



Reasonable Sharing of Transfer Discount Subsidies for Gyeonggi Province Urban Railway

Integrated public transit fare system is operated within Seoul Metropolitan area. Passengers only pay distance-based fare even though they transfer transportation modes four times. Operation company must share the public transit fee, but Gyeonggi province subsidize for the loss in transfer discounts. Transfer discount subsidies will continue to increase as the length of urban railways and passengers increase. The purpose of this study is to prepare a rational allocation plan for the transfer discount subsidies for Gyeonggi province urban railway.

There are three criteria for setting standard of transfer discount subsidies for urban railways: bus transit discount support rate (25%), Seoul Metropolitan railway operators' transfer loss amount support rate (46%), and Gyeonggi province transportation sector support rate (100%). Urban railways function more of a regular bus managing transportation within a city, rather than a wide area. Considering the loss caused by free rides of elderly, it is desirable for Gyeonggi Province to support 30% of the transfer discount.

If differentiating standard transfer discount price to 450 won for Gimpo, 500 won for Uijeongbu, and 550 won for Yongin respectively, transfer discount subsidies for the three urban railways predict to be 11.36 billion won in 2020, 14.87 billion won in 2025, and 16.12 billion won in 2030. In connection with public transportation fee increase, which will lead to profit increase, it is necessary make changes so that the share of

transfer discount subsidies decreases. The transit discount rate can be reduced to 90.7% when the public transportation fee is raised by 100 won, or to 83.0% by 200 won. In order to solve the problem of increase in transfer discount subsidies as the demand grows, the Gyeonggi province transfer discount subsidies' maximum limit and total amount should be considered. In the future, the deficit caused by free rides of the elderly is expected to increase continuously due to the aging of population. Therefore, legislative amendments need to be made in cooperation with urban railway management departments and ways to reduce deficit through increased demand should also be sought.

Keyword Integrated Public Transit Fare System, Transfer Discount Subsidies, Deficit, Urban Railway