

# Equitable Fares through Account-Based Systems



*As cities and transit agencies strive to increase ridership and address equity, account-based fare systems have emerged as a viable solution. These systems not only enhance operational efficiency but also offer various equitable fare practices, making public transit more accessible for all riders. This white paper explores the advantages of account-based fare systems, highlights current equitable practices by transit agencies, and addresses the challenges associated with zero-fare policies.*



More equitable & efficient



Enhanced service quality



Accessible service for all



# Zero Fares & Account-Based Systems



## Unlocking the Impact of Zero Fares with Account-Based Systems

### › Introduction: The Shift to Account-Based Systems

Zero-fare policies have been proposed as a means to increase ridership and promote equity. However, they often lead to operational challenges such as funding gaps and security concerns. In contrast, account-based fare systems offer innovative strategies to manage fares more equitably while maintaining service quality and financial sustainability. This white paper discusses the benefits of account-based systems and examines how transit agencies are leveraging these systems to implement equitable fare practices.

### › Advantages of Account-Based Fare Systems

#### Enhanced Equity

Account-based fare systems provide a framework for implementing fare strategies tailored to individual needs. Features such as fare capping (the practice of capping fares after the cost of a daily or monthly pass have been met), income-based discounts, and targeted free services help address financial barriers for riders. For instance, Metrolink in Los Angeles allows the use of Electronic Benefit Transfer (EBT) cards at ticket vending machines for discounted fares, ensuring affordable transportation for individuals on public assistance.



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## Operational Efficiency

By streamlining boarding processes and reducing transaction times, account-based systems improve operational efficiency. These systems minimize the need for cash handling and physical ticketing, which can slow down service and increase administrative costs. The Pinellas Suncoast Transit Authority (PSTA) in Florida has integrated Cash App into its fare system, allowing riders to easily pay for transit using their smartphones or a free, contactless physical card, which enhances both efficiency and accessibility.

## Improved Rider Experience

Account-based systems simplify the payment process with tap-and-go contactless solutions, providing a more convenient experience for riders. Additionally, these systems offer flexible fare options, such as discounts for

seniors, disabled persons, and students, which can be easily managed through digital platforms.

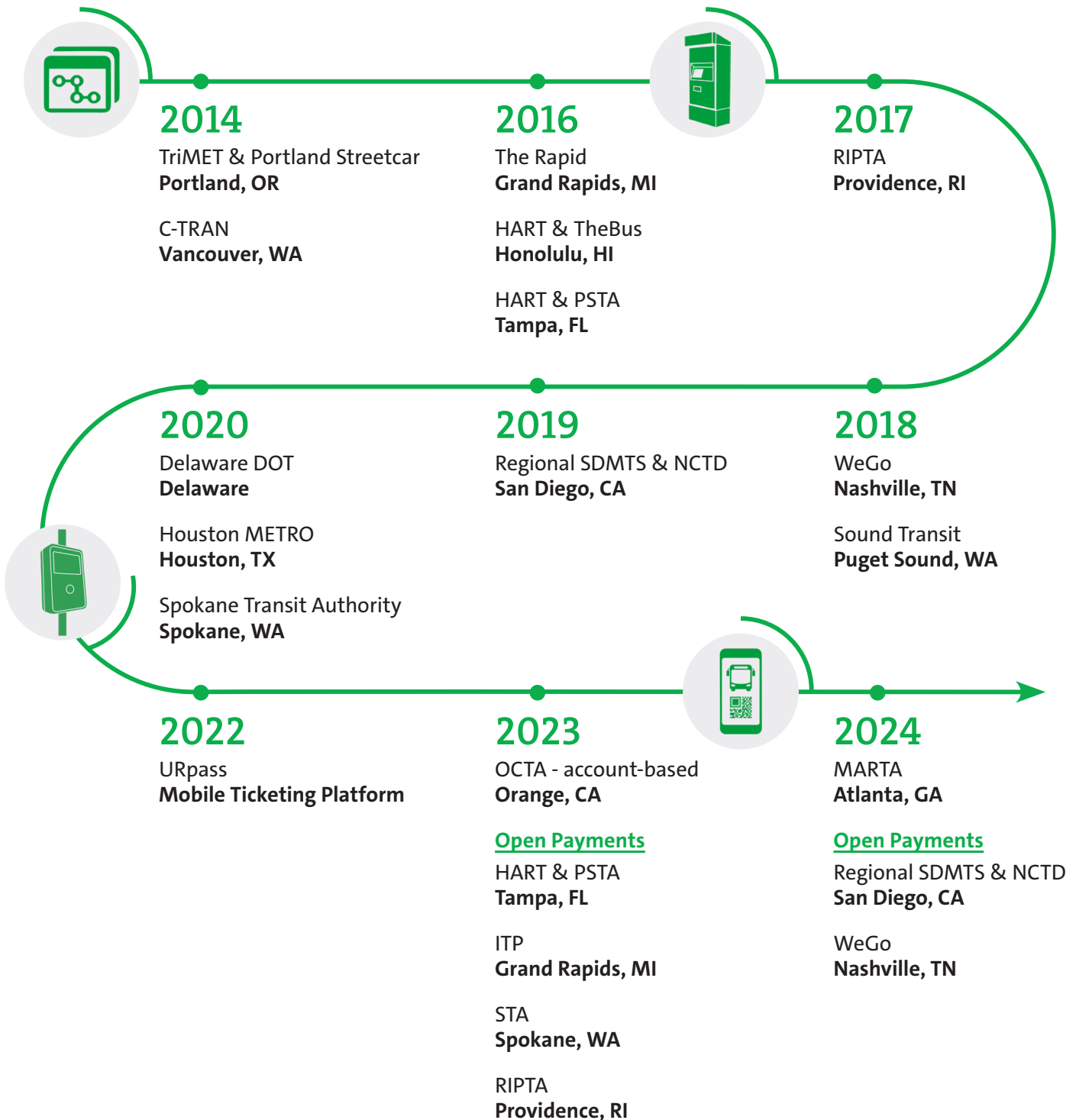
## › Equitable Practices by Transit Agencies

