

COMMUTER CHOICE

Now More Than Ever . . .
America's Way to Work





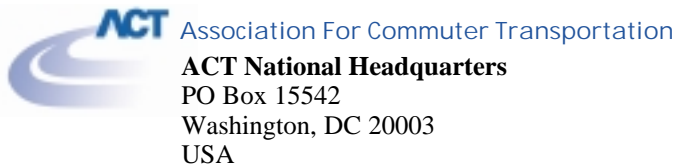
Commuter Choice

America's Way to Work



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In communities throughout the country, longer and more stressful commuting is often front-page news... and the news isn't good. Traffic congestion is getting worse, delays seem to be more numerous, and the rush "hour" is getting longer. Commuters are spending more time stuck in traffic – which means less productive time at their jobs and less valuable time with their families.

Recognizing the serious consequences that today's commuting environment has on our economic vitality, productivity, and quality of life, more and more employers and public agencies are turning to Commuter Choice to expand the availability and ensure the viability of real "choices" in how people get around.

Commuter Choice is a nationwide partnership between government and business designed to help employers create customized solutions to their employees' commuting challenges. Commuter Choice can also include communities working with residents, schools working with students, and even developers working with future tenants to provide and promote choices for travelers.

For years, the term Commuter Choice referred simply to the tax incentives available to employers and commuters. While these and other incentives remain a critical part of the overall equation, Commuter Choice is now taking on a broader, more comprehensive meaning that encompasses the full spectrum of commuting choices, supporting programs and organizational resources.

With Commuter Choice, employers and communities across the country are turning commuting challenges into significant opportunities where everyone benefits. With commuter choice programs, public agencies that operate the transportation systems in our nation can realize a better balance between supply and demand. Employers can attract and retain employees and reduce employees' commuting stress.

Please take a moment to review the following pages to learn more about Commuter Choice and to find out where to turn for additional information and resources.

Now, more than ever, Commuter Choice is America's Way to Work.



Elizabeth Stutts
ACT President



Stuart M. Anderson
ACT Executive Director

Commuting Challenges...

The challenges of the commute are affecting more and more people across the country, from large cities to smaller communities.

- Traffic congestion is taking its toll. The cost of traffic congestion in 1999 came to \$78 billion nationwide. This total includes the cost of 4.5 billion hours of lost time due to traffic delays and 6.8 billion gallons of fuel wasted while sitting in traffic.
- People are driving longer distances and more often. Between 1982 and 1999, the average community's population grew by just 22%. However, over that same period, the number of miles driven each day increased by 70%.
- Not only are people driving more miles each day, they're driving more of those miles stuck in traffic delays. Between 1982 and 1999, travel delays increased by 235%. The average commuter spent 36 hours each year stuck in traffic in 1999.
- The challenges of traffic congestion are not limited to large communities. In fact, communities with under one million people have experienced even greater increases in travel delay than their larger counterparts.
- A longer rush-hour means more congestion, more often. The average rush hour trip now takes 32% longer than the same trip taken during non-rush hour conditions.
- Commuter stress is on the rise. Facing traffic gridlock, along with unpredictable travel times due to incidents and weather, commuters are stressed and nerves are frayed.



... Impact Our Businesses & Communities

Traffic congestion and travel delay are not only impacting commuters, they're impacting the vitality of businesses and the vibrancy of communities.

Impacts on businesses...

- **Job Satisfaction & Employee Retention.** For many employees, the commute is considered an extension of the work day. A stressful commute seriously impacts an employee's sense of job satisfaction—negatively affecting employee retention.
- **Employee Recruitment.** The transportation network is an organization's lifeline to labor markets. The efficiency of that network plays a significant role in a business' ability to attract good employees and access new labor markets.
- **Employee Turnover.** New employees are expensive to recruit and train, and are typically less productive in their early months of employment. Commuting challenges can be a major factor in employee turnover, producing serious impacts to an organization's bottom line.
- **Productivity.** Employees arriving to work late, or stressed from the long commute, negatively impact overall productivity and the quality of the work environment.
- **Land & Facility Costs.** Parking facilities are expensive to construct and maintain, and parking shortages affect an organization's ability to support continued expansion.

Impacts on communities...

- **Quality of Life / Community Character.** The quality of the commute plays a significant role in the overall perception of quality of life in a community.
- **Air Quality.** Increased vehicle travel and worsening traffic congestion are major factors in deteriorating air quality, often with significant health implications.
- **Infrastructure Costs & Construction Impacts.** Communities all over the country are struggling to keep pace with the enormous costs of transportation infrastructure. Transportation projects take a long time to plan, and construction often creates additional impacts on traffic congestion and community character.
- **Economic Development.** Commuting challenges negatively impact a community's ability to attract new jobs and maintain overall economic health.

