Accessibility Analysis Report details accessibility measures to consider as they relate to:

- Implementing fare capping
- Introducing a low-income fare program

PTD should consider if there is funding to offset fare revenue and to support administrative overhead after implementing a low-income fare program. If a low-income fare program results in a loss of revenue for service improvements, for example, service cuts could ultimately harm low-income riders more than proceeding with fares for that rider group.

9 Next Steps

On the following pages, we outline a potential path to implementing the fare policy and fare collection recommendations, as well as provide some advice for measuring and monitoring changes in outcomes stemming from implementation of the recommendations.

9.1 Implementation

In Table 32, we have provided a notional schedule for implementing this study's recommendations. Actual implementation timelines will be dependent on PTD's procurement process and timeline and should be adjusted as needed to incorporate sufficient time for system testing and staff training as well as a well-publicized customer launch. We recommend initially launching the new ABT solution with incentives for customers to migrate, such as fare capping and reduced pass multiples. Adoption of new technology will be limited as long as legacy fare media remains available; PTD should ultimately eliminate legacy fare media to simplify the customer experience and streamline PTD's fare collection administration.

Table 32. Proposed Schedule for Implementing Study Recommendations

Phase	Q3 2025	Q4 2025	Q1 2026	Q 2 2026	Q3 2026	Q4 2026	Q1 2027	Q 2 2027	Q3 2027	Q4 2027	2028 & Beyond
Phase I: Introduce Fare-Free & ABT Procurement	Introduce fare-free for Specific Rider Groups Launch Mobile Tix for Paratransit Draft & Release ABT RFP										
Phase II: ABT Launch			ABT Vendor NTP				ABT System Launch				
Phase III: Fare Migration & Simplification							Introduce Fare Capping Stop Selling 90 Day Pass Reduce Pass Multiples		Introduce Low Income Program Stop Magstripe Pre-Purchase Sales Stop Reloads of Legacy Smartcard		Stop Acceptance of Magstripe
Phase IV: Enhancements											Upgrade Remaining Fareboxes Explore Launching Open Payments and/or Cash Digitization Network

9.2 Monitoring

PTD should monitor the impact of the fare structure and policy changes to assess how well they meet the fare policy goals. The monitoring should include analysis of fare revenue, fare product and fare media usage, as well as analysis of the impacts of the recommendations on vulnerable rider groups.

The Accessibility Analysis report includes more detail on the specific requirements for a comprehensive monitoring program. The monitoring should include:

- Trends in total ridership on People Mover and AnchorRIDES
- Trends in fare product sales and usage using fare collection data
- Trends in fare media usage including changes in cash purchases onboard vehicles
- Trends in customer satisfaction with fares through the People Mover Rider Survey
- Fare collection costs including operations and maintenance

The source for the majority of this data will be the fare collection system. PTD should ensure that the requirements for the system include the ability to collect this data. Regular rider surveys will also be required to determine rider demographics, fare usage, and any fare collection pain points.