

WORKING TOWARD FREE TRANSIT:

UNIVERSAL PASS

FOR THE

WORKING CLASS

COPE

Vancouver's public transit goals

Vancouver calls itself the “greenest city” in the world. But the city hasn't always walked the talk.

For example, the biggest source of carbon emissions in the lower mainland is personal vehicles, which cause over 5 million tonnes to be released into the atmosphere every year. Yet the current Vancouver city council is seeking to reduce automobile usage in Vancouver from 55% of trips in the city, to 33% -- but not until 2040. There's no reason to wait 20 years.

Over 100 cities around the world offer free transit to their residents. Tallinn in Estonia, comparable in size to Vancouver, has had huge success by granting a free transit pass to all residents, increasing ridership, and immediately cutting congestion by over 10%. Large cities like Paris in Europe and Edmonton in Alberta are now looking at this model.

If Vancouver is to become a truly green city before 2040, we have to act now. COPE is calling for a Universal Transit Pass program to work toward free transit. There are four parts to the program:

First, **free transit for kids**. There are 86,000 kids in Vancouver between the ages of 5-18, and 17,000 of them live in low-income families. Their families are already struggling to pay rent, why would we make them pay for a 5 year-old child to take the bus?

Second, we'll **extend the low-income seniors bus pass program to all low-income people**. There's no logical reason why a 65 year-old person with low income qualifies for a free BC Bus Pass, but a 64 year-old with low income has to pay \$174/month for a 3-zone pass. There are 80,000 people in Vancouver who live in low-income households. Calgary has a cheap bus pass for low-income people. If Calgary can do it, so can Vancouver.

Third, we'll **extend the Universal bus pass that we have at colleges and universities, which costs \$41/month, to all working-class people with low to median income** -- that's people earning between about \$25,000 to \$65,000 per year (depending on family size). There are 186,000 adults who would be eligible for this UPass for the working class.

Finally, the Universal Pass will also allow pass-holders to access Park Board programs that have admission fees, such as swimming pools, skating rinks, and fitness centres. The U-Pass will be a “key to the city” for Vancouver's working class. (See last section)

It does not cost much to reduce transit fares. Free fares for kids would cost \$10.5 million/year, low-income passes \$29 million, and middle income passes, between \$20-40 million. The total cost for these U-Passes for most needy in our city will be well under \$80 million. (Table 1)

	Eligible	# of commuters	Increase in commuters	Current revenues (\$M)	Projected Revenue (\$M)	Net cost (\$M)
Children 5-18	86,000	26,000	6,500 - 13,000	11	0	10.5
Low-income (18-64)	80,000	24,000	6,000 - 12,000	29	0	29
Middle-income (>18)	186,000	56,000	8,000 - 16,000	80	40 - 60	20 - 40
Total		106,000	20,000 - 40,000	120	40 - 60	60 - 80

Table 1. Impact of U-Pass for the working class on revenues and ridership: Lost fare revenues and increased ridership

Of course, TransLink cannot absorb those all these costs with its current funding structure. COPE's plan is to use the funds obtained by the recently announced increases in carbon tax. Just the increase of the tax paid by Vancouver residents would pay for it (Table 2).

Higher ridership and more buses

By eliminating and reducing fares, more people will take transit. With the U-Pass for the working class, immediately there will be 20,000 new transit commuters and, in the long run, 40,000 new commuters taking transit.

To meet this demand will require more buses and transit infrastructure. Those buses plus more drivers and other operational costs would cost under \$50 million per year in the short term, and under \$100 million per year in the long term.

We need more buses across Vancouver and the region. This means that we have to work with the provincial government and Translink to put more of the carbon tax revenues toward buying more buses.

Even the highest estimated cost of this program -- including reduced fares and all the new buses -- could be funded by 2/3rds of the carbon tax revenues collected from the City of Vancouver alone. (Table 2)

The province said in its [2018 budget](#) that “Revenues generated from carbon tax increases will be focused on three broad areas:

- 1) Carbon tax relief for low- and moderate-income British Columbians
- 2) Support for emissions intense industry to transition to a low-carbon economy
- 3) New green initiatives to grow innovation and investment” -p75

We think that reducing fares and increasing transit ridership meets all three of these goals.

The BC NDP argued in 2013 that the carbon tax should go toward transit. They criticized the BC Liberals’ Gordon Campbell and Christy Clark for not doing so. Last year the Mayor’s council argued that carbon tax revenues should help with transit expansion. We agree. Now let’s make it happen.

We believe the U-Pass for the working class will be a very popular use of carbon tax revenues. To date, carbon tax revenues are given away as tax credits to corporations, or disappear into general revenues. Do “low- and moderate-income British Columbians” feel like they’re benefiting from the carbon tax? Do they even know what it’s being used for? We believe that people will show more support for the carbon tax if it’s helping them save money on buses, getting more buses (especially electric buses), and letting them leave their cars behind.

This program will not be free, but there’s no better way to spend carbon tax revenues: If we want to fight climate change and reduce harmful air pollution in our city, we need to get people out of their cars and get on transit. We’ve all heard the phrase: You can’t build your way out of congestion. But you can provide enough affordable and attractive transit to take 40,000 cars off the road.