Commuter Choice

... moving from challenge to opportunity

Throughout the country, employers and communities are responding to the growing challenges and impacts of the commute by participating in Commuter Choice.

What is Commuter Choice?

Commuter Choice is a nationwide partnership designed to help employers create customized solutions to their employees' commuting challenges. Commuter Choice can also include communities working with residents, schools working with students, and even developers working with future tenants to provide and promote choices for travelers.

With employers, communities and others working together, Commuter Choice is expanding the availability and improving the viability of real "choices" in how people get around. By diversifying and customizing their approach to solving commuting challenges, employers and others are creating attractive, more profitable places to work and communities are creating healthier, more vibrant places to live.

What Are the Key Components of Commuter Choice?

1. Commuting Choices: Expanding the Availability of Real Choices in the Commute

The how, when, where, and "if" of the commute...

See PAGE 5 for additional information.

2. Supporting Programs: Improving the Viability & Attractiveness of Commuting Choices

The role of Commuter Choice Tax Incentives and other programs...

See PAGE 9 for additional information.

3. Partnerships & Resources: Providing the Foundation for Implementation & Success

Resources to get a Commuter Choice program off the ground...

See PAGE 11 for additional information.



Commuting Choices...

...putting "choice" back in the commute

Everyone faces a commute that's just a bit different. From what time they leave home in the morning to the specific route they take, each commuter must find customized travel solutions to meet their individual needs. The more choices that are available, the more opportunities the commuter has to create a personalized commute solution.

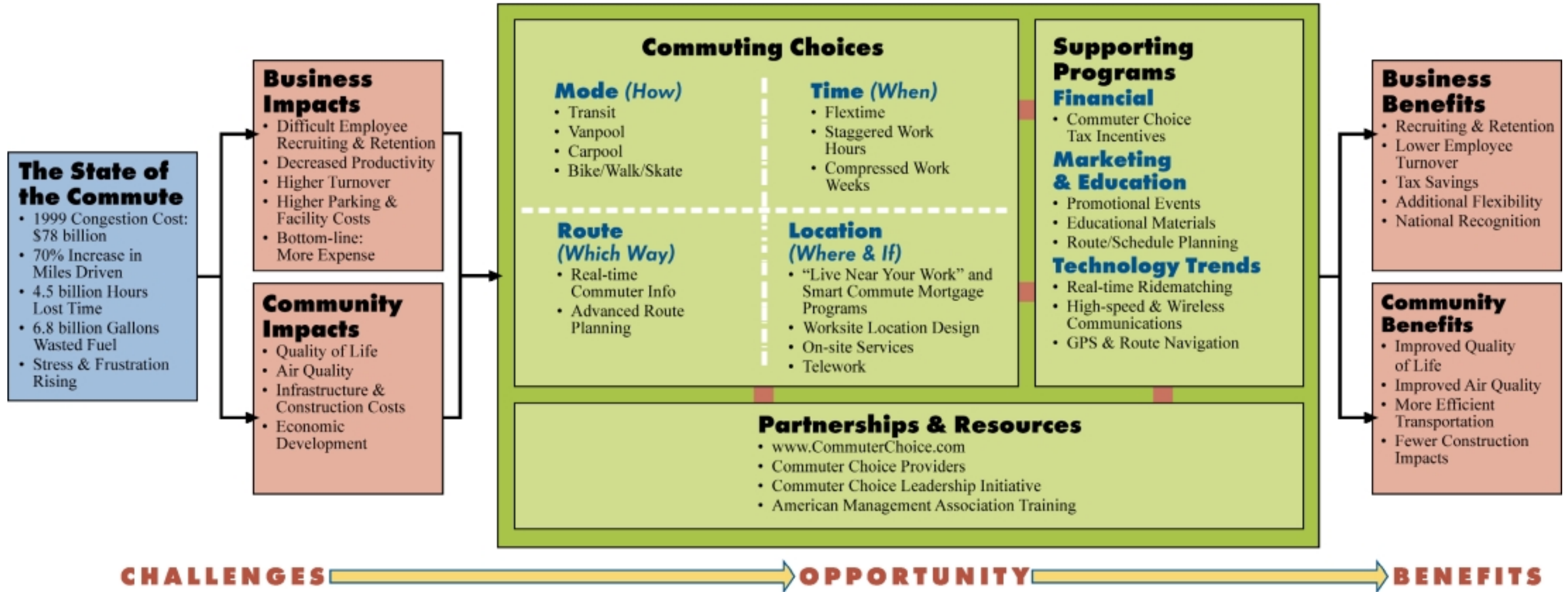
- Mode Choice... *How will I commute?*
- Time Choice... *When will I commute?*
- Route Choice... *Which way will I commute?*
- Location Choice... *Where will I commute, or will I commute at all?*