### PSTA Offers Fare Capping on Open Payments

PSTA supports fare capping with open-loop payments, accommodating credit and debit card users, and promoting broader fare accessibility. To further enhance affordability, PSTA offers a 50% discount to seniors, disabled persons, adult students, and youth aged nine to eighteen who have the option to use the account-based system or register and tap their contactless EMV cards. Registration allows these more vulnerable transit users the same convenient payment method and fare capping benefits as all other riders.

# Zero Fares & Account-Based Systems

## INIT's fare management history



# Zero Fares & Account-Based Systems

## **SDMTS Uses AI in Fare Technology**

The Metropolitan Transit System (MTS) in San Diego has leveraged artificial intelligence (AI) technology to simplify the process of obtaining discounted fares for senior citizens. Instead of requiring interaction with customer service representatives, senior citizens can now simply take a picture of their driver's license and upload it online. AI algorithms analyze the image to verify the age and automatically qualify them for discounted fares. This automation streamlines the process, reducing wait times and eliminating the need for additional paperwork or manual intervention.

## **RIPTA Launches Geofenced Zero Fares**

The Rhode Island Public Transportation Authority (RIPTA) has implemented a geofenced free-fare zone, using an account-based fare system. Riders in the densely populated Central Falls area can travel for free using their contactless Wave card or mobile app. This program aims to boost public transportation usage through potential partnerships with universities, business associations, or social service agencies sponsoring localized ridership.

## **Metrolink's EBT Card Integration**

Metrolink, while not an account-based system, has integrated EBT cards for discounted fares at INIT ticket vending machines demonstrating a commitment to fare equity. This integration facilitates affordable transportation for individuals on public assistance, connecting them to employment, education, and essential services.

## **› Conclusion**

While zero-fare policies aim to increase ridership and promote equity, they often lead to operational challenges such as funding gaps and security concerns. Transitioning to an account-based fare system can provide a more equitable, efficient, and sustainable approach to managing fares. By adopting advanced fare technologies and embracing flexible fare policies, transit agencies can enhance service quality, ensure that public transit remains accessible to all community members, and, through innovative practices and strategic implementation, provide a promising solution to the challenges of zero-fare policies while promoting equity and operational efficiency.





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[sales@initusa.com](mailto:sales@initusa.com) | [www.initusa.com](http://www.initusa.com)

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