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U.S. Department  
of Transportation  
**Federal Transit  
Administration**

## **TransitChek<sup>®</sup> in the New York City and Philadelphia Areas**

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Research and Special Programs Administration  
Volpe National Transportation Systems Center  
Cambridge, MA 02142-1093

Final Report  
October 1995

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Office of Research, Demonstration,  
and Innovation  
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Washington, DC 20590

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## PREFACE

This evaluation was prepared by the Research and Special Programs Administration's John A. Volpe National Transportation Systems Center (Volpe Center), Office of Research and Analysis, Service Assessment Division, for the Federal Transit Administration, Office of Research, Demonstration, and Innovation. The FTA project sponsor, Joseph Goodman, TRI-12, provided overall direction for the work. The project was performed under Project Plan Agreement TT-627, Regional Mobility Program Support.

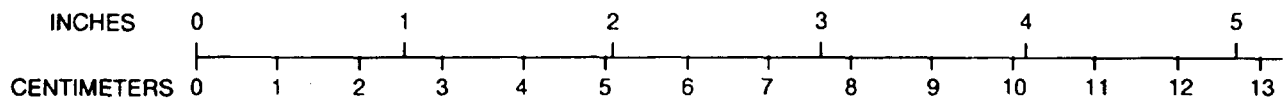
This report documents the history and current operation of the TransitChek® programs in the New York City and Philadelphia areas, evaluates their impacts on local commuters and operators, and assesses how well they have achieved the goals of their implementing organizations, the FTA, the participating operators, and employers.

The Volpe Center appreciates the cooperation and contributions to this report by the many people contacted in the New York and Philadelphia areas. In New York's TransitCenter, special thanks goes to Larry Filler, Executive Director, and to Mark Carter, Business Operations Manager, for cheerfully and efficiently providing valuable insights and a wealth of information for this report. In the Philadelphia area, Paul Pezotta and Rita Dommermuth, formerly the Associate Director and Marketing/Program Manager, respectively, of the Transportation Planning Division of the Delaware Valley Regional Planning Commission, were extremely helpful in the initial stages of information gathering for this report. More recently the author appreciates the cooperation of Thomas Shaffer, Transportation Planner, Stacey Bartels, TransitChek Marketing Manager of the Office of Commuter Services, and Collie Andrews, Marketing Assistant, in answering numerous questions and updating program information.

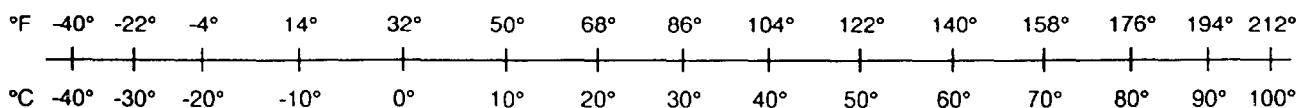
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<p style="text-align: center;"><b>TEMPERATURE (EXACT)</b></p> <p style="text-align: center;">[(x - 32)(5/9)]°F = y°C</p>	<p style="text-align: center;"><b>TEMPERATURE (EXACT)</b></p> <p style="text-align: center;">[(9/5)(y + 32)]°C = x°F</p>

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## LIST OF ACRONYMS AND ABBREVIATIONS

CBD	Central Business District
CMAQ	Congestion Mitigation and Air Quality
DART	Delaware State Transportation Agencies
DOT	Department of Transportation
DVRPC	Delaware Valley Regional Planning Commission
ECO	Employee Commute Option
ELTO	Employer Liaison Transportation Office
EPA	Environmental Protection Agency
FTA	Federal Transit Administration
FY	Fiscal Year
ISTEA	Intermodal Surface Transportation Efficiency Act
IRS	Internal Revenue Service
LIB	MTA Long Island Bus
LIRR	MTA Long Island Rail Road
Metro-North	MTA Metro-North Railroad
MIS	Management Information System
MPO	Metropolitan Planning Organization
MTA	New York Metropolitan Transportation Authority
NJ TRANSIT	New Jersey Transit Corporation
NYC	New York City
NYCT	MTA New York City Transit
NYS	New York State
PAT	Port Authority of Allegheny County
PATCO	Port Authority Transit Corporation
PATH	Port Authority Trans-Hudson Corporation
Port Authority	Port Authority of New York and New Jersey
RMP	Regional Mobility Program
SEPTA	Southeastern Pennsylvania Transportation Authority
SIR	MTA Staten Island Railway

## EXECUTIVE SUMMARY

This report documents and evaluates the TransitChek<sup>®1</sup> programs implemented in the New York City and Philadelphia metropolitan areas. First introduced in 1987 in the New York City area, TransitChek vouchers are provided to employees by their employers solely for the purchase of transportation on participating public and private transit and railroad systems in a metropolitan area. The vouchers are a tax-free benefit to the employees and a tax deductible expense to the employers, up to the amount allowed by federal law, currently \$60.00 per month per employee (\$720 per year). Employers purchase the vouchers from the organization administering the program, and distribute them to their employees. Employees redeem them at participating transportation providers of their choice. The vouchers function as checks, which the transportation providers deposit into their bank accounts.

Significant features of the program include:

- the cooperation and coordination of the many public and private transit and rail operators involved;
- the simplification of using one instrument to provide numerous transportation choices and fare options to the commuter;
- its appeal to small companies which find it easier to join than pass programs of individual operators;
- its taxable equivalent value to the employee, which is considerably greater than the face value of the TransitChek vouchers themselves.

The main goals of the program are to increase the use of public transportation services, improve employee mobility, reduce traffic congestion and automobile emissions, and support the region's economy.

### New York City Region TransitChek<sup>®</sup>

The New York City Region's TransitChek program grew out of the Port Authority of New York and New Jersey's (Port Authority's) desire in 1984 to relieve traffic congestion in its tunnels and on its bridges. The Port Authority formed the Employer Liaison Transportation Office (ELTO) to examine ways to reduce the prevalence of auto subsidies through alternate pro-transit financial incentives, capitalizing on the recently federally enacted \$15 de minimis transit fringe benefit,<sup>2</sup> and through developing interest and support by the Manhattan business

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<sup>1</sup> "TransitChek<sup>®</sup>" is a registered trademark of TransitCenter<sup>SM</sup>. It will be referred to simply as "TransitChek" in the text of this report.

<sup>2</sup> A "de minimis fringe benefit" is one considered too small or insignificant to warrant taxation and the associated recordkeeping by the giver and the recipient.

community in promoting transit to their workforce. In 1986, the Port Authority expanded ELTO's activities and merged them into the newly created TransitCenter<sup>sm</sup>,<sup>3</sup> with a federal grant, and funding and in-kind support from the Port Authority Trans-Hudson Corporation (PATH), the New York Metropolitan Transportation Authority (MTA) and the New Jersey Transit Corporation (NJ TRANSIT). TransitCenter developed the concept of the current TransitChek program, implemented it in 1987, and administers it today.

Although it receives financial support from an alliance of both public and private entities, TransitCenter is organizationally an operating division of the Port Authority. It is headed by an executive director, with supporting positions of an assistant director, and key persons in the marketing, sales operations, business development and finance areas. The staff is projected to increase to 34 by 1995. A board of trustees, composed of representatives from ten transit operators and related agencies, governs TransitCenter, and meets annually to approve TransitCenter's funding, operating budget, and program plans. Three standing committees on operations, marketing, and finances, composed of board members, meet throughout the year to discuss issues and direct activities in their respective areas.

The TransitChek program has been successful in the New York City region. Sales of TransitChek vouchers have grown at an annual growth rate of 64 percent since 1988, the first full year of program operation. From 1991 through 1994, as the maximum benefit grew from \$15 to \$60, a 400 percent increase, TransitChek sales grew over 700 percent. This tremendous growth can be attributed to several factors, including TransitCenter's highly effective and focused marketing program, the dedicated program staff, the support TransitCenter receives from the Port Authority and the transportation community, and the transit-rich and transit-dependent environment in which the program operates.

The TransitChek program has made progress toward achieving many program goals. It has improved employee mobility by increasing the commuting choices for employees of participating companies, and making transit and vanpools affordable choices, especially for lower paid employees. It has contributed to reducing commuter dependence on automobile usage; employee surveys showed that automobile and taxi use decreased and transit use increased by 16 to 23 percent among TransitChek recipients.

There is evidence of increased transit ridership due to TransitChek. Surveyed employees report taking an average of one additional commuter trip and one half new noncommuter trip per month. The number of new riders that TransitChek has attracted is unclear, although anecdotes from employers affirm some employees have switched from single occupancy vehicle commuting to transit. Because the number of TransitChek users is small compared to total ridership on the major transit systems (TransitChek redemptions for NYCT, LIRR and NJ TRANSIT represent 0.63 percent, 0.34 percent and 0.40 percent of total revenues, respectively), the increased transit usage by TransitChek participants is not apparent from transit ridership data.

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<sup>3</sup> "TransitCenter<sup>sm</sup>" is a registered symbol of the Port Authority of New York and New Jersey. It will be referred to simply as "TransitCenter" in the text of this report.

TransitChek vouchers reduce the amount of cash handling for transit operators. Riders must use their vouchers to purchase fares in bulk, either as packs of tokens or passes; transit operators will not give cash change for fare purchases less than the face values of the vouchers.

The TransitChek program has fostered cooperation among the operators and the business and transportation communities. This is evidenced by the joint participation of these groups on TransitCenter's board, and by the general success and growth of the program, which would not have occurred without the cooperation of all involved.

The effects of TransitChek on congestion are not measurable, given the small size of the TransitChek community compared to the workday traffic in the region.

TransitCenter is effective in administering the program, and all aspects of the TransitChek system are functioning as desired, including fulfillment activities (order processing, payment handling, and record keeping), check design, fee structure, and marketing. Because of their initial market research and careful system design, the program did not encounter any major difficulties once it was set up. TransitCenter made various improvements as needs arose.

The increase of the maximum monthly tax benefit from \$21 to \$60 affected employer enrollments significantly; over three times as many companies enrolled in 1993, the year of the increase, as the year before. Likewise, employees appeared to make more new transit trips at the increased subsidy amount of \$60.

TransitChek provides a mechanism to ease the impacts on both commuters and their employers of the 1990 Amendments to the Clean Air Act regarding reduction of single occupancy commuting. TransitCenter's strategy of emphasizing this in the employer marketing program, as well as the savings an employer would derive from giving employees a benefit such as TransitChek over a conventional raise, promises continued future success in increasing TransitChek's share of the commuter market.

### **Philadelphia TransitChek<sup>o</sup>**

The Delaware Valley Regional Planning Commission (DVRPC) wanted to demonstrate the importance of transit to economic growth in the Philadelphia area. DVRPC decided a program similar to the New York TransitChek program would help promote transit to Philadelphia area businesses. In particular, TransitChek would be beneficial to small employers for whom participation in the pass programs of SEPTA and NJ TRANSIT was not efficient.

When DVRPC approached major transportation providers and related organizations, most were interested in pursuing the TransitChek program. A core advisory group, known as the Policy Committee, was established consisting of the DVRPC, the Greater Philadelphia Chamber of Commerce, the Central Philadelphia Development Corporation, the Departments of Transportation of Pennsylvania, Delaware and New Jersey, and many major transportation

operators. Along with a federal grant, these organizations provided the financial support to develop the program. The program became operational in June 1991.

The TransitChek program has grown at a healthy rate in the Philadelphia area. From 1992, the first full year of its operation, through 1994, it has achieved average annual growth rates of 60 percent in sales and 45 percent in company enrollments. However, it is significant to note that from 1992 to 1993, sales more than doubled. This is the same period in which the maximum transit subsidy increased from \$21 to \$60. From 1993 to 1994, when the maximum benefit remained the same, sales increased by only 27 percent. The lower growth in 1994 is also partly due to a change in program staffing at DVRPC. (During the first five months of 1995, sales have resumed their robust growth, increasing 57 percent.)

TransitChek has made progress toward many goals of DVRPC and other interested parties. TransitChek has increased employee mobility by making transit an affordable choice for commuting. There was a modal shift away from single-occupancy vehicles among TransitChek recipients. Before TransitChek, 20.3 percent of TransitChek recipients said their primary mode of transportation to work was the automobile; after TransitChek only 0.4 percent continued to use the automobile as their primary mode.

Transit ridership has increased because of the TransitChek program. Employees increased the number of trips they took per week from 7.8 to 10.3 trips after receiving the vouchers, an increase of 32 percent. Among surveyed recipients of TransitChek, 30 percent were new transit riders. This indicates that TransitChek has the potential to convert a significant number of employees to transit in the Philadelphia area, where an extensive transit system exists and where the transit market is not yet saturated.

The amount of cash handling was reduced for operators after the introduction of TransitChek. Monthly and weekly pass purchases increased, while ticket and token purchases declined.

Cooperation among the operators, private industry and the Chamber of Commerce has been fostered by their joint participation on the TransitChek Policy Committee.

Given the small size of the TransitChek user community compared to weekday transit ridership and to the total number of commuters, the effects of TransitChek on ridership on specific transit systems and on congestion are not measurable.

The TransitChek program has been popular among employees of participating companies. However, the employers in the Philadelphia area seem very cost conscious; due to budget limitations they have been reluctant to increase their subsidy amounts even though the maximum allowed by law has increased. In some cases they discontinued the program, because it did not induce their employees to increase their use of transit.

The Philadelphia TransitChek system appears to work well, and DVRPC is administering it to the satisfaction of participating employers and operators.

## **Conclusions**

The TransitChek program, as implemented in the New York City and Philadelphia regions, has moved toward its goals of increasing transit ridership, reducing commuter dependence on the automobile, improving employee mobility, reducing cash fare payments, and fostering cooperation among operators and the transportation and business communities. It has helped retain current transit users, and has induced some commuters to switch to transit. As more employers enroll, TransitChek has the potential to convert significant numbers of riders to transit in a noncoercive way, and contribute toward regional compliance with the 1990 Amendments to the Clean Air Act.

The program is popular among the groups it affects. It provides employers with a way to compensate employees with benefits in a more cost-effective manner than a conventional salary increase, because the value of TransitChek vouchers given to employees is a tax deductible business expense. It provides employees with a tax-free benefit that subsidizes their commute to work. The combined after-tax benefit to both employers and employees is substantially greater than the pre-tax cost to the employers. Finally, it provides operators with an administrative-free source of additional ridership and revenues.

Raising the maximum monthly benefit to \$60 per employee in 1993 has had a positive effect on TransitChek sales, having increased the program's attractiveness to both employers and employees. There is also some evidence indicating that transit usage increases as the benefit grows.

Both TransitCenter and DVRPC have been successful in administering their TransitChek programs. Employer surveys and interviews revealed that employers were pleased with the service they received from their TransitChek suppliers. TransitCenter and DVRPC are making progress in penetrating their markets, although they are far from being saturated. DVRPC suffered a temporary setback in the loss of its initial program staffing, and subsequent momentum in sales. But now that the key positions have been filled, it is instituting some program changes to make operations more efficient, and to hire more staff.

Program revenues in both cities have been increasing each year, and the goal of program self-sufficiency may be achieved in the next few years in both areas. In New York, the increase in ridership on the larger operators' systems is beginning to offset their contributions to TransitCenter's operating budget.



# 1. INTRODUCTION

## 1.1 OVERVIEW

This report documents and evaluates the TransitChek<sup>®4</sup> programs implemented in the New York City and Philadelphia metropolitan areas. Chapter 1 contains a general overview of the TransitChek program and the evaluation framework. Chapter 2 contains a description and evaluation of New York's program, while Chapter 3 contains a description and evaluation of the Philadelphia program. Chapter 4 provides a comparison of the two versions of TransitChek. Finally, Chapter 5 presents the evaluation conclusions.

