

FREX Fare Analysis



Front Range Express (FREX) is a commuter bus service operating between Colorado Springs and Denver. Nelson\Nygaard completed a fare analysis to develop recommendations for a new fare structure. There were four primary objectives of this system-wide fare policy study: fares should be fair and equitable for all passengers; fares should be easy to understand; fares should ensure long-term financial sustainability and high quality of service; fares should cover 50% of system-wide operating costs.

The study included a comprehensive analysis of the existing fare structure, potential new fare structures, and the expected impact on ridership and revenue. Passenger surveys were analyzed, and a fare model was developed to quantitatively evaluate fare alternatives. A nationwide peer review was also conducted to gather information about services similar to FREX and their experiences with fare increases and alternative fare structures. A model was developed to predict future ridership and revenue impacts based on recent trends and expectations of customer response to a fare increase.

Several basic fare options were explored, including an across the board increase in fares, and different fare levels for different route segments, time-periods, and/or passenger categories. The elasticity of demand for the service was estimated to evaluate the potential impact on ridership due to changes in the fares.

The recommendations included a modest immediate fare increase in year one, and a second fare increase in year two. The recommendations were adopted by the City Council and the new fare went into effect in February 2007.

Project Duration: 2006–2007

Total Budget: \$27,575

For more information:

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