	2018	2019	2020	2021
Per tonne	\$35	\$40	\$45	\$50
Carbon tax collected from city of Vancouver	175	208	241	275
Increased carbon tax collected from city of Van (above 2018 levels)	-	34	67	102

Table 2. The city of Vancouver’s portion of carbon tax revenues: Increasing by over \$100 million over the next four years.

COMPONENTS OF THE PLAN

Transit usage in the City of Vancouver

35% of Translink boardings occurred in the City of Vancouver. Translink collected a total of \$559 million in fares last year, or about \$196 million from people living in the City of Vancouver.

Free transit for kids 18 and under

The city of Seattle recently introduced free bus passes to high school students. Edmonton, Toronto, and Halifax have free transit for most kids. But in Vancouver, transit is only free for kids under 5. Kids 5-18 pay concession fares, or \$3.90 for a three-zone ticket and \$54 for a monthly pass.

There are 86,000 kids in Vancouver between the ages of 5-18. TransLink [reports that they get \\$30 million in revenues from kids](#) across Metro Vancouver each year, which would translate to \$10.5 million from those under 18 living in the City of Vancouver. Free transit for kids under the age of 18 in the city of Vancouver would cost \$10.5 million annually.

\$45/year Upass for transit users with low-income

Calgary has a low-income pass, as little as \$5/month for people with very low income. If Calgary can do it, so can Vancouver.

There are 80,000 people with low-income between the ages of 18 and 64 in the city of Vancouver, according to Stats Canada's low-income measure. Low-income is defined as people earning under about \$20,000 to \$40,000 per year, depending on household size. About 13% of all transit users in Vancouver would qualify for the free low-income pass.

Fares: Translink collects \$29 million in fares from low-income transit users in the city of Vancouver. Providing them with free bus passes would have an initial cost \$29 million in lost fares. Low-income seniors should already be eligible for the BC Bus Pass program.

Ridership and operating costs: With this free universal pass -- that is, a 100% reduction in fares -- we would expect an initial 25% increase in ridership in this demographic. Accommodating these new transit users will require an extra \$16 million in operating costs, such as new buses. About 24,000 low-income Vancouverites currently use public

transit as their preferred mode of transportation, so increased ridership would translate into 6,000 extra commuters whose cars would be off the road. In the long run, we'd expect a 50% increase in ridership in this demographic, taking up to 12,000 cars off the road and costing \$32 million in new operational costs.

\$41/month Upass for transit users with middle-income

The \$41/month Universal Pass will be made available to households which earn above the low-income measure but below the median income (an average of \$65,000, with a range based on household size). The \$41/month price is based on the cost of the Universal Pass program currently offered to college and university students.

There are 186,000 adults, including seniors, in this "middle-income" category in the city of Vancouver. While the college/university U-Pass program is opt-out, COPE's U-Pass for the working class program will be opt-in, meaning no one will be forced to purchase the pass.

Fares: While the opt-out college/university U-Pass program is revenue neutral with respect to fares, the opt-in U-Pass for the working class could result in a decrease in Translink revenues. Translink currently collects \$80 million in fares from adults whose income is between the low-income and median thresholds. If only those middle-income adults who commute everyday purchase the pass, the pass would bring in at least \$40 million/year with expected increases in ridership. There could be up to a \$40 million loss in fare revenues; however, in practice the loss would be much less because many users will still purchase individual tickets, and some non-commuters are likely to purchase the affordable pass as well.

Ridership and operating costs: The \$41/ month U-Pass results in an average of a 60% reduction in fares for commuters. Using the same elasticity estimate, this would result in a 15% increase in ridership in the short-term, and a 30% increase over the longer. While only 56,000 middle-income adults commute by transit every day, that number would rise to 73,000 in the long-run, taking over 15,000 cars off the road. The pass would bring at least \$40 million; this demographic normally spends about \$80 million on transit, so we estimate there would be a \$20 - \$40 million shortfall.

Universal Pass: Access to Parks and Recreation programs

Vancouver has become more unaffordable for people who aren't millionaires and billionaires. Real estate developers and speculators have effectively been given the "keys to the city." But renters, workers, low-income people, and especially kids should live healthy lives. They deserve access to the city services. The Universal Pass will be a "key to the city" for the working class.

Kids and people with low-income and middle-income would be able to access transit with this pass. But we'd also make sure that this Universal Pass would give them access to Park Board programs.

Today, recreational programs like swimming pools, skating rinks, and fitness centres have fees high enough to stop kids from using them. These programs used to be free for kids under 5, but now even 3 year-olds have to pay fees. For three-year olds, it costs \$3.05 to go swimming, and \$2.90 to go skating.

But with a Universal Pass to the city, all kids under 18 would be able to access community centre programs, swimming pools, and skating rinks, no matter how much money their parents earn. And with the low-income and middle income Universal Passes, people who are struggling to pay rent won't have to choose between putting food on the table and recreation.

The cost of this program would be less than the cuts Vision Vancouver made to the Park Board. The Park Board collects \$9.3 million in admission fees each year, which would translate into under \$5 million for U-Pass holders to access these programs. Between 2008 and 2010, the city cited the economic recession as a justification for cutting [\\$5 million](#) from the Park Board budget. Since that time, economic activity has returned but funding hasn't been restored.

The cost of removing these financial barriers is small, and the benefit so large, that it's amazing we haven't done this already. Let's make sure that all Vancouverites, no matter what their income, can enjoy Vancouver's parks and recreation programs.