## 1.2 TRANSITCHEK<sup>®</sup> OVERVIEW

First introduced in 1987 in the New York City region, TransitChek vouchers are provided to employees by their employers solely for purchasing transportation on participating public and private transit and railroad systems in a metropolitan area. The vouchers are a tax-free benefit to the employees and a tax deductible expense to the employers, up to the amount allowed by federal law, currently \$60.00 per month (\$720 per year). The employers purchase the vouchers monthly from the organization administering the program, and distribute them to their employees. Employees redeem them at the participating transportation providers of their choice. The vouchers function as checks, which the transportation providers deposit into their bank accounts.

Significant features of the program include:

- the cooperation and coordination required from the many public and private transit and rail operators involved;
- the simplification of using one instrument to provide numerous transportation choices and fare options to the commuter;
- its appeal to small companies which find it easier to join than pass programs of individual operators;
- its taxable equivalent value to the employee, which is considerably greater than the face value of the TransitChek vouchers themselves.

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<sup>4</sup> "TransitChek<sup>®</sup>" is a registered trademark of TransitCenter<sup>sm</sup>. It will be referred to simply as "TransitChek" in the text of this report.

### **1.2.1 Program Goals**

The main goals of the program are to increase the use of public transportation services, improve employee mobility, reduce traffic congestion and automobile emissions, and support the region's economy.

### **1.2.2 TransitChek® Sites**

Currently, the TransitChek program is operating in three metropolitan areas that have received federal start-up grants, including New York City, where the concept was initially developed, Philadelphia and Los Angeles, and in three other locations, including Chicago, Detroit, and Sacramento. The Commuter Check program is similar to TransitChek in concept, and is operating at a number of sites, including Boston, Buffalo, Dayton, Denver, Louisville, Milwaukee, Norfolk, and San Francisco. Several other cities (Minneapolis, Baltimore, Portland, OR, and Washington, D.C.) have initiated programs similar to TransitChek.

### **1.2.3 TransitChek® Development**

TransitCenter<sup>sm</sup><sup>5</sup> was formed in New York City in 1986 to secure the support of the Manhattan business community for promotion of transit use, and provide coordinated marketing and other services integrating public and private transit operators serving New York City. While the TransitChek program is its most visible activity, the center conducts private sector outreach through the Business-Transportation Committee, in which the New York Chamber of Commerce and Industry is especially active. TransitCenter members work to make transit more attractive and easier to use through joint marketing, ticketing, information programs, and service adjustments and accommodations.

TransitCenter developed the TransitChek concept and program using member funding and two grants provided by the Federal Transit Administration (FTA) to set up the mechanisms for carrying out the program, including:

- negotiating agreements with the operators
- creating a check instrument that would be difficult to counterfeit
- obtaining bank participation
- developing the operating procedures for transferring funds, and selling, distributing, and redeeming the checks
- developing the necessary computer software.

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<sup>5</sup> "TransitCenter<sup>sm</sup>" is a registered symbol of the Port Authority of New York and New Jersey. It will be referred to simply as "TransitCenter" in the text of this report.

## **1.3 EVALUATION OVERVIEW**

### **1.3.1 Evaluation Objectives**

The evaluation 1) assesses the effectiveness of the TransitChek program in meeting the goals of the transit organizations involved, as well as those of the FTA's Regional Mobility Program (RMP), 2) identifies system improvements based on experience gained from program implementation, and 3) examines the effects of the increasing maximum tax benefit on company enrollments and employee participation. It examines relevant aspects of the program, including its administration, operation, functional characteristics, effects on participants (transit providers, employers, employees), costs and revenues, and external impacts (congestion, quality of life).

### **1.3.2 Evaluation Methodology**

The evaluation does not undertake new data collection efforts, but relies on existing information and historical records maintained by transit organizations in the program, from interviews with representatives from appropriate agencies, and from other available data sources. Organizations contacted include:

- TransitCenter in New York, and the Delaware Valley Regional Planning Commission (DVRPC) in Philadelphia
- member transit, rail, and other organizations
- participating employers.

To the extent permitted by existing data, the evaluation is a before-after comparison of the effects of TransitChek on the evaluation criteria. Quantitative measures of effectiveness are developed where possible. However, although TransitChek has been a popular program among the various participants, and has induced some commuters to switch to transit from automobile usage, many of its effects are difficult to measure on an aggregate level. For example, the increase in ridership due to TransitChek is small, when compared to overall ridership for a transit operator. Even with measurable changes, it is unlikely that a true cause-and-effect relationship could be proven, given the large number of exogenous factors at work in a metropolitan area. In this evaluation, the effects of TransitChek are discernable most easily using a "bottom up" approach, from information provided by individual employers and employees, and by the TransitCenter and DVRPC.

### **1.3.3 Evaluation Criteria**

The criteria in Table 1-1 are grouped according to the TransitChek program's objectives.

**Table 1-1. Evaluation Criteria**

**Transit Usage**

- total passengers

**Financial Impacts**

**Transit Operators**

- Revenues
- Program operating costs

**Organization Administering TransitChek**

- Development and acquisition costs (one-time) - software, bank agreements, TransitChek instrument, processes, operator agreements, other
- Operating (ongoing) - administration, marketing, materials, other

**Employer**

- Program costs

**Mobility of Employees**

Travel opportunities - has the program increased their choices of commute mode?

**Employee attitudes**

- service used
- frequency of trips
- trip purpose
- retention of user
- likes and dislikes about program, attitude toward employer
- reasons for participating/nonparticipating
- work schedule

**Employee savings**

**Modal shift**

**Employer attitudes - before-after comparisons**

- number of employers
- number of employees - by job category, salary
- number of participating employees
- employer attitudes toward program
- benefits provided: parking, transit, other transportation-related benefits

**Functional Characteristics**

- Funds transfer - float issues, timeliness
- TransitChek vouchers - counterfeitability, ease of use
- Distribution of TransitChek vouchers
- System abuse

**Table 1-1. Evaluation Criteria (continued)**

<b>Physical Impacts</b>
<b>Environment</b>
• Congestion/traffic flows
• Air quality (vehicle emissions)
• Parking demand
<b>Energy</b>
• Fuel consumption by automobiles
<b>Other Impacts</b>
<b>Institutional</b>
• Participating agency cooperation/coordination, information sharing
• Coordination of services among participating transportation providers
• Joint pursuit of goals among participating transportation providers
<b>Organizational - transit operators, employers</b>

**1.3.3.1 Transit Usage** - These criteria address the overall effects of TransitChek on transit system ridership. An effective program will increase transit ridership, the primary goal of all parties associated with the TransitChek program.

**1.3.3.2 Financial Impacts** - The financial impacts of a program on an organization are of concern, and a cost-effective program is an implied goal, to each participating party. In TransitChek, the parties that are affected include the transit operators, the cooperative organization administering the program, and the employers. Operators are generally beneficiaries in the TransitChek program, with expected increased revenues due to increased ridership. Since TransitChek users are generally pass holders, an operator may also benefit from an increase in fare prepayment, resulting in reduced cash handling costs.

The cooperative organization administering TransitChek incurs both one-time costs in developing or acquiring the program, and ongoing costs in the form of operating expenses, marketing, and materials. It receives revenues from sales of its services to the operators and employers.

The employers are the benefactors in the TransitChek system, as purchasers of vouchers for their employees. In return, TransitChek, as a tax deductible employee benefit, may help employers retain their employees, save them tax dollars, and make it easier for them to provide a transit benefit than to set up programs with individual operators.

**1.3.3.3 Mobility of Employees** - A key goal for both the FTA, TransitCenter and DVRPC is to improve the population's mobility, that is, their travel choices and ability to travel. This is measured by examining the employees' own perceptions of the benefits they receive from TransitChek, and by their changes in behavior and transportation choices. The savings in

transportation costs realized from TransitChek may open new transit opportunities to many employees. The employer also provides insights into employee mobility by supplying information on the degree of employee participation in TransitChek.

**1.3.3.4 Functional Characteristics** - The evaluation examines the functional characteristics of the TransitChek system to determine if it is performing adequately and to assess its ease of implementation. System features, such as the vouchers themselves, are assessed according to the appropriateness of design and reliability. Processes are examined to see if they are efficient, and if they are producing the desired results.

**1.3.3.5 Physical Impacts** - Impacts on the environment and energy usage occur if TransitChek produces a decrease in automobile use. Reduced automobile usage eases traffic congestion and parking demand, as well as reduces auto emissions and fuel consumption. These are goals of the FTA, TransitCenter and DVRPC.

Traffic and air quality studies done before and after the introduction of TransitChek, if they existed, would provide data for "top down" estimates of the overall reductions. Unfortunately, reductions due to the program are not measurable against the tremendous volume of traffic, emissions and energy consumption in a major metropolitan area. Measurements of these criteria are instead built from the "bottom up" based on employee surveys on automobile usage before and after TransitChek. Estimates of decreased automobile usage, emissions and fuel consumption, and parking demand are derived from employee survey data when they exist.

**1.3.3.6 Other Impacts** - The program fosters a high degree of cooperation among the participating agencies in the form of information sharing, coordination of services, and the joint pursuit of goals. The evaluation assesses the degree to which TransitChek has influenced these activities among the participating agencies.

## 2. TRANSITCHEK® IN THE NEW YORK CITY REGION

### 2.1 BACKGROUND

#### 2.1.1 Description of the New York City Region

**2.1.1.1 Location** - The New York City region covers over 4,000 square miles in 18 counties of three states – the five boroughs of the city of New York and Nassau, Suffolk, Westchester, and Rockland Counties in New York State; Essex, Hudson, Union, Bergen, Passaic, Middlesex, Morris, and Somerset Counties in New Jersey; and Fairfield County in Connecticut. Figure 2-1 shows the New York City region's transit systems.

The area is naturally advantageous to commerce and habitation. It has a protected deepwater port, access to abundant supplies of water, geological substrata favorable to high density development, and water and land routes to other regions of the country.

**2.1.1.2 Mass Transportation<sup>6</sup>** - In New York City, bus, subway and suburban rail services are operated by the subsidiaries of the New York Metropolitan Transportation Authority (MTA) listed below. MTA is also responsible for seven bridges and two tunnels in the New York area.

- MTA New York City Transit (NYCT)
- MTA Long Island Rail Road (LIRR)
- MTA Staten Island Railway (SIR)
- MTA Long Island Bus (LIB)
- MTA Metro-North Railroad (Metro-North).

A heavy rail system is operated between New York and New Jersey by the Port Authority Trans-Hudson Corporation (PATH), an operating subsidiary of the Port Authority of New York and New Jersey (Port Authority). The New Jersey Transit Corporation (NJ TRANSIT) operates bus, light rail and suburban rail systems that carry passengers to and from the region, and interface with MTA and PATH lines. Amtrak provides intercity and some local connector rail service. Several private bus lines provide substantial additional services from and within New York under the City Bureau of Franchises, and other commuter bus services operate from New Jersey. There are also some private door-to-door minibus pickup services and express routes to Manhattan. A private bus operation is contracted for the Westchester County area. Ferries operate between Manhattan and Staten Island, New Jersey and Long Island leisure areas. Operated by different agencies or companies, these services use varying fare systems and have different information services available to their customers.

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<sup>6</sup> The material for this section was obtained primarily from *Jane's Urban Transport Systems*, Twelfth Edition, 1993-94.

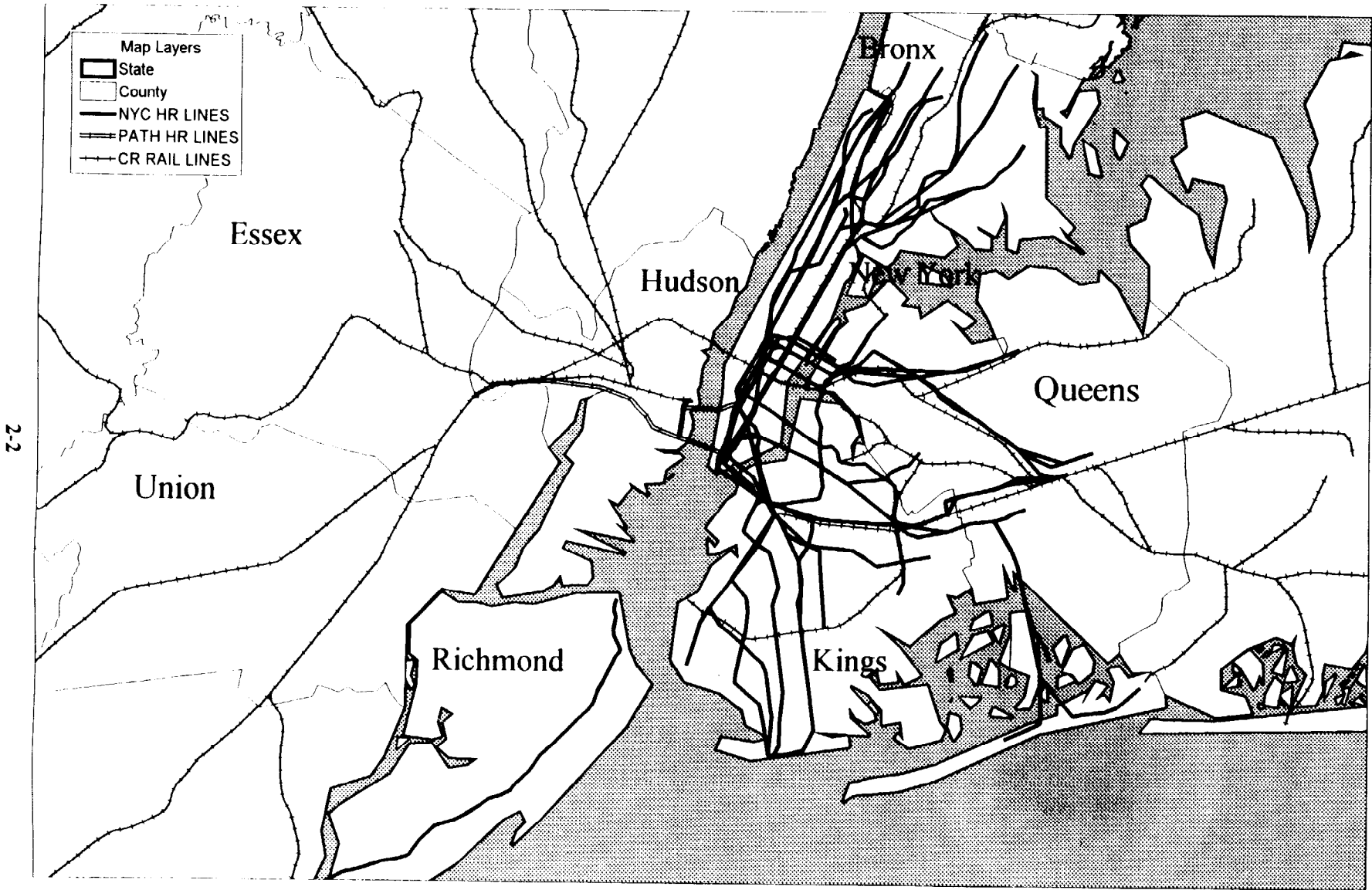


Figure 2-1. New York City Regional Transit Systems



Each weekday approximately 5.5 million riders use the MTA public transport services (totalling 1.6 billion in 1991) and more than 770,000 vehicles use the seven bridges and two tunnels operated by the MTA's bridge and tunnel authority. Weekday ridership on other regional systems is also significant: New Jersey private bus - 600,000; New York private bus - 315,000; PATH - 150,000; and New Jersey commuter rail - 140,000.<sup>7</sup>

The recession in the late 1980's and early 1990's caused a reduction in patronage and income. But MTA, PATH and NJ TRANSIT nevertheless continue to invest funds for rehabilitation and capacity expansion over the coming years.