Mode Choice (*How*)

Whether taking mass transit or walking, commuters gravitate to travel options that best fit their individual lifestyle and personal preferences. Commuting alternatives and supporting strategies are listed below:

- **Transit** - traveling all or a portion of the commute on rail, ferries, buses or shuttles. Some programs which support transit include Commuter Choice Tax Incentives (see p. 9), transit pass programs, Bus/HOV lanes for buses, and guaranteed ride home (a program offering an emergency ride home for employees with personal emergencies or unplanned overtime).
- **Vanpool** - commuter highway vehicles, driven by an employee, carrying 7-15 commuters to and from work. Some programs which support vanpooling include Commuter Choice Tax Incentives (see p. 9), preferential parking, Bus/HOV Lanes, ridematching and guaranteed ride home.
- **Carpool** - 2-6 employees sharing a ride in a private vehicle. Some programs which support carpooling include preferential parking, Bus/HOV lanes, ridematching, parking cash out (see p. 9) and guaranteed ride home.
- **Bike / Walk / Skate** - Programs which support bicycling, walking and skating include parking cash out (see p. 9), guaranteed ride home and other support facilities (bike racks, lockers, showers, etc.).

COMMUTER CHOICE



Time Choice (*When*)

Commuters often adjust their travel schedules to avoid rush-hour or to work around childcare or school schedules. The following alternatives can reduce rush-hour congestion, mitigate worksite access problems and parking crunches and decrease commuter stress.

- **Flextime** - offering employees the option of "flexing" their arrival/departure times.
- **Staggered Work Hours** - spreading out the arrival/departure times of employees.
- **Compressed Work Weeks** - allowing employees to shorten their work week by working longer hours each day.

Route Choice (*Which Way*)

Some commuters continually alter their travel route in order to avoid delays caused by congestion, incidents, weather or construction. Programs include:

- **Real-time Commuter Services** - providing real-time congestion, accident and weather information to aid in day-to-day route planning.
- **Advanced Route Planning** - providing employees customized route planning (i.e., transit route and schedule information) to facilitate the use of commute alternatives or mitigate the impacts of road construction.

Location Choice (*Where & Whether*)

Often times, the location and design of an employees' residence and worksite can have significant impacts on the difficulty and length of the commute. Teleworking eliminates the need for the commute altogether, even if it's just a few days a week.

- **"Live Near Your Work"** - programs providing incentives for employees to live near their place of employment. Examples include down payment assistance, location-efficient mortgages and rent subsidies.
- **Worksite Location & Design** - worksite location decisions enhancing job access and commute choices. Examples include transit oriented development (TOD), locating jobs near services (banking, post office, etc.) and near other businesses.
- **On-Site Services** - providing services for employees on-site to eliminate the need for employees to have their cars at work every day. Examples include cafes, daycare, banking/ATM, dry cleaning and more.
- **Telework** - Telework brings the job to the person rather than bringing the person to the job. In addition to eliminating the daily commute, teleworking can reduce the demand for office space and parking facilities.

NOTE: More information on these topics can be found on www.CommuterChoice.com.

Supporting Commuter Choice

From new tax incentives to the latest trends in technology, there are many factors improving the viability and attractiveness of Commuter Choice programs, including:

- **Financial Mechanisms: Commuter Choice Tax Incentives**
- **Marketing & Education Strategies**
- **Technology Trends**

Financial Mechanisms: Commuter Choice Tax Incentives

Financial incentives have a significant impact on commute decisions. In 1998, the Transportation Equity Act for the 21st Century (TEA-21) amended the federal tax code to create financial incentives related to commuter benefits for employers and employees. The following section outlines these Commuter Choice Tax Incentives. In addition, several states now offer tax credits for Commuter Choice programs. Contact an attorney or accountant for specific tax guidance.