Although crime and fare evasion continue to be a problem on the subway system, substantial progress has been achieved in reducing crimes, making the subway safer and improving its physical environment. Plans exist for systemwide installation of an automatic revenue collection system called "MetroCard" by 1998. (As of mid-1995, 69 MTA subway stations were already using the system.)

**2.1.1.3 Other Transportation<sup>8</sup>** - The region's 3,600 miles of freeways and principal arterial highways handle by far the largest share of all surface movement - 90 percent of all passenger miles traveled, 75 percent of all journey-to-work travel, and at some point in its movement nearly all freight traffic. Unfortunately, about 40 percent of the expressway systems in New York City are congested during peak periods, costing businesses and travelers millions of dollars annually.

Literally every industry is dependent on the smooth and efficient functioning of the region's rail, marine, air, and truck freight systems on a daily basis. Conrail is the main supplier of rail freight transportation in the region. Trucking is the responsibility of private trucking companies. John F. Kennedy International, LaGuardia, and Newark International airports are all operated by the Port Authority. About one-half of all US international air travelers and air cargo move through these three airports, making the area the continent's leading air freight center. New York's marine cargo facilities are equal to or better than any in the world.

**2.1.1.4 Demographics** - The City of New York has a population of 7.3 million. The region as a whole has a total population of 16.3 million and a civilian labor force of 7.9 million.<sup>9</sup> The median age of the population is increasing as is the number of households as more people live alone or in two-person households. The number of two-earner households is also growing. Immigration accounts for a large proportion of the population increase. The region's labor force is growing more rapidly than the population due to changes in age composition and the increased participation of women in the workforce.

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<sup>7</sup> *Regional Recovery: The Business of the Eighties*, The Port Authority of NY and NJ.

<sup>8</sup> *Regional Recovery: The Business of the Eighties*, The Port Authority of NY and NJ.

<sup>9</sup> 1990 U. S. Census

**2.1.1.5 Environmental Issues** - Like most large cities in the United States, New York City experiences air, water, and soil pollution problems. The New York metropolitan area is classified as a severe nonattainment area for ozone according to the 1990 Clean Air Act Amendments. As such, in 1994 all businesses in the area with 100 or more employees had to submit trip reduction plans demonstrating how they would reduce single occupancy vehicle commuting by 25 percent by 1996. This had a significant impact on affected companies, who considered various options to attain the desired results, from encouraging carpooling, imposing limits on parking, charging for parking, or even eliminating it altogether. Another approach was to encourage use of public transit with such mechanisms as TransitChek.

## **2.1.2 History of TransitCenter<sup>SM</sup> Development**

**2.1.2.1 Port Authority Motivation** - In 1984, the Port Authority noticed increased congestion and traffic flows through its trans-Hudson facilities, the Holland and Lincoln Tunnels, and the George Washington Bridge, which link New Jersey to the Manhattan central business district (CBD). They conducted detailed studies, which revealed that despite severe auto congestion at these facilities during the morning peak period, there would be continued and increased demand for access into Manhattan for the next decade. Additionally, it was discovered that about 64 percent of CBD employees using the bridge and tunnels to commute to work were receiving driving subsidies. About 85 percent of these subsidized drivers were receiving free parking from their employers with an average value of \$200 per month.

**2.1.2.2 Transit Fringe Benefit** - During the same period, a group of transit operators were successful in lobbying Congress to secure a tax-free de minimis noncash transit fringe benefit<sup>10</sup> for employees under the Deficit Reduction Act of 1984. As a de minimis fringe benefit, the value could not exceed \$15 (\$180 per year), or the entire amount would be considered taxable income.

**2.1.2.3 Formation of ELTO** - The Employer Liaison Transportation Office (ELTO) was created by the Port Authority in 1984 to examine ways to reduce auto congestion by reducing the prevalence of auto subsidies through alternate pro-transit financial incentives, capitalizing on the \$15 transit fringe benefit, and developing interest and support by the Manhattan business community in promoting transit to their workforce.

ELTO's staff and consultants worked intensively with PATH, the MTA, and NJ TRANSIT to develop a consensus on how to progress in these areas. On an ad hoc working group basis, the transit operators and Port Authority coordinated research and program definition efforts including interaction with the local business community. These initial efforts concluded that there was significant interest within the business community for developing and supporting employer-based transit promotional and fare subsidy programs and multi-operator marketing efforts to increase the involvement of the private sector in transit-supportive activities.

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<sup>10</sup> A "de minimus fringe benefit" is one considered too small or insignificant to warrant taxation and the associated recordkeeping by the giver and the recipient.

One research effort in particular established employer focus groups to discuss the form of the transit subsidy. Overwhelmingly, employers indicated they preferred vouchers over tokens and passes, to simplify and minimize the costs of administering the benefit. They did not want to deal with individual transit operators, and wanted a voucher that would be redeemable at the transportation provider of choice. However, it was unclear from the 1984 Deficit Reduction Act whether "vouchers" would be acceptable to the Internal Revenue Service (IRS) for dispensing the benefit. NJ TRANSIT and ELTO were instrumental in obtaining a clarification through U.S. Senator Bradley as part of the 1986 Tax Reform Act, to include "vouchers" as legitimate vehicles for distributing the subsidy, thereby paving the way for TransitChek.

**2.1.2.4 Emergence of TransitCenter<sup>SM</sup>** - The working group agreed that the ad hoc research and exploratory activities should be expanded to create a viable employer-based transit promotional program, which incorporated the transit fringe benefit as a key element. In 1986 PATH, the MTA and NJ TRANSIT agreed to create and fund a private sector transit promotion center, called "TransitCenter." Other local transit agencies and the private sector contributed additional funding.

TransitCenter applied to the FTA under Section 6 for a grant to establish a two-year demonstration program to develop its programs. It established a Board of Trustees that included eight transit and rail operators, and two key related organizations:

- Port Authority Trans-Hudson Corporation (PATH)
- New Jersey Transit Corporation (NJ TRANSIT)
- New York Metropolitan Transit Authority (MTA)
  - New York City Transit (NYCT)
  - Long Island Rail Road (LIRR)
  - Metro-North Railroad (Metro-North)
- New Jersey Private Bus Operators
- New York Private Bus Operators
- New York City Department of Transportation
- New York Chamber of Commerce and Industry.

The Board of Trustees was, and is currently, chaired by the MTA and co-chaired by the New York Chamber of Commerce and Industry.

The primary goal of TransitCenter was to secure the support of the greater Manhattan business community to encourage the use of transit. Secondary goals included:

- improving the region's mobility
- reducing congestion
- supporting the region's economy
- serving as a model for coordinating multiple operators and securing private support.

To accomplish these goals, TransitCenter proposed developing an employer-based transit program promoting the \$15 public transit fringe benefit, a set of multi-operator marketing activities aimed initially at the trans-Hudson market, and joint ticketing and information activities. The emphasis would be on developing a new transit subsidy mechanism: a voucher to permit employees to commute to work on their transit mode of choice.

In the fall of 1986, TransitCenter chose Rand McNally and Company under competitive bid to develop the voucher. PATH, acting as host agency for TransitCenter, performed the contracting on behalf of TransitCenter. By March 1987, most technical aspects of the voucher were settled, the name "TransitChek" was coined, and the focus switched to marketing the product. TransitCenter hired Poppe-Tyson to develop an advertising campaign. Using Dun & Bradstreet databases, they mailed information on TransitChek to employers in Manhattan. The direct mail effort achieved about a 4 percent inquiry response rate, generating 195 enrolled companies by the end of 1987. Posters and flyers were also developed for posting in stations and vehicles and distributing to transit users. Press releases and public service announcements were produced.

With 18 employers enrolled, the TransitChek program was launched on October 7, 1987. In a ceremony at the 42nd Street and 6th Avenue subway station, Alfred DelliBovi, Administrator of FTA, inaugurated the nation's first transit subsidy voucher program with the presentation of the first TransitChek to then New York Mayor Edward Koch. The occasion attracted heavy television and newspaper coverage.

TransitCenter publically bid and contracted with Rand McNally to perform the fulfillment activities for the TransitChek system for the first two years of its operations. (See Section 2.3.6 on fulfillment activities.) This agreement was extended several times, most recently through a competitive process in 1994 for two years with three one-year renewal options.

## **2.2 TRANSITCENTER TODAY**

### **2.2.1 Organization and Staffing**

Although it receives financial support from an alliance of both public and private entities, TransitCenter is organizationally an operating division of the Port Authority. It is headed by an executive director, with supporting positions of an assistant director, and key persons in the marketing, sales operations, business development, and finance areas. The initial TransitCenter staff of seven, including the director, four professionals and two secretarial staff, is projected to increase to 34 by 1995. Twelve of these positions are being funded specifically by a federal grant of approximately \$1.25 million to coordinate the marketing of TransitChek with the requirements of the 1990 Amendments to the Clean Air Act.

A board of trustees, composed of representatives from ten transit operators and related agencies, governs TransitCenter. It meets annually to approve TransitCenter's funding, operating budget, and program plans. Before approval by the board, the three funding organizations, namely, PATH, MTA, and NJ TRANSIT, must separately approve the proposed budget. Three standing committees on operations, marketing, and finances, composed of board members, meet periodically to discuss issues and direct activities in their respective areas. In addition, ad hoc advisory committees are formed from board representatives as needed to support TransitCenter on specific activities. In recent years, ad hoc committees have been established for selecting a new fulfillment contractor for TransitChek security, for implementing the \$60 transit fringe benefit, and for technical advice.

### **2.2.2 Funding and Expenses**

TransitCenter was initially and is currently funded by a combination of public and private grants and contributions, as well as revenues from the sale of TransitChek vouchers and the TransitLink service. Because TransitCenter's director obtains board approval for its funding in two-year program cycles, the first two-year budget and the current two-year budget are presented in Tables 2-1 and 2-2. (Operating budgets within the scope of the approved funding are submitted annually.)

These tables reveal a tripling of TransitCenter's budget during the seven years of the TransitChek program's operation from 1987 to 1994. The funding sources have changed significantly from mainly grants and contributions in 1986-1987 to over 50 percent program revenues projected for 1993-1994. FTA provided aid in the form of three grants:

- \$1,500,000 in 1987 in Section 6<sup>11</sup> funds for initial development and implementation of the TransitChek program.

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<sup>11</sup> Section 6 provides for transit research, development, and demonstration.

Table 2-1. 1986-1987 TransitCenter<sup>sm</sup> Budget

FUNDING		
SOURCE	AMOUNT	PERCENT of TOTAL
<u>TRANSITCENTER MEMBERS' CONTRIBUTIONS</u>		17.7%
MTA	\$200,000	
NJT	\$77,400	
PATH	\$77,400	
<u>PRIVATE SECTOR IN-KIND SUPPORT</u>		7.6%
NYC CHAMBER OF COMMERCE	\$88,000	
OTHER BUSINESS ASSOCIATIONS	\$25,000	
INDIVIDUAL EMPLOYER CONTRIBUTIONS	\$33,000	
PRIVATE BUS OPERATORS	\$7,000	
<u>GRANTS</u>		74.7%
USDOT/FTA	\$1,500,000	
<u>TOTAL</u>	\$2,009,000	100%
EXPENSES		
CATEGORY	AMOUNT	PERCENT of TOTAL
<u>STAFF</u>	\$991,000	49.3%
<u>PROGRAM SERVICES</u>	\$595,000	29.6%
<u>OFFICE EXPENSES</u>	\$270,000	13.4%
<u>PRIVATE SECTOR IN-KIND SUPPORT</u>	\$153,000	7.6%
<u>TOTAL</u>	\$2,009,000	100%

- \$300,000 in 1989 in Section 4i<sup>12</sup> funds for program expansion and marketing.
- \$1,250,000 in 1993 in Congestion Mitigation and Air Quality (CMAQ)<sup>13</sup> funds authorized by the Intermodal Surface Transportation Efficiency Act (ISTEA) to support the expansion of the program throughout the City of New York and to the counties of Westchester, Rockland, and Putnam by establishing a technical assistance support group. This group will work with larger companies, substantial numbers of which have not yet enrolled, by helping them set up TransitChek as part of their Employee Commute Option (ECO) plans.

<sup>12</sup> Section 4i provides for deployment of innovative transit technology and methods.

<sup>13</sup> CMAQ provides for the reduction of traffic congestion and improvement of air quality.

**Table 2-2. 1993-1994 TransitCenter<sup>SM</sup> Budget**

<b>FUNDING</b>		
<b>SOURCE</b>	<b>AMOUNT</b>	<b>PERCENT OF TOTAL</b>
<b><u>TRANSITCENTER MEMBERS' CONTRIBUTIONS</u></b>		23.7%
MTA	\$1,000,000	
NJ TRANSIT	\$250,000	
PATH	\$250,000	
<b><u>GRANTS</u></b>		22.6%
USDOT/FTA	\$1,290,000	
NYS ENERGY OFFICE	\$140,000	
<b><u>TRANSITCENTER PROGRAMS</u></b>		53.8%
TRANSITCHEK	\$3,360,000	
TRANSITLINK	\$50,000	
<b><u>TOTAL</u></b>	<b>\$6,340,000</b>	<b>100%</b>
<b>EXPENSES</b>		
<b>CATEGORY</b>	<b>AMOUNT</b>	<b>PERCENT OF TOTAL</b>
<b><u>STAFF</u></b>	\$2,155,000	34%
<b><u>PROGRAM SERVICES</u></b>	\$3,525,000	56%
<b><u>OFFICE EXPENSES</u></b>	\$700,000	11%
<b><u>TOTAL</u></b>	<b>\$6,340,000</b>	<b>100%</b>

### **2.2.3 Fee Structure**

The fee structure has undergone several changes since the TransitChek program began, as shown in Table 2-3. Each time the fee has taken the form of a per-voucher charge and a shipping charge. The current fee structure is the simplest: a set charge of 4 percent of the value of each TransitChek voucher ordered, and a set shipping charge regardless of the denominations or number of vouchers ordered.

The portion of the fee based on the voucher value just covers the costs of voucher production, administration and control. TransitCenter makes more from the shipping charge, since employers have been ordering the vouchers in small enough quantities that the shipping charge is more than enough to cover the actual average shipment cost.

**Table 2-3. TransitChek<sup>®</sup> Fee Structure in New York**

<b>Year</b>	<b>Shipping Charge (Flat Fee)</b>	<b>Per Voucher Charge</b>
1987-1988 (\$15 vouchers)	For 12 to 50 vouchers, \$11.00  For more than 50 vouchers, \$20.00	For vouchers in sheets of 3, no charge For separated vouchers, \$.08
1989-1992 (\$15 and \$21 vouchers)	\$10.00	12-35 vouchers, \$.75 36-100 vouchers, \$.60 101-750 vouchers, \$.45 750+ vouchers, \$.30
1993-present (\$15, \$21 and \$30 vouchers)	\$12.00	4% of voucher \$ value

The current structure has proven to be a significant source of revenue for TransitCenter, accounting for over 50 percent of its 1993-1994 funding. This share has been increasing each year, and TransitCenter's goal is eventually to be self-supporting, that is, TransitCenter's operating expenses are to be covered by operating revenues, thereby eliminating the need for member's contributions and government grants, by 1997.

#### **2.2.4 Other Activities**

TransitCenter provides technical assistance to transit operators in other cities who are interested in developing transit voucher programs for their areas. In recent years, they have met with representatives from other cities, discussed issues over the telephone, provided marketing materials, and, in one case, provided the TransitChek printing plates to another organization. TransitCenter has licensed the "TransitChek" name to the Los Angeles, Sacramento and Detroit subsidy programs. In particular, they helped DVRPC establish a TransitChek program in the Philadelphia area.

TransitCenter initiated another service offered to businesses with 100 or more employees, known as TransitLink, which provides a clearinghouse for distributing information on transit via a newsletter, "TransitLine," and an emergency service notifying subscribers of transportation emergencies, up-to-the-minute route closings, and alternate modes. The service also distributes "The Manhattan Traveler," a regional transit travel guide, and various maps to its customers and their employees. Although the service is popular among its 23 subscribers, TransitCenter will not actively market it until it increases its staff to handle the telephones during emergencies.



### **2.2.5 Plans for the Future**

TransitCenter plans for expansion of the TransitChek program in 1995 on several fronts:

- Establish a satellite office in Westchester to coordinate the technical assistance support group for employers with 100 or more employees.
- Expand the TransitChek program to vanpools operating under a lease from vanpool leasing companies to reach the suburban employer market, whose workforce using transit is small. TransitChek vouchers would be marketed by regional ridesharing groups, transportation management associations, transit agencies, and transportation departments as well as TransitCenter.
- Expand the market area of TransitChek from primarily the Manhattan CBD to include all of New York City, and the mid-Hudson south area.
- Develop a machine-readable voucher so users can purchase fares with their TransitChek vouchers through ticket vending machines soon to be installed at PATH, NJ TRANSIT, and NYCT locations.
- Offer assistance through a MTA grant-funded program to companies with 100 or more employees, in writing their trip reduction plans to comply with the 1990 Amendments to the Clean Air Act by disseminating information on New York City and state clean air guidelines.

In addition, TransitCenter plans to develop a park-and-ride subsidy mechanism similar to TransitChek to take advantage of the \$155 per month parking subsidy employers are permitted to give their employees under the 1992 National Energy Policy Act. TransitCenter also plans to enhance its TransitLink services and to market it to additional employers in the city.

## **2.3 TRANSITCHEK®**

### **2.3.1 What It Is**

TransitChek vouchers are provided to employees by their employers solely for the purchase of transportation on participating public and private transit and railroad systems in the metropolitan New York/New Jersey/Connecticut area. The vouchers are a tax-free benefit to employees and a tax deductible expense to employers, up to the amount allowed by federal law, currently \$720 per year. Employers purchase vouchers on a monthly, quarterly or annual basis from TransitCenter, and distribute them to their employees. Employees redeem them at the participating transportation provider of their choice for tickets, tokens or passes. The vouchers are financial instruments that function like checks, which the transportation providers deposit into their bank accounts.

Significant features of the program include:

- the cooperation and coordination required from the many public and private transit and rail operators involved;
- the simplification of using one instrument to provide numerous transportation choices and fare options to the commuter;
- its appeal to small companies that find it easier to join than pass programs of individual operators;
- its taxable equivalent value to the employee, which is significantly greater than the face value of the TransitChek vouchers received.

The maximum amount of the tax-free benefit has risen since the TransitChek program was first introduced in 1987. On July 1, 1991, the IRS factored in cost of living increases since 1984 to raise the monthly subsidy level from \$15 to \$21 (\$252 per year). Effective January 1, 1993, a provision of the Comprehensive National Energy Policy Act (P.L. 102-486, Title XIX, Section 1911 - Treatment of Employer-Provided Transportation Benefits) added a new Section 132(f), "Qualified Transportation Fringes," to the tax code that enabled employers to provide employees with a transportation fringe benefit of up to \$60 per month (\$720 per year). The benefit may be used by employees commuting to work by public transportation or by vanpool. Up to \$60 per month is tax-free for the employee, and the benefit is deductible as an ordinary business expense for the employer. While the new law increased the transportation fringe benefit from \$21 to \$60 per month, it limited for the first time the value of tax-free parking benefits to \$155 per month. Commuters who drive to park-and-ride lots to use public transportation or carpools may receive up to \$155 in tax-free parking benefits from their employer besides the \$60 per month transit commute benefit. Under the new law, the employee is liable for taxes on any transit subsidy amount received over \$60 per month and any parking subsidy amount received over \$155. Also included in this legislation is a clause that raises the benefit value in increments of \$5 whenever the cost of living index increases sufficiently.

### **2.3.2 Program Goals**

**2.3.2.1 TransitCenter<sup>sm</sup>** - TransitCenter's primary goal for the TransitChek program is to encourage greater transit use for commuting in the New York City area. Secondary goals are:

- to improve employee mobility
- to reduce traffic congestion
- to support the region's economy
- to serve as a model for coordinating transportation providers and securing private support.

**2.3.2.2 Transit Operators** - Similarly, the transit operators' goals are to increase ridership, and consequently, the revenues and the efficiency of their operations. They are also interested in fostering a cooperative spirit among themselves and with businesses in their market area.

**2.3.2.3 Federal Transit Administration** - The FTA provided a significant amount of funding under its RMP for the development of the TransitChek program. The goals of the RMP are to mitigate metropolitan congestion in cost-effective ways that make efficient use of existing transit capacity, and to increase mobility for all sectors of society in the face of the diffuse travel patterns that have developed in many areas of the country, while improving air quality. Specific objectives of the RMP are to:

- reduce dependence on single occupant auto travel and encourage alternate means of travel
- promote multi-modal and intermodal planning and decision making aimed at reducing traffic congestion and increasing mobility
- encourage a greater variety of transportation choices
- promote a spirit of competition in transportation
- improve transportation productivity.

### **2.3.3 Physical Characteristics**

Initially TransitChek vouchers were issued in \$15 denominations. In response to the IRS increase in the transit allowance, TransitCenter added a \$21 denomination in 1992. With the increase of the maximum benefit to \$60 in 1993, TransitCenter introduced a \$30 TransitChek, ceasing the sale of \$21 TransitChek vouchers except to employers who had opted for this denomination in 1992. Only the \$15 and \$30 TransitChek vouchers are available to new enrollees. TransitCenter discontinued the \$21 voucher in 1994, and is considering other denominations to increase the flexibility of employers in choosing a monthly amount to distribute.

Each voucher has a 13½ month validity period allowing companies to order a yearly supply of the vouchers that will not expire before they can be given to employees. The expiration date encourages the employees to use the vouchers before that date, and allows TransitCenter to claim the funds for expired, unused vouchers.

Figure 2-2 shows the front of a \$30 TransitChek and highlights its features. The bank check format of TransitChek provides a simple means by which transit operators may easily and quickly receive value for the TransitChek vouchers they collect. A bank-acceptable check, the voucher is the same size as a personal banking check, and is encoded with a readable micr<sup>14</sup> line that meets the Federal Reserve's check clearing standards and specifications. Because the voucher meets all the requirements of the federal banking system, it can be deposited by transit operators into their bank accounts, as they would any other check.

To guard against counterfeiting, many security features have been incorporated into the voucher. Among these are:

- a two-dimensional "polaproof"<sup>15</sup> decal, in the upper right front corner
- use of multicolored inks in the background pattern of the TransitChek logo
- a bar code
- a magnetic strip on the back side
- embossed printing of the validation dates and amounts in special ink
- other overt and covert design features.

An added deterrent to counterfeiters is the level of visual scrutiny the vouchers receive when presented to transit agents for fare media purchases.

#### **2.3.4 How It Works**

Figure 2-3 shows a flow diagram of the way the TransitChek system operates and the movement of funds through the system.

TransitCenter initiates TransitChek operations by marketing the program to businesses throughout the greater Manhattan area, providing application/order forms in information packets to simplify enrollment.

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<sup>14</sup> The micr line is printed on the bottom front of the voucher in magnetic ink containing metal flakes, similar to that on a personal check. A high-speed scanner can read this line.

<sup>15</sup> Polaproofs are similar to holograms, but they contain two-dimensional versus three-dimensional designs. TransitCenter chose polaproofs as a security feature over holograms because of their unique look and greater difficulty to simulate. Polaproof is a trademarked product of the Polaroid Corporation.

## ANATOMY OF A TransitChek®

A sample TransitChek® is displayed below with key design elements of the TransitChek highlighted.

TransitChek \$ value (\$15, \$21 or \$30). The value of TransitChek voucher is boldly printed under the TransitChek security decal. TransitCenter employees a unique foil security decal known as a *Polaproof™*, which is a registered product of the Polaroid Corporation. Although TransitCenter has elected to produce TransitChek vouchers with \$15, \$21 and \$30 values, the production processes developed allow the voucher to be variably printed with any value. This process provides TransitCenter with the ability and flexibility to quickly introduce new voucher denominations in the future.

Value is also printed in text box.

TransitChek validity date.

Valid for 13 1/2 months.

\$15

\$21

\$30



Employee Receipt

TransitChek vouchers may only be presented to transit operators, designated agents or sales outlets for value.

TransitChek vouchers can be personalized for a company, by having the company's name printed on the Employee Receipt.

TransitChek Serial Number.

**Figure 2-2. A New York TransitChek®**

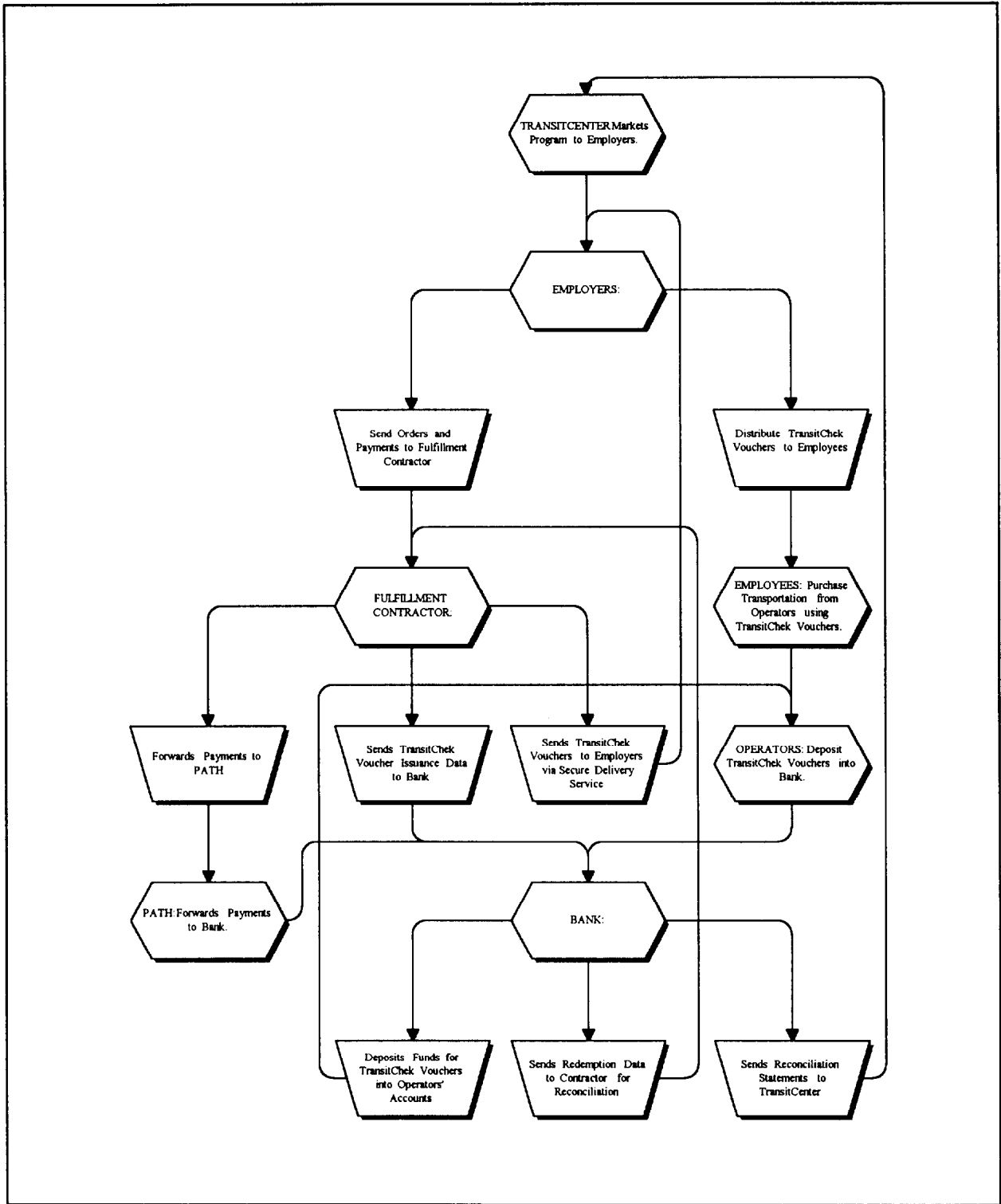


Figure 2-3. Flow Diagram of New York City TransitChek® System

Businesses send their orders and payments for TransitChek vouchers to the TransitChek customer service department operated by the fulfillment contractor. From this point on the fulfillment contractor assumes the bulk of responsibility for system operations, with TransitCenter serving in an oversight capacity.

The fulfillment contractor forwards payments received from business customers through PATH for deposit in TransitCenter's bank account, and forwards TransitChek voucher issuance data directly to TransitCenter's bank. No orders are processed until full payment has been received. The contractor then processes and ships the voucher orders to the customers, using a secured delivery service.

The businesses distribute the vouchers to their employees according to the schedule they have adopted. Most businesses order TransitChek vouchers quarterly and distribute them monthly to their employees in their payroll envelopes, but other ordering and distribution schedules are used occasionally. Some companies with limited cash flow order monthly; others order a year's supply at once. Some companies give their employees three months' or an entire year's worth of vouchers at once.

Employees present TransitChek vouchers to the participating transit operator of their choice in exchange for passes, tokens or tickets on the system. Since participating operators accept TransitChek vouchers as equivalent to cash fare payment, employees may redeem them

- at any subway station
- at any ticket window at a commuter rail station
- at any bus station ticket window
- in ticket-by-mail programs
- at designated retail outlets.

TransitCenter is continuing to make the TransitChek program as convenient as possible by working with operators and retailers to increase the number of redemption options and locations. However, since TransitChek vouchers may not be redeemed for cash, bus and train drivers will not accept them for the purchase of tickets that are less than the voucher face value. In addition, cash services cannot accept TransitChek. Each operator has imposed a limit on the number of vouchers that may be used at one time to purchase fares.

The transit operators in turn deposit the vouchers into their own bank accounts. Through the federal banking system, TransitCenter's bank clears the vouchers and transfers funds to the transit operators' banks.

TransitCenter's bank reconciles vouchers that have been redeemed with data on voucher numbers and denominations received from the fulfillment contractor, then forwards reconciliation statements to TransitCenter. It also forwards redemption data to the fulfillment contractor for customer account reconciliation, ending the TransitChek cycle.

### **2.3.5 Operators Accepting TransitChek® Vouchers**

As of 1995, the transit operators listed in Table 2-4 would accept TransitChek for transportation on their systems.

### **2.3.6 Fulfillment Activities**

Although TransitCenter administers the TransitChek program and guides its development, they contract out certain specialized operations, and have TransitCenter staff oversee the contractor. Key among these are the fulfillment process and affiliated services.

The fulfillment contractor plays a significant role in the performance of the TransitChek system. The responsibilities of the contractor include a wide range of services that tie directly to the daily operations, voucher production and customer service functions of the program, including those highlighted in the flow diagram in Figure 2-3. Activities include:

- design, printing, and inventory control of bank-acceptable TransitChek vouchers
- design, production, application, and inspection of security features
- receipt and acceptance of all customer orders and payments
- invoicing of customers
- packaging and delivery of TransitChek orders
- development, maintenance, and operation of a customer management information system (MIS)
- generation of MIS reports as they relate to customer order history, voucher production, order shipments, and customer payments
- magnetic encoding of TransitChek vouchers for future ticket vending machine acceptance
- exchange of data with TransitCenter's bank concerning issuance of TransitChek vouchers and data verification for full voucher reconciliation



**Table 2-4. Operators Accepting TransitChek® Vouchers in the New York Region**

•	MTA New York City Transit Subway and Buses	
•	MTA Staten Island Railway	
•	MTA Long Island Rail Road	
•	MTA Metro-North Railroad	
•	New Jersey Transit Commuter Rail & Bus	
•	Port Authority Trans-Hudson Corporation	
•	Connecticut Commuter Rail/Shore Line East	
•	New York, Connecticut and Pennsylvania Bus Services	
	Anton Travel Service	Martz Lines
	Atlantic Express	MTA Long Island Bus
	CBS Lines, Inc.	Monsey Trails
	Command Bus	New York Bus Service
	Connecticut Transit	Queens Surface Corporation
	Greater Bridgeport Transit District	Spring Valley Coach
	Green Bus Lines	Sunrise Coach Lines
	Hampton Express Inc.	Trans-Bridge Line
	Hart Bus Service	Triboro Coach
	Jamaica Buses	Westchester County – Bee-Line System
	Liberty Lines Express	Westport Transport
•	Vanpool Companies	
	Rideshare Company	Royal Coachman Vanpools
	Van Pool of New Jersey	VPSI Commuter Vanpools
•	New Jersey Bus Services	
	Academy Bus Lines	Lakeland Bus Lines
	Asbury Park - NY Transit	Morris Metro
	Atlantic Express Coachways	NJ TRANSIT
	Blue & Gray Transit	Olympia Trails
	Carefree	Pocono Mt. Trails
	Community Line, Inc.	Rockland Coaches (Red and Tan)
	Community Transit	Shortline
	DeCamp Bus Lines	Suburban Trails
	Evergreen Bus Lines	Suburban Transit
	Hudson County Executive Express	
•	AMTRAK	
•	Ferry Services	
	Davis Park & Watch Hill Ferry	NY Waterways
	Fire Island Ferry	Sayville Ferry
	Hoboken Ferry	TNT Hydrolines

- customer service support
- maintenance of a toll-free customer service phone line.

In addition to the above services, the new fulfillment contract, which began on January 1, 1995, calls for expanded MIS capabilities and extra services in the area of reporting and market analysis.

### **2.3.7 Marketing TransitChek\***

Extensive marketing of the TransitChek program has been crucial to its initial success and continuing growth. TransitCenter maintains that growth could not have been achieved with less aggressive marketing. As testimony to the effectiveness of the marketing program, TransitCenter believes that almost all CBD businesses had name recognition for TransitChek by the end of 1992. The two key components of TransitCenter's marketing campaign have been 1) consumer-based marketing, and 2) direct mail (business-to-business) marketing.

The consumer-based marketing program has focused on employees who already use transit. In TransitChek's primary market, the Manhattan CBD, transit users comprise 85 percent of the approximately 1.8 million daily commuters. Employees have educated their companies about TransitChek either by obtaining information from TransitCenter and sharing it with their companies' decision makers, or by contacting TransitCenter and having the information mailed to the appropriate decision makers in their companies. Consumer marketing includes:

- the posting of "car cards" on all operating equipment including the New York City subway and buses, LIRR, Metro-North, PATH and NJ TRANSIT rail and bus systems
- the distribution of "seat drops" on the region's three commuter railroads
- the display of "take ones" at ticket windows of the commuter railroads
- handouts at major subway stations in the Manhattan CBD.

Direct mail marketing, or business-to-business marketing, provides detailed information about TransitChek directly to company decision makers: executives, chief financial officers, human resource managers, office managers, etc. TransitCenter has engaged in at least one major direct mail activity per year to about 30,000 companies. The information package mailed is complete enough to allow a company with little or no follow-up to understand the program and begin participating simply by completing and remitting an order form and payment. Appendix A contains samples of TransitChek marketing materials.

The direct mail campaign is focused on several selling points:

- TransitChek is a tax deductible business expense for the company.

- TransitChek provides tax savings to a company over a comparable salary increase.
- Because it is tax-free, it is an employee benefit that is worth more to the employee than the same dollar amount of salary increase.
- It boosts employee morale; employees want it.

In view of the the 1990 Amendments to the Clean Air Act, TransitCenter is targeting companies with 100 or more employees, and marketing the program as a means for reducing significantly the amount of single occupancy vehicle commuting by their employees, as required by the Act.

Small businesses are easier to market than larger ones, because often with smaller businesses one person has sole authority to make the decision to enroll, whereas in larger companies, many people must review the decision, and there are certain rules and procedures to follow which are time-consuming. According to an employer survey conducted in 1994, the average enrolled company size was 37 employees with a distribution as shown in Table 2-5.

The marketing program includes public relations activities using the mass media, including press releases, press conferences with public officials, coverage by cable television, and articles in newspapers and periodicals. TransitCenter also continues to appeal to companies already participating to increase their subsidy levels to the maximum allowable by law.

TransitCenter would like to expand the marketing area beyond the CBD. Some inroads have already been made into satellite communities, and into areas where branch offices of companies with headquarters in the CBD are located. Vanpool commuters also are a potential market for the program.

**Table 2-5. Sizes of Companies Enrolled in the New York TransitChek® Program in 1994**

<b>Number of Employees</b>	<b>Percent of Enrolled Companies</b>
1 - 5	40.0
6 - 10	20.0
11 - 25	20.0
26 - 100	14.0
101 - 250	4.0
251+	2.0
<b>Total</b>	<b>100.0</b>

## **2.4 EVALUATION OF TRANSITCHEK® IN THE NEW YORK CITY AREA**

### **2.4.1 Methodology**

**2.4.1.1 Surveys** - TransitCenter conducted three surveys that provided statistical data on employer and employee attitudes toward and use of the TransitChek program.

1989 TransitChek Survey – In the Fall of 1989, TransitCenter conducted a survey of all employers that had participated in TransitChek for at least six months, and all their employees who were receiving TransitChek vouchers. The main objective of the survey was to measure the impact of TransitChek on the individual transit operators and on employee transit and vehicular usage patterns for commuting and noncommuting trips. The survey obtained responses from 193 employers, representing 38 percent of the 513 companies enrolled at the time, and 2,320 employees, representing about 50 percent of the employees of the companies responding, yielding results with a 95 percent confidence level. Copies of the employer and employee survey forms are shown in Appendix B.

1990 Port Authority TransitChek Survey – In the summer of 1990, TransitCenter conducted a survey of Port Authority employees who had participated in TransitChek since its initiation in July 1989, as a benefit program for Port Authority clerical and support staff. (In mid-1993, the Port Authority expanded the program to all its employees.) The main purpose of the survey was to measure the impact of TransitChek on each operator, and on transit and vehicular usage for commuting and noncommuting trips. Of the 845 qualified personnel surveyed, responses were received from 526 clerical and support personnel, yielding a response rate of 62 percent and a confidence level of 95 percent. Survey questions asked in this survey were identical to those of the 1989 TransitChek Survey shown in Appendix B.

1994 Survey of Participating Employers and Employees – In the Summer and Fall of 1994, TransitCenter conducted three TransitChek surveys. The first was a survey of employers participating in TransitChek, about 3,100 at the beginning of the year. Its objectives were to obtain information on how employers administered the program, and to obtain their opinions and suggestions about the program. The response rate was 34 percent. The second was a survey of employees at 50 companies selected through stratified sampling by work force size, to obtain information on their commuting habits and use of TransitChek vouchers. About 4,170 employees, or 51 percent, responded. The third was a survey of Port Authority employees, with questions similar to those for the employee survey. Appendix C contains the survey forms.

**2.4.1.2 Interviews** - The Volpe Center conducted interviews with significant organizations involved in administering and developing the TransitChek program, as well as representative participating employers and operators. A cross section of participating employers was chosen from the range of industry types, locations, and sizes of the companies enrolled in the program. The participating operators interviewed included the largest public transit agencies, a railroad and a private transit operator. Appendix D contains a synopsis of the findings from each operator and employer interview.

## **2.4.2 Transit Usage**

Direct measurement of TransitChek's effects on transit ridership is hampered by limited data available from operators and TransitCenter, and by the small TransitChek community relative to total transit usage. Consequently, the evaluation takes a less direct route in attempting to assess TransitChek's effects on ridership. Using a "bottom up" approach, the evaluation focuses first on TransitChek users, and their stated changes in transit usage and choices of transit mode. Then the evaluation looks at the number of TransitChek users as estimated by TransitCenter, and the number of TransitChek vouchers redeemed by individual operators.

**2.4.2.1 Changes in Transit Usage** - The 1989, 1990, and 1994 employee surveys showed an increase in use of transit for both commuting and noncommuting trips by employees receiving TransitChek, and a corresponding decrease in use of automobiles and taxis. Table 2-6 shows a comparison of the three surveys in the percent of TransitChek users who increased transit usage, and the number of new transit trips per \$15 worth of TransitChek vouchers. It appears that the percentage of TransitChek recipients who increased transit usage declined somewhat in 1994, although there was still a general increase in transit usage due to TransitChek.

Although the table shows the number of new trips per \$15 worth of TransitChek vouchers has also declined, this should be interpreted considering the fact that the average value of TransitChek vouchers received per user in 1994 is about three times that in 1990. An employee who received \$15 in TransitChek vouchers in 1990 would be receiving \$45 in 1994, so for 1994 the number of new commuting trips per recipient would be 1.29 and of noncommuting trips, 1.74, or approximately three new transit trips per 1994 recipient compared to 1.75 new trips per recipient in 1989. It appears that the higher subsidy induces the recipient to take more additional transit trips.

Other data from the 1994 employee survey also bear out the effect of the subsidy amount on the number of additional trips taken. Employees receiving \$31 or more per month took on average over three times as many additional trips than those receiving \$30 or less per month.

Based on the 1994 survey, it is estimated that 1.7 million additional transit boardings occurred in 1994 due to TransitChek, broken down by the region's operators as follows:

- NYCT - 1,019,000 boardings
- LIRR - 84,000 boardings
- Metro-North - 82,000 boardings
- NJ TRANSIT - 223,000 boardings
- PATH - 127,000 boardings.

**Table 2-6. Changes in Transit Usage in New York due to TransitChek\***

	<b>1989 Employee Survey</b>	<b>1990 Port Authority Survey</b>	<b>1994 Employee Survey</b>
<b>Commuter Trips</b>			
Percent TransitChek users			
increasing transit usage	16.5	22.7	11.0
taking 1-2 new trips per month	2.5	2.9	
taking 3-8 new trips per month	7.2	11.1	
taking 9+ new trips per month	6.2	8.8	
Average number new trips per \$15 TransitChek	1.23	1.13	0.43
<b>Noncommuter Trips</b>			
Percent TransitChek users			
increasing transit usage	14.0	21.8	15.0
taking 1-2 new trips per month	2.8	4.3	
taking 3-8 new trips per month	9.4	13.1	
taking 9+ new trips per month	2.2	4.4	
Average number new trips per \$15 TransitChek	0.55	0.55	0.58

**2.4.2.2 Operator Choice** - The three employee surveys suggested which transit systems TransitChek recipients, both new and former transit riders, were riding, as indicated by their responses to the question on where they redeemed their TransitChek vouchers. Table 2-7 shows that NYCT redeems the most TransitChek vouchers, followed by NJ TRANSIT, although both percentages have declined with the entrance of more operators into the program. Railroads are redeeming an increasingly large portion of the vouchers.

The table also shows the estimated number of TransitChek users by transit system for 1989, 1990 and 1994. It appears that the number of TransitChek users on NYCT has come to represent a significant portion of its ridership; when compared to the approximately 2.5 million riders using the system during a typical rush hour, TransitChek users comprised almost 2 percent in 1994.<sup>16</sup>

<sup>16</sup> From telephone conversation with A. Erinrich, NYCT, December 2, 1993.

Table 2-7. TransitChek® Redemptions in New York by Operator

Operator	1989 Employee Survey		1990 Port Authority Survey		1994 Employee Survey	
	Percent TransitChek Vouchers Redeemed	Estimated Number of Users	Percent TransitChek Vouchers Redeemed	Estimated Number of Users	Percent TransitChek Vouchers Redeemed	Estimated Number of Users
NYCT	81.1	16,423	73.0	19,272	62.5	49,572
NJ TRANSIT - Bus	3.3	749	8.6	2,270	13.2*	10,470
NJ TRANSIT - Rail	3.3	668	13.9	3,670		
Metro-North	4.7	952	0.2	53	8.8	6,980
LIRR	3.7	749	1.0	264	7.7	6,107
Private Buses	3.3	668	2.3	607	4.6	3,648
PATH**					2.2	1,745
Ferries	0.2	41	0.4	106	0.4	317
Other			0.2	53	0.7	555
<b>Total</b>	<b>100.0</b>	<b>20,250</b>	<b>100.0</b>	<b>26,400</b>	<b>100.0</b>	<b>79,315</b>
Sum of individual items may differ from printed column totals due to rounding.						
* Bus and rail are combined.						
** PATH did not accept TransitChek vouchers before 1994.						

**2.4.2.3 Growth in TransitChek<sup>o</sup> Usage** - Table 2-8 below shows the growth in TransitChek users in New York since the program began in 1987. Because TransitCenter does not request the number of employees receiving vouchers from enrolled companies, the number of users is only a rough estimate based on the number of vouchers ordered per period, modified by information obtained from employer communications with TransitCenter customer relations representatives.

As shown in the table, the TransitChek program has experienced steady growth since its inception, and has accelerated in recent years simultaneously with the increase of the tax deductible subsidy limit. The annual growth rate in total users since 1989 was 31 percent. During the same period, dollar sales increased at an annual growth rate of 66 percent, or about twice the rate of the number of users. This demonstrates the subsidy per employee has increased as the tax deductible limit has increased over the years.

**Table 2-8. Growth of TransitChek<sup>o</sup> in New York**

<b>Year</b>	<b>Sales (\$M)</b>	<b>New Companies Enrolled</b>	<b>New TransitChek Users</b>
<b>1987</b>	0.28	195	4,508
<b>1988</b>	1.28	330	7,628
<b>1989</b>	1.99	351	8,114
<b>1990</b>	2.84	379	6,150
<b>1991</b>	3.51	332	6,050
<b>1992</b>	6.19	457	9,565
<b>1993</b>	17.16	1,579	23,500
<b>1994</b>	25.10	1,250*	13,800*
<b>Total</b>	58.25	4,873	79,315
* Projected			

Contacts with individual operators produced only sketchy data, which nevertheless confirmed the trends shown above. One reason few operators tracked TransitChek redemptions separately from other types of fare payments is that the vouchers were designed to function like regular bank checks, and are treated as such. Since they do not require special procedures to process, most operators did not want to increase agents' workloads by requiring additional recordkeeping.



Of the major participating transit operators, only NYCT routinely tracked the value of TransitChek vouchers redeemed at their facilities, and had information on the market share of their revenues from TransitChek. Table 2-9 shows these statistics. The value of TransitChek vouchers redeemed at NYCT has been steadily increasing since 1991, the earliest year for which partial statistics were available, both in absolute value and compared with total noncash fare revenue. In 1993, the value of TransitChek vouchers redeemed at NYCT was 0.63 percent of total revenues.

The average monthly value of redeemed TransitChek vouchers is growing at roughly the same rate as the legislated maximum tax-free transit benefit, and at the same rate as the ratio of TransitChek value to revenue, also shown in Table 2-9. These data suggest the increasing dollar value of TransitChek vouchers redeemed at NYCT is keeping pace with increases in the subsidies users receive from employers. This implies that TransitChek helps retain current transit users. It may also attract new riders, but not in great enough numbers to surface in these statistics.

**Table 2-9. TransitChek<sup>o</sup> Usage on NYCT**

<b>Time Period</b>	<b>\$ Value of TransChek Vouchers Redeemed</b>	<b>Monthly Average Value</b>	<b>Total Revenue from Tokens</b>	<b>TransChek Vouchers as % of Total Revenue</b>	<b>Maximum Transit Benefit</b>
July-Dec., 91	\$1,236,000	\$206,000	\$629 m	0.20%	\$15
(Change from 91 to 92)		(+52%)		(+40%)	(+40%)
Jan.-Dec., 92	\$3,754,000	\$313,000	\$1,338 m	0.28%	\$21
(Change from 92 to 93)		(+130%)		(+186%)	(+185%)
Jan.-Nov., 93	\$7,912,948	\$719,000	\$1,246 m	0.63%	\$60

The 1994 employee survey results confirm that the influence of TransitChek, though positive, is still too small to surface in operator statistics. Nevertheless, the survey suggests that an estimated 1,019,000 additional boardings on NYCT occurred because of TransitChek. Given a \$1.25 fare, these boardings would have yielded \$1,273,750 of additional revenues for the year. Although this is only about 0.1 percent compared to \$1,246 million in total NYCT revenues, it more than compensates the MTA for its \$500,000 in contributions to TransitCenter's budget for 1994.

The LIRR performed a special survey to discover the volume of TransitChek vouchers redeemed at their ticket offices. During November 1993, LIRR redeemed approximately \$85,000 in TransitChek vouchers (mostly the \$30 denomination), or about 0.34 percent of their

\$24,570,000 total monthly revenues. This is about half the redemption rate for the NYCT, but it is possible that a slightly larger proportion of LIRR riders are TransitChek users. It appears that LIRR riders who also take the subway to get to their final destinations may be more likely to redeem their TransitChek vouchers at subway stations, since the \$60 subsidy covers a full month's subway transportation, whereas it only partially covers the cost of a railroad pass.

NJ TRANSIT collected 50,710 TransitChek vouchers with a total value of \$1,244,164 during the first three quarters of 1994, representing approximately 0.4 percent of revenues for the same period. NJ TRANSIT noted that ridership on the system has increased markedly during 1994 after declining for several years. Although TransitChek redemptions on the system are low compared to total revenues, they have been increasing in both absolute value and as a percent of revenues along with overall system ridership.

Ridership on most transit systems has increased since 1992. Additional transit boardings due to TransitChek remain small compared to total system ridership on participating transit systems, and fluctuations in TransitChek usage at this stage of the TransitChek program would not affect ridership statistics to any great extent.

### **2.4.3 Financial Impacts**

**2.4.3.1 On Operators** - As discussed in Section 2.4.2.2 Operator Choice, TransitChek has greatly affected ridership, but it is too small to make an impact on overall operator revenues at this stage of the TransitChek life cycle.

Interviews with the major operators participating in the TransitChek program revealed that they incur no additional ongoing costs in administering the program. Initially, NYCT incurred minimal costs from installation of black boxes in their ticket offices to read various optical characteristics of the vouchers and from training their employees to use them as a security measure for detecting counterfeit vouchers. The boxes proved unreliable, and ticket agents no longer use them, relying instead on visual inspection.

The TransitChek vouchers themselves, designed to function like regular checks in the banking system, require no special treatment by and result in no additional costs to the transit operators, who generally combine them with personal checks received from riders when making deposits into their bank accounts. (The similarity with regular checks is also the reason most operators do not track TransitChek redemptions separately from other checks.)

The three largest participating operators make annual financial contributions to TransitCenter to support the TransitChek program. (See Section 2.2.2.) Most of the operators also provide TransitCenter with in-kind assistance by displaying TransitChek posters on their vehicles and in their stations when TransitCenter is conducting a marketing campaign.

Several operators have included TransitChek as a payment option in their own informational brochures. Before TransitChek most major transportation providers had begun to recognize employers as marketing targets, and had introduced pass sales programs to large

employers in their service areas for improving ridership. As TransitChek sales increase, the operators are becoming more supportive of the program, because it is beginning to account for a small, but significant and growing, portion of their revenues.

**2.4.3.2 On TransitCenter<sub>sm</sub>** - TransitChek sales from the beginning of the program to the end of 1994 are shown in Figure 2-4. Enrolled employers and employees receiving TransitChek vouchers are shown in Figures 2-5 and 2-6 for the corresponding period. The large increase seen in December 1992 occurred one month before the \$60 transit fringe benefit maximum took effect. It appears that the increased sales are due primarily to the enrollment of new companies, although some previously enrolled companies did raise their employee subsidies because of the new maximum.

TransitChek program revenues are derived mainly from fees (53 percent). Slippage, that is, monies received from employers for TransitChek vouchers that are never redeemed by the recipient, accounts for 27 percent of program revenues. Finally, float, the interest received on funds between the time they are received from employers as payment for TransitChek vouchers to the time they are paid to the operators redeeming TransitChek vouchers, accounts for the remaining 20 percent of program revenues. Figure 2-7 shows the sources of TransitChek revenue as of mid-1994.

**2.4.3.3 On Employers** - Employers derive a tax savings from giving their employees TransitChek as opposed to a salary increase or other nontax deductible benefit. Employers may treat the entire cost of TransitChek vouchers as tax deductible. Figure 2-8 shows the savings an employer would realize if the employee received TransitCheks at the \$60 level each month, or \$720 per year. Assuming the employee were in the 28 percent tax bracket, the employer would have to give a conventional raise of \$1,000 for an equivalent benefit, plus pay up to 20 percent more in payroll-related costs, yielding a gross cost of \$1,200, or approximately \$840 after federal, state, and local taxes (depending on the location of the business). With TransitChek vouchers, there are no additional payroll costs, and the gross of \$720 would be \$504 after taxes, producing a net savings of \$336 per year per employee.

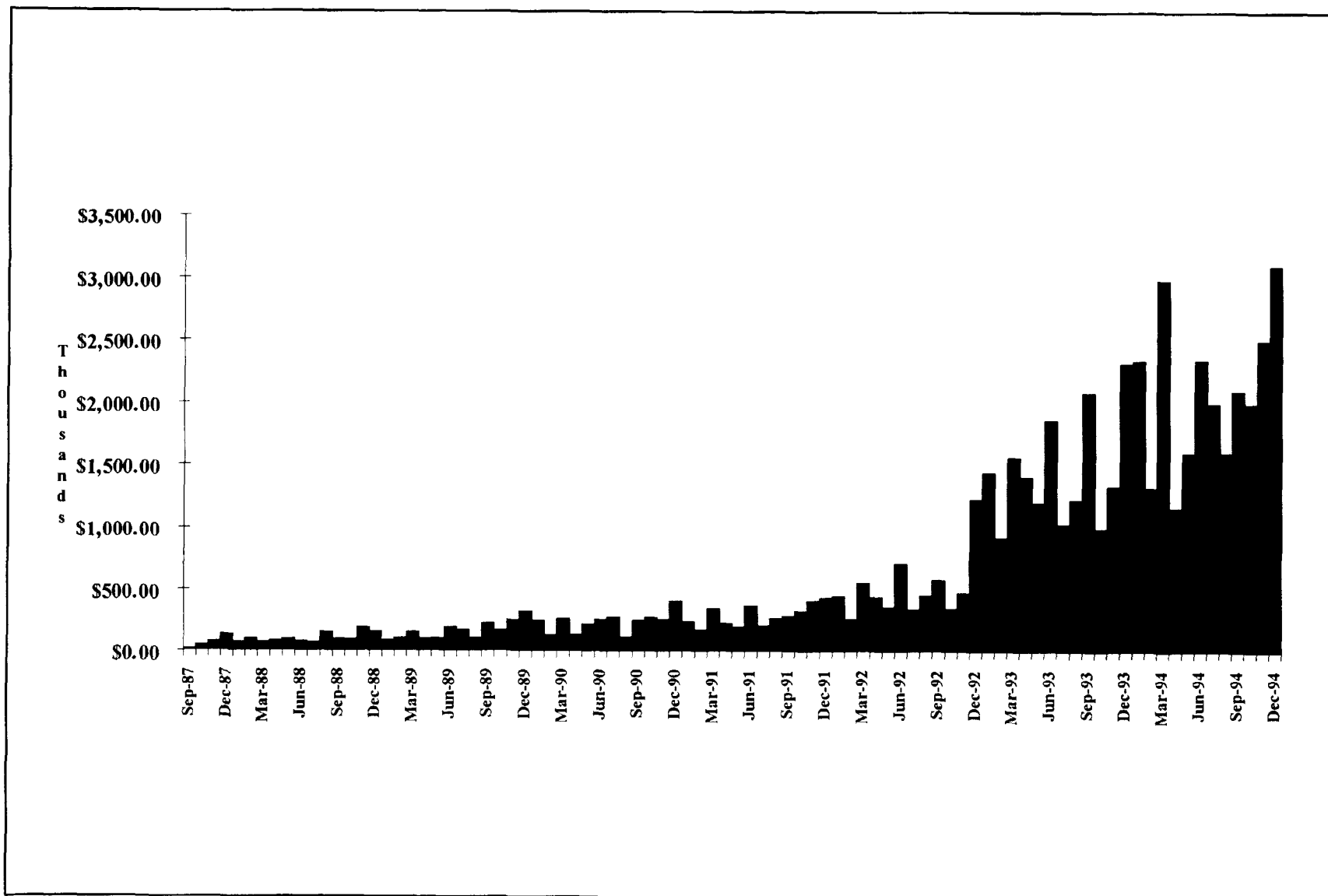
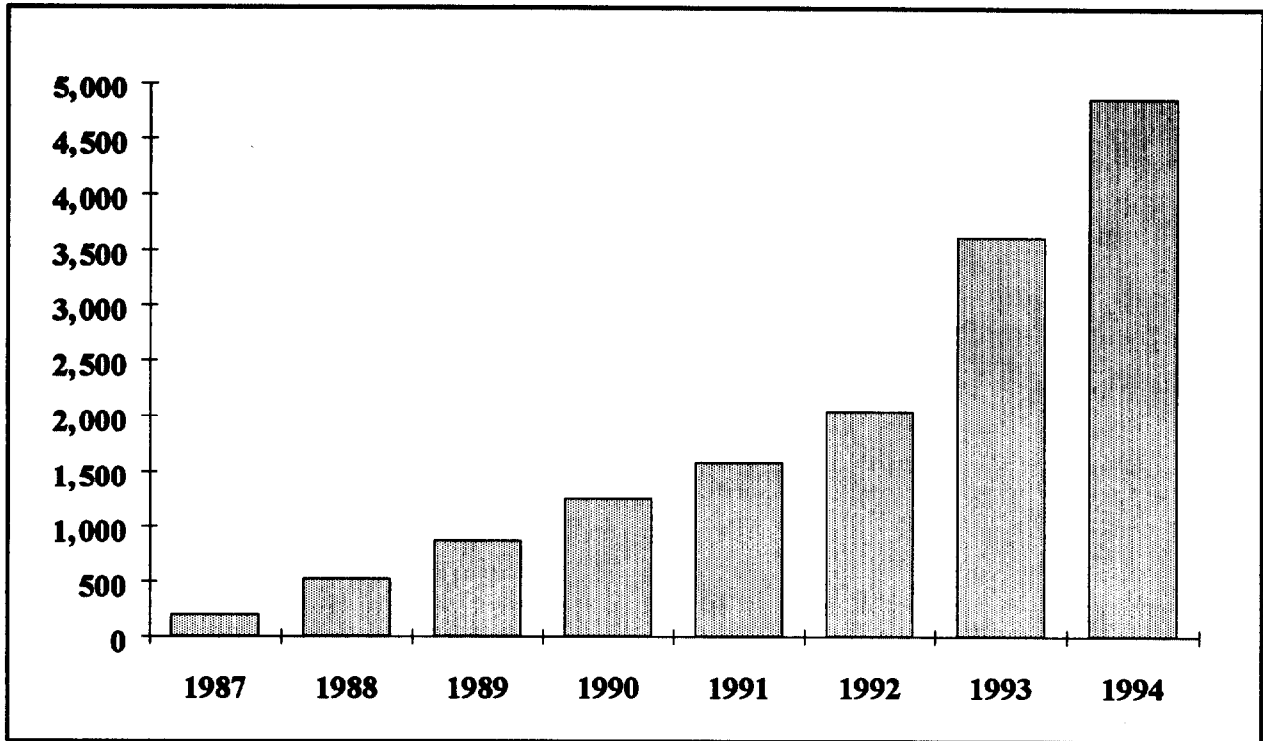
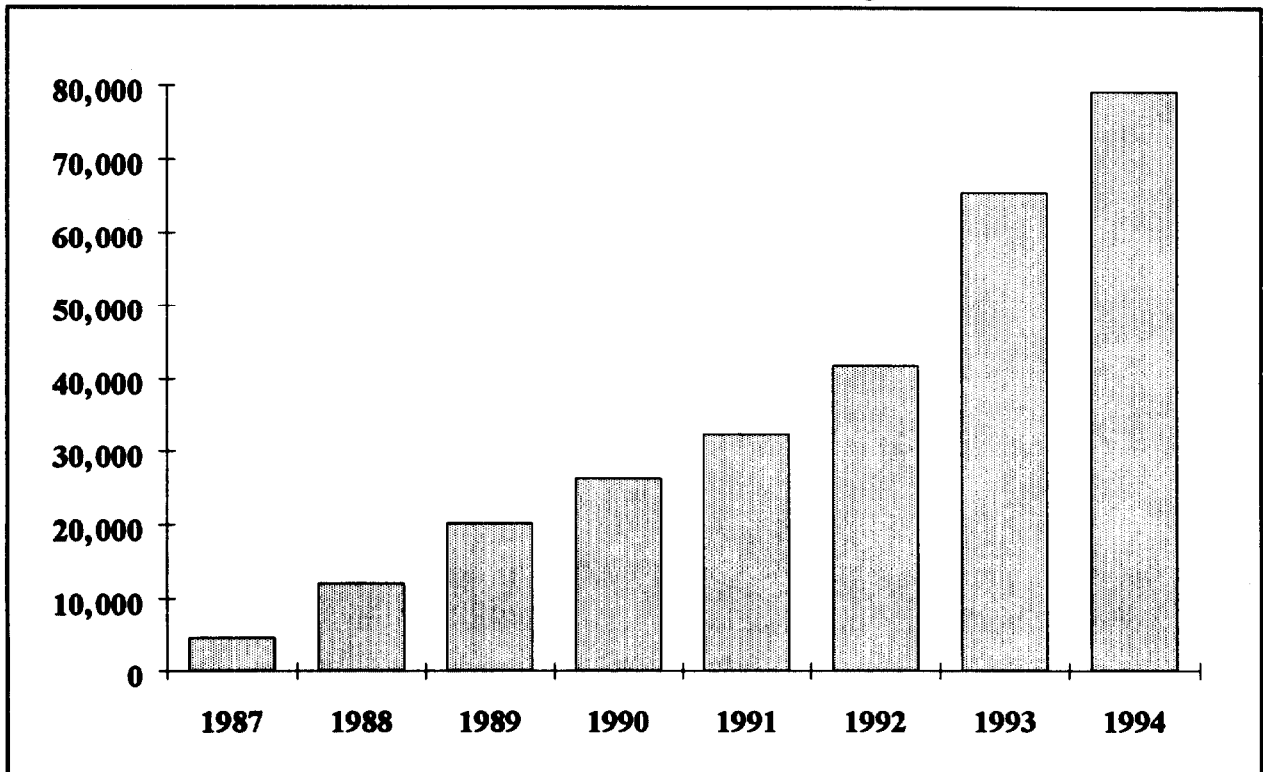


Figure 2-4. Monthly TransitChek<sup>®</sup> Sales in New York



**Figure 2-5. Cumulative Number of Employers Enrolled in TransitChek® in the New York Region**



**Figure 2-6. Cumulative Number of Employees Participating in TransitChek® in the New York Region**

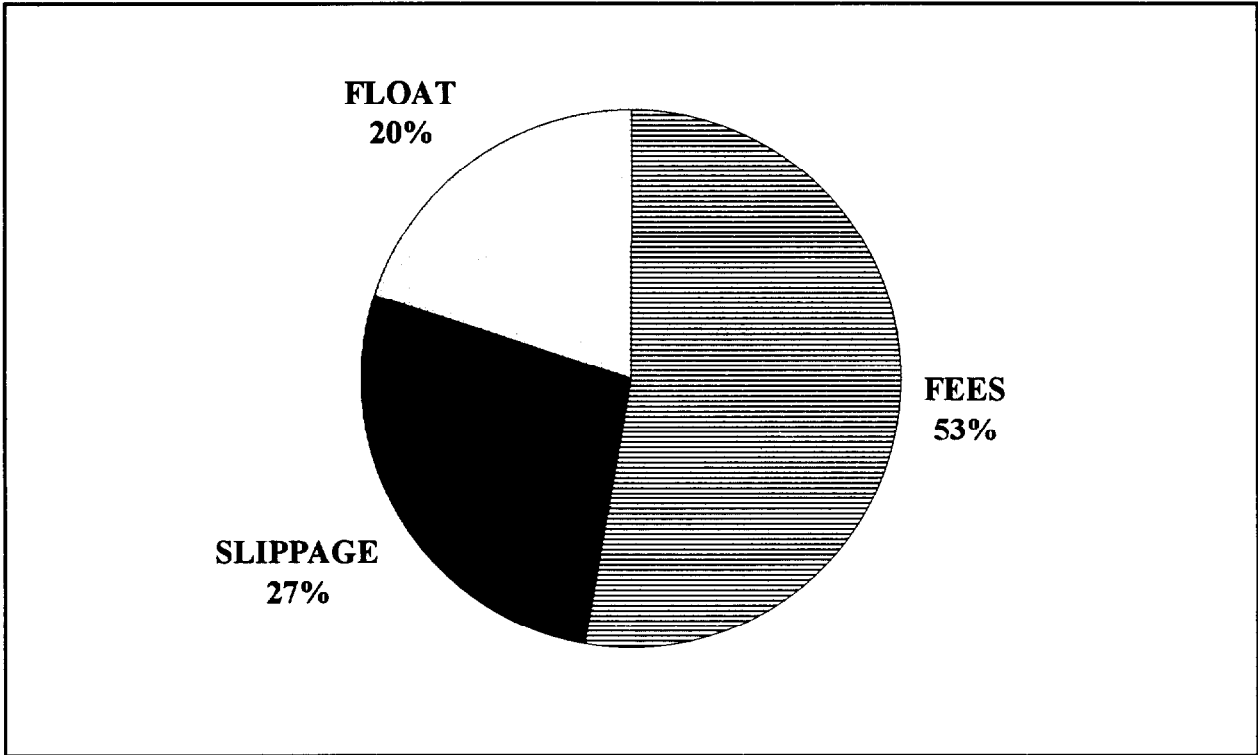


Figure 2-7. Sources of New York TransitChek® Revenue

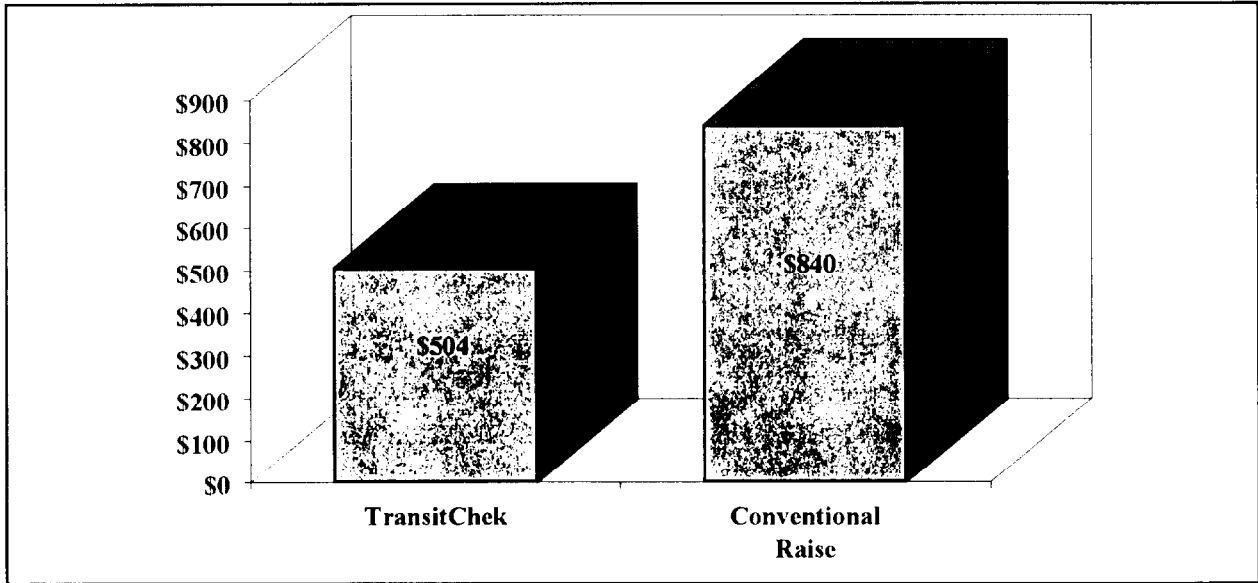


Figure 2-8. Employer Tax Comparison

#### **2.4.4 Mobility of Employees**

It appears that TransitChek has increased the mobility and travel opportunities of employees in that it has made transit an affordable and realistic choice for commuters.

**2.4.4.1 Modal Shift** - The first two surveys showed that TransitChek created a modal shift away from automobile and taxi usage for both commuter and noncommuter trips. Most of the shift to transit for commuter trips occurred during peak commuter hours. Table 2-10 shows the shifts by trip purpose for each survey. It appears that a slightly higher proportion of Port Authority TransitChek users decreased their automobile usage than TransitChek users from other companies. That may be because the Port Authority at the time of the survey was giving the transit benefit only to clerical and secretarial staff, where the benefit would have represented a more significant portion of employee income.

**Table 2-10. Modal Shift in New York due to TransitChek\***

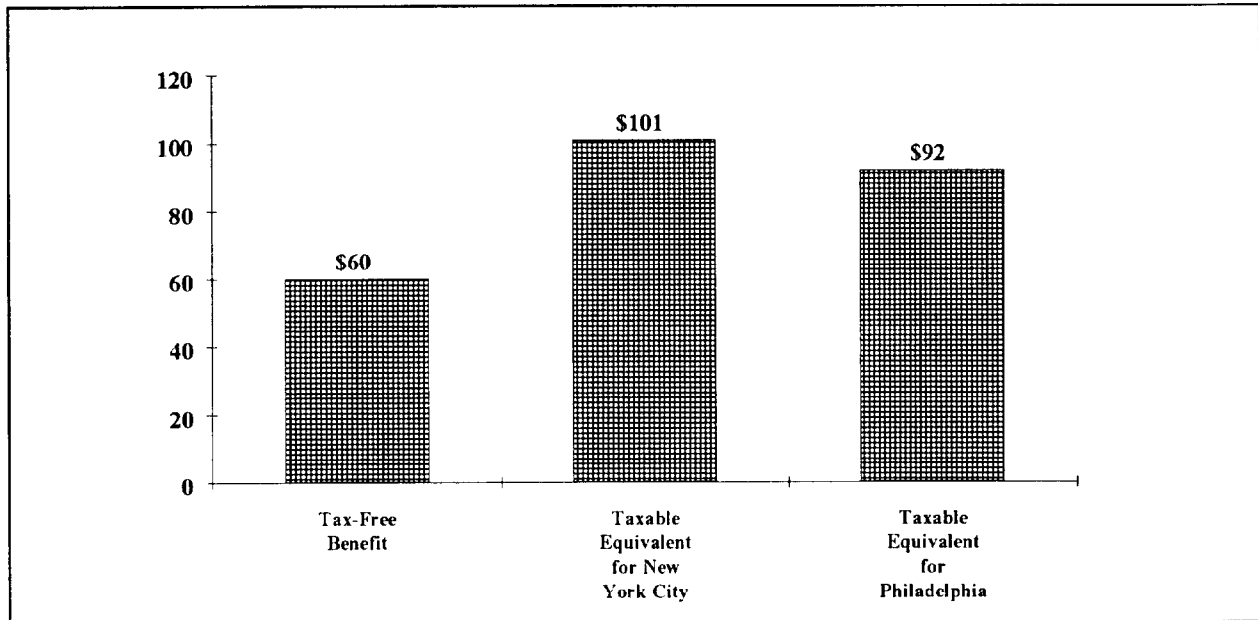
<b>% Respondents Who Decreased Auto/Taxi Use</b>	<b>1989 Employee Survey</b>	<b>1990 Port Authority Survey</b>
Commuter Trips	15.6	22.8
Noncommuter Trips	13.7	16.0

**2.4.4.2 Employee Attitudes** - Over 70 percent of the TransitChek users in the first two surveys said they developed more positive opinions of their employers because of TransitChek. Favorable comments from respondents included that the program gave transit a favorable image, increased their usage of transit, was simple and easy to use, and helped to defray transit costs and fare increases. The only negative comments dealt with some difficulties encountered in redeeming TransitChek vouchers. Subsequently, TransitCenter alleviated the problems identified in the surveys.

Over 70 percent of the respondents to the 1989 TransitChek survey earned incomes of \$35,000 or less, with 41 percent earning less than \$25,000. The vast majority of TransitChek users were female, 64.3 percent for the 1989 Employee Survey and 81.6 percent for the 1990 Port Authority Survey. However, it should be noted that at the time of the survey the Port Authority had restricted the transit benefit to clerical and secretarial employees, which positions are filled predominantly by women at the Port Authority.

By 1994 TransitChek recipients' characteristics had changed dramatically. Only 24 percent lived in households with less than \$35,000 in income. About 44 percent earned income of between \$35,000 and \$100,000. And approximately the same number of men as women received TransitChek vouchers.

**2.4.4.3 Employee Tax Savings** - Employees who work in New York City enjoy a significant tax savings from TransitChek vouchers. As Figure 2-9 shows, a \$60 tax-free benefit to an employee is worth \$101 in an equivalent taxable salary benefit. In other words, for every nontaxable TransitChek dollar an employee receives, he or she would have to receive a salary increase of \$1.68 to achieve an equivalent net benefit after paying federal, state and city taxes.



**Figure 2-9. Value of TransitChek® as a Tax-Free Benefit Compared to an Equivalent Taxable Salary Increase<sup>17</sup>**

**2.4.4.4 Employer Attitudes** - Employer attitudes about the TransitChek program’s effects on employee mobility were discovered through the 1994 Survey of Participating Employers and through interviews conducted with several companies participating in TransitChek.

The 1994 Survey revealed that employers believed the mobility of their employees had increased due to TransitChek. Highlights of the survey results include:

- Seventy-two percent of the companies gave TransitChek vouchers to all their employees, while the remainder gave them only to select employee subgroups.
- Eighty-six percent of the companies gave TransitChek vouchers as a fringe benefit, about 9 percent gave them as a bonus or incentive for performance, and 5 percent had other policies.

<sup>17</sup> These figures assume a federal tax bracket of 28 percent, New York state tax of 8.4 percent, New York City payroll tax of 4.3 percent, Pennsylvania state tax of 2.1 percent, and Philadelphia payroll tax of 4.96 percent.



- Fifty-four percent of the companies distributed TransitChek vouchers monthly, and 21 percent distributed them quarterly.
- The mean voucher value per recipient was \$49. The most popular amounts were in the range from \$46 to \$60 per recipient (49 percent) and from \$16 to \$30 per recipient (25 percent). Small firms tended to have slightly higher average values of vouchers than large firms.
- Participating organizations offered the following other commute-related benefits to at least some of their employees: free parking spaces at or near the work place (10 percent), reimbursement of some or all of the costs of parking in commercial lots at or near the workplace (10 percent), and reimbursement of other costs of commuting by private vehicle (12 percent).
- Twenty-nine percent of employers have increased the maximum value of TransitChek vouchers offered since starting their programs, while 1 percent have decreased the maximum value. Reasons for increasing the value were the popularity of this employee benefit (61 percent), changes in the tax code (40 percent), pressure from employees (17 percent), and external pressures about transportation and the environment (10 percent). They decreased the amount because the organization was spending too much on TransitChek (40 percent), and there was lack of employee interest (14 percent).
- Eighty-nine percent of the employers were not aware of any problems that their employees had experienced in using the TransitChek vouchers within the prior year.
- When asked to characterize the relative importance of TransitChek as an employee benefit, 48 percent viewed it as "very important," 40 percent said it was "somewhat important," 12 percent chose "of limited importance," and only 1 percent said that it was "not important at all."

Interviews with representatives from eight participating companies about their experiences with TransitChek confirmed the 1994 survey results. All of the organizations reported TransitChek was very popular among their employees, and the companies themselves viewed it positively, in general.

- One state agency, prevented from raising employee salaries by state legislation, appreciated TransitChek as a means to give employees a tax-free benefit equivalent to a greater value in pre-tax salary dollars.
- Although neither could provide any figures, two companies that provide free parking for employees believe some employees switched from single occupancy vehicle usage to transit because of TransitChek. To qualify for the program, the employees had to relinquish their parking spaces. Other companies located in

downtown Manhattan acknowledged that most of their employees had already been using transit before the program.

- None of the companies was aware of any program abuse. US Customs conducts regular audits of the program.

Although the employers cited a desire to promote transit, increase employee benefits and/or improve employee morale as motivation for initially enrolling in TransitChek, these companies were also keenly aware of program costs.

- Two employers felt TransitChek was expensive compared to other alternatives. US Customs would have preferred to purchase fares and passes directly from the individual operators using Government Purchase Orders (but the operators refused), and Aegis Insurance Services would have preferred to include the transit benefit in employee paychecks (but this is against IRS regulation of the subsidy).
- One organization, which enrolled to provide an incentive for improved employee attendance, eventually dropped TransitChek because the employees for which it was intended did not respond to the incentive, and management did not think the benefits of TransitChek without improved attendance warranted its cost (though the employees supported it).
- Budget limitations were cited as the reason several companies did not increase the subsidy to \$60 in 1993.

#### **2.4.5 Functional Characteristics**

**2.4.5.1 Vouchers** - The various security features of the TransitChek voucher design, described in Section 2.3.3, appear to have been successful in preventing counterfeiting. TransitCenter knows of no attempts to duplicate the vouchers for illegal use. TransitCenter is constantly reviewing innovations in design for applicability to TransitChek, and holds a quarterly review of security measures and techniques with the fulfillment contractor, who is responsible for implementing any new features agreed upon.

**2.4.5.2 Check Distribution System** - Employers interviewed were pleased with the responsiveness of TransitCenter to their needs. Orders were received on time and in good condition, and were filled correctly. Ninety-four percent of the employers in the 1994 Survey of Participating Employers had no problems with the administration of the TransitChek program.

TransitCenter currently uses UPS to deliver orders, but may switch to Federal Express to take advantage of the Port Authority's contracted rates. The delivery system has worked well, with only a few orders lost or stolen during delivery. TransitCenter has initiated controls to assure that large orders over \$10,000 are delivered safely. The fulfillment contractor first notifies the company of the anticipated shipping date. A second call is placed when the order is shipped, giving the customer the expected time of arrival and the carrier's name. Once the

order is accepted by the company, TransitCenter's responsibility ends. TransitCenter reports that thefts of TransitChek after delivery are no more frequent than thefts of other office property.

**2.4.5.3 Program Abuse** - As far as TransitCenter is aware, there have been no major thefts of TransitChek vouchers. The system is fully reconcilable, and both the fulfillment contractor and bank match the numbers of redeemed vouchers against those issued. TransitCenter will replace damaged vouchers, but will not replace lost, misplaced or expired vouchers.

TransitCenter views other types of abuse, such as employees using fares purchased with TransitChek vouchers for noncommuting purposes, selling them to others for cash, or using them as a black market currency, as beyond their area of responsibility and control. TransitCenter encourages employers to extract statements from their employees that they will not use the vouchers for purposes other than those intended, but many employers do not do so. In fact, some employers give TransitChek vouchers to all their employees, whether or not they use public transit for commuting. While this practice may encourage some employees to switch to public transit from single occupancy vehicle commuting, it also encourages misuse of the tax-free transit benefit by those who do not switch.

#### **2.4.6 Physical Impacts**

A rough estimate of the amount of fuel conserved by TransitChek recipients can be calculated as follows. Every commuter who leaves the car at home and travels to work by public transit saves about 400 gallons of gas per year,<sup>18</sup> or approximately 0.75 gallons per one-way commuting trip. Every \$15 worth of TransitChek vouchers sold in 1994 generated about one new transit trip per month, trips that users would likely have taken by auto or taxi before TransitChek. Assuming employees received \$30 in TransitChek vouchers monthly, it is estimated that the number of gallons of gasoline saved per month was 118,973 gallons for all 79,315 users enrolled at the end of 1994. The associated releases into the air of carbon dioxide, hydrocarbons, soot and particulate matter from the burning of that gasoline, did not occur.

### **2.5 SUMMARY FINDINGS FOR THE NEW YORK CITY REGION**

- Sales of TransitChek vouchers have grown at an annual growth rate of 64 percent since 1988, the first full year of program operation. From 1991 through 1994, as the maximum benefit grew from \$15 to \$60, a 400 percent increase, TransitChek sales grew over 700 percent. This tremendous growth can be attributed to several factors, including TransitCenter's highly effective and focused marketing program, the dedicated program staff, the support TransitCenter receives from the Port Authority and the transportation community, and the transit rich and transit dependent environment in which the program operates.

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<sup>18</sup> *TransitLine*, Volume 2, No. 1, Spring 1993.

- The TransitChek program has made progress toward the achievement of many program goals and goals of affiliated organizations.

It has improved employee mobility by increasing the commuting choices for employees of participating companies, and making transit and vanpools affordable choices, especially for lower paid employees. It has contributed to reducing commuter dependence on automobile usage; employee surveys showed that automobile and taxi use decreased and transit use increased by 16 to 23 percent.

There is evidence of increased transit ridership due to TransitChek. Survey results suggested participating employees took an average of three new transit trips per month. However, it is not clear how many new riders have switched to transit due to TransitChek. Anecdotes from employers affirm some employees have switched from single occupancy vehicle commuting to transit, although no survey data exist to support this. Because the number of TransitChek users is small compared to total ridership on the major transit systems (TransitChek redemptions for NYCT, LIRR and NJ TRANSIT represent 0.63 percent, 0.34 percent and 0.40 percent of total revenues, respectively), any increased transit usage by TransitChek participants is not apparent from transit ridership data. On NYCT, for example, it appears that increases in TransitChek redemptions are more likely due to the increased maximum subsidy rather than to new riders on the system.

TransitChek vouchers reduce the amount of cash handling for transit operators. Riders must use their TransitChek vouchers to purchase fares in bulk, either as packs of tokens or passes; transit operators will not give cash change for fare purchases less than the face values of the vouchers.

The TransitChek program has fostered cooperation among the operators and the business and transportation communities. This is evidenced by the joint participation of these groups on TransitCenter's board, and by the general success and growth of the program, which would not have occurred without the cooperation of all involved.

The effects of TransitChek on congestion are not measurable, given the small size of the TransitChek community compared to the workday traffic in the region.

- TransitCenter is highly effective in administering the program, and all aspects of the system they have developed are functioning as desired, including fulfillment activities, check design, fee structure, and marketing. Because of their initial market research and careful system design, the program did not encounter any major difficulties once it was set up. Various improvements have occurred as needs arose. For example, the new fulfillment contract calls for providing TransitCenter with easier access to sales and program status information. As they gain experience with the system and as sales increase, they expect the program to be self-supporting by 1997.

- The increase of the maximum tax benefit from \$21 to \$60 has had a significant effect on employer enrollments; over three times as many companies enrolled in 1993, the year of the increase, as the year before. Likewise, employees appeared to make more new transit trips with the increased subsidy amount.
- TransitChek provides a mechanism to ease the impacts of the 1990 Amendments to the Clean Air Act regulations on both commuters and their employers. TransitCenter's strategy of emphasizing this in their employer marketing program, as well as the savings an employer would derive from giving employees a benefit such as TransitChek over a conventional raise, promises continued future success in increasing TransitChek's share of the commuter market.

### 3. TRANSITCHEK® IN THE PHILADELPHIA REGION

#### 3.1 BACKGROUND

##### 3.1.1 Description of the Philadelphia Region

**3.1.1.1 Location** - The Greater Philadelphia Region, shown in Figure 3-1, covers over 2,000 square miles. Situated on the Delaware River, the area comprises ten counties in three states:

- in Pennsylvania: Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties
- in New Jersey: Burlington, Camden, Gloucester, and Mercer Counties
- in Delaware: New Castle County.

**3.1.1.2 Demographic and Economic Overview** - The Greater Philadelphia Region had a population of 5.7 million as of the 1990 Census; 1.6 million people lived in the City of Philadelphia, while the remaining 4.1 million people lived in surrounding areas. Projections for the year 2020 indicate Philadelphia will lose 4.8 percent of its population, while the suburbs will grow by 6.9 percent.

The region enjoys a diverse economy, a low cost of living and a high concentration of colleges, universities and cultural institutions. In 1993, the area's 2,069,700 jobs were concentrated in the service (33 percent), trade (22 percent), manufacturing (15 percent), and government (14.5 percent) sectors. Housing prices are low (as well as salaries) compared to other East Coast cities.

The Philadelphia area's economic condition has suffered from the recent recession. The City of Philadelphia has been particularly hard hit by both the recession and the trend of businesses moving to the suburbs, losing about 80,000 jobs since 1989, especially in the manufacturing and construction sectors. Overall by 1993, the number of jobs in Philadelphia had decreased by 13 percent and the number of jobs in the suburbs had increased by 23 percent compared to 1980 job levels.

**3.1.1.3 Mass Transportation<sup>19</sup>** - The Southeastern Pennsylvania Transportation Authority (SEPTA), controlled by a representative board, provides bus, trolley, rapid transit light rail and commuter rail services in the Philadelphia area, including the adjoining areas of New Jersey and Delaware. SEPTA is the fourth largest transit system in the US. It consists of three divisions: City Transit, Suburban Transit, and Regional Rail. Critical economic and engineering problems have dominated SEPTA's financial outlook, but patronage has started to recover following the

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<sup>19</sup> The material for this section was obtained primarily from *Jane's Urban Transport Systems*, Twelfth Edition, 1993-94.

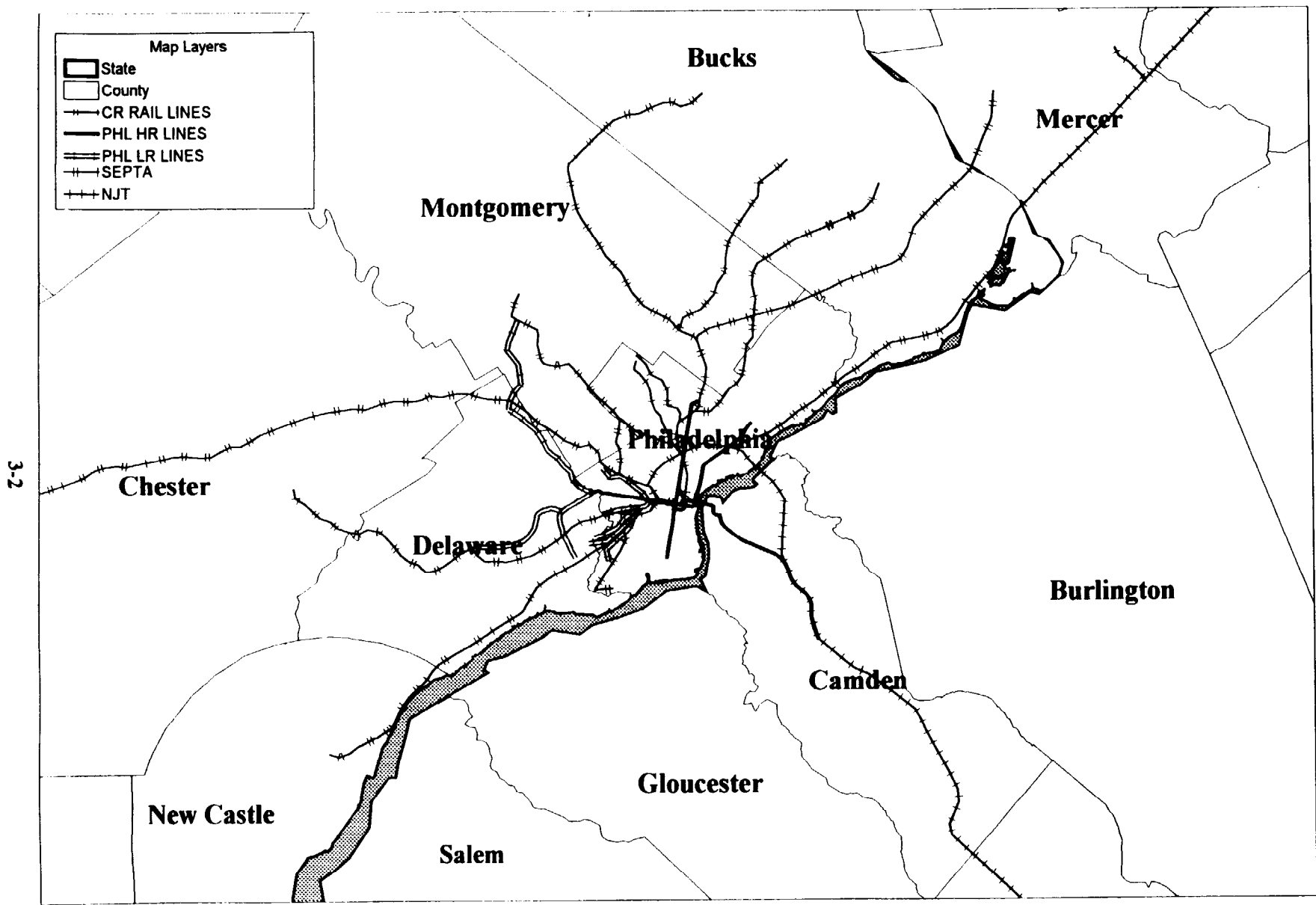


Figure 3-1. Philadelphia Regional Transit Systems

recent improvements introduced with the cross-city suburban rail link. SEPTA provided about 308.6 million passenger journeys in Fiscal Year 1993.

Feeder service is provided by the Port Authority Transit Corporation (PATCO), which operates the Lindenwold High-speed Rail Line, the first of the new generation of highly automated transit lines in North America, opened in 1969. PATCO provided about 11 million passenger journeys in 1989. Additional feeder service to Philadelphia is provided by NJ TRANSIT, operating an extensive network of buses, light rail and commuter rail in New Jersey.

A 1988 survey<sup>20</sup> of Philadelphia residents showed that a critical concern was the cost of transit. The most frequent response to fare increases was to drive automobiles more. Very few respondents said they were riding transit more because of service improvements; places of work and residence seemed to have the most influence on the degree of transit usage.

**3.1.1.4 Other Transportation** - Philadelphia's situation in the center of the Northeast Corridor affords it broad access to major transportation systems. The region has an extensive network of interstate highways and arterials. AMTRAK operates hourly service from Philadelphia to New York and Washington, D.C. Eighteen national and international commercial airlines provide service to Philadelphia International Airport, offering more than 100 domestic and 15 international flights each day. In addition, Philadelphia is the fourth largest United States seaport for imported goods.

**3.1.1.5 Environmental Issues** - Like New York City, Philadelphia experiences air, water and soil pollution problems, and the Philadelphia metropolitan area is classified as a severe nonattainment area for ozone according to the 1990 Amendments to the Clean Air Act. The Act required businesses with 100 or more employees in a severe nonattainment area to submit trip reduction plans in 1994 demonstrating how they planned to reduce single occupancy vehicle commuting by 25 percent by 1996. These plans were to address options for attaining the desired results, from encouraging carpooling, imposing limits on parking, charging for parking, or even eliminating it. Another approach would have been to encourage use of public transit with such mechanisms as TransitChek.

However, the state of Pennsylvania and the Philadelphia area, in particular, opposed the provisions of the Amendments through court action, legislation, lobbying and negotiations with the EPA. A tri-state business group known as Penjerdel portrayed the Amendments in a negative light to area corporations, and many are resisting the mandates. EPA in early 1995 indicated it would not enforce the trip reduction plan requirement in Pennsylvania. Consequently, DVRPC changed its TransitChek promotion to emphasize the program's potential for reducing traffic congestion rather than for meeting the requirements of the Amendments.

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<sup>20</sup> *Philadelphia Travels - City Transportation Survey*, Philadelphia Planning Commission, 1988.



### **3.1.2 History of TransitChek® Development in Philadelphia**

**3.1.2.1 Delaware Valley Regional Planning Commission** - Created in 1965, the DVRPC is an advisory agency that provides continuing, comprehensive and coordinated planning for the orderly growth and development of the Delaware Valley region. The region includes Bucks, Chester, Delaware and Montgomery Counties and the City of Philadelphia in Pennsylvania, and Burlington, Camden, Gloucester and Mercer Counties in New Jersey. DVRPC's mission for the 1990's includes:

- conducting high priority, short-term strategic studies for its member state and local governments and operating agencies
- developing and maintaining a long range, regional comprehensive plan
- providing technical assistance, data and services to the public and private sectors.

DVRPC is the Metropolitan Planning Organization (MPO) for the Philadelphia region. Besides administering TransitChek, activities include the formulation of the region's long range transportation plan, air quality planning, and helping develop and demonstrate the conformity of the region's transportation improvement program with the 1990 Amendments to the Clean Air Act.

**3.1.2.2 Motivation for TransitChek® Program** - Given its regional perspective, the DVRPC wanted to demonstrate the importance of transit's role in the growth and development of the Philadelphia area. DVRPC decided a program such as the New York TransitChek program would be an appropriate means to promote transit to Philadelphia area businesses. In particular, TransitChek was seen as a benefit to small employers who were excluded from the employer pass programs of SEPTA and NJ Transit, which did not market to small companies. Moreover, small companies did not generally have the resources to dedicate one person to pass sales.

When DVRPC approached major transportation providers and related organizations, most were interested in pursuing the TransitChek program. A core advisory group, known as the Policy Committee, was established consisting of the DVRPC, the Greater Philadelphia Chamber of Commerce, the Central Philadelphia Development Corporation, the Departments of Transportation of Pennsylvania and New Jersey, and many transportation operators, including SEPTA, NJ TRANSIT, PATCO, Bieber Tourways, Capitol Area Transit and Capitol Trailways (Harrisburg), Berks Area Rapid Transit Authority (BARTA), AMTRAK, the Delaware State Transit Agencies (DART), and the Port Authority of Allegheny County (PAT) in Pittsburgh. These organizations provided a large portion of the financial support to develop the program.

DVRPC, with the help of consultant Richard Oram, a key player in developing TransitChek for New York, applied for a \$300,000 Section 8 FTA grant to initiate TransitChek in Philadelphia. The grant, received in 1989, along with \$110,000 in matching funds from DVRPC, funded the design of the vouchers and the system, and the first two years of the program's operation. TransitCenter assisted DVRPC by sharing its experience with TransitChek.