- **Employer-Paid Transportation Benefits.** Employers can pay for their employees to commute by transit or vanpool, up to a limit of \$100/month. With this arrangement, employees get up to \$100 in a tax-free transportation benefit. Employers get a tax deduction for the expense. Employers have found that providing transportation benefits offers significant savings over offering the equivalent dollar value to employees in the form of a salary increase.
- **Employee-Paid, Pre-Tax Transportation Benefits.** Employers can allow employees to elect to exchange up to \$100/month in taxable salary for a tax-free transit or vanpool benefit. Employers save money overall since the amount exchanged is not subject to payroll taxes. Employees save money, too, since the amount of an employee's salary exchanged for transportation benefits is not subject to income tax, up to the specified monthly limits.
- **Shared-Cost Transportation Benefits.** Employers can share the cost of transit or vanpool costs with employees—and everyone can receive valuable tax savings. With this approach, employers can provide a portion of the cost of taking transit or vanpooling as a tax-free benefit and allow the employee to exchange taxable salary for a tax-free transit or vanpool benefit (up to the specified limits).
- **Parking Cash-Out.** Employers can offer their employees the option to "cash out" of their existing parking space. For example, if Company A subsidizes parking for their employees at \$80/month, a parking cash-out program would allow employees to choose from the following options: (1) keep the parking space worth \$80/month, (2) give up the parking space and receive \$80 extra each month in taxable salary, or (3) receive \$80/month in tax-free transportation benefits to pay for transit or vanpooling. Cash-out programs often work best for employers that pay separately for parking and for organizations with parking shortages or plans to expand parking facilities.

Marketing & Education Strategies

Marketing and education strategies are the road map (or transit map) of Commuter Choice. Like any other product, Commuter Choice relies on marketing initiatives to successfully reach its audience, including employers, commuters and others. Some examples include:

- Community-wide marketing & education campaigns
- Employer materials promoting commuting choices and benefits
- Educational materials relating to the costs and benefits of commuting choices
- Promotional events or programs to try commuting choices

Technology Trends

New technologies are changing the nature of the commute and the demand for travel. Providing greater flexibility in how and where employees do their jobs and offering travelers real-time information about the commute, the following trends are enhancing the viability of commuting alternatives:

- Real-time information to provide updates on incidents, emergencies and weather
- Construction updates and alternative route planning
- Real-time ridematching for carpooling and vanpooling
- Real-time transit schedule updates & interactive transit route planning
- Broadband internet communications & wireless communications
- Global Positioning Systems
- E-Commerce



Partnerships & Resources

Valuable resources are available locally and nationally to help employers implement and improve commute programs:

Commuter Choice Providers

Commuter Choice providers are national, state, regional and local organizations providing commuting services and helping employers implement tailored commuting programs. These organizations include: transit agencies, rideshare agencies, vanpool providers, Transportation Management Associations (TMAs), transit voucher companies, commuter benefits consultants, transportation departments, and others. To find Commuter Choice providers in your area*, visit www.CommuterChoice.com.

Recognition as a Commuter Choice Employer

Through the Commuter Choice Leadership Initiative, employers who achieve the National Standard of Excellence receive federal recognition for their contributions to cleaner air and reduced traffic congestion. The U. S. Environmental Protection Agency and the U. S. Department of Transportation designate employers who meet this level of participation as Commuter Choice Employers — a mark of environmental and commuter friendliness. For more information, please call The Commuter Choice Leadership Initiative Hotline at (888) 856-3131.

Commuter Choice Training: How to Develop and Implement an Effective Commuter Choice Program

The American Management Association (AMA), in partnership with the U.S. Environmental Protection Agency, has developed a Commuter Choice training workshop targeted toward an organization's benefits administrator, human resources professional or community relations manager. This workshop provides information on creating an effective Commuter Choice program that meets EPA's and DOT's National Standard of Excellence as well as information on integrating the program into a total benefits package. For more information on the workshop, call (888) 856-3131.

www.CommuterChoice.com

The Commuter Choice website, developed and maintained by the Association for Commuter Transportation, is a centralized resource for information on Commuter Choice and a searchable database of Commuter Choice providers around the country. The website is a resource for employers, commuters, and providers/partners. Use the search function of the Commuter Choice website to connect with organizations that can help develop and implement customized commute solutions!

*These references to service providers are purely for the convenience of employers and other entities interested in assistance with Commuter Choice programs. ACT does not warrant, recommend, or endorse any specific organization or the services they provide.



Commuter Choice...

Everyone Benefits

Employers Benefit...

- Improved employee recruitment and access to labor markets
- Competitive advantage in tight labor markets
- Improved employee retention and reduced employee turnover expenses
- Enhanced productivity and work environment
- Tax savings
- Reduced demand for employee parking
- Additional flexibility to grow and expand
- National recognition as a community leader


Communities Benefit...

- Improved quality of life and community character
- Enhanced air quality
- More effective and efficient use of the transportation system
- More cost-effective transportation solutions
- Greater economic development potential
- Fewer road construction impacts

Employees Benefit...

- Financial savings
- More convenient and less stressful commute
- Predictable and reliable travel times
- More personal and family time
- Improved quality of life





Notice: This document is disseminated under the sponsorship of the Department of Transportation in the interest of information exchange. The United States Government assumes no liability for its contents or use thereof.

www.CommuterChoice.com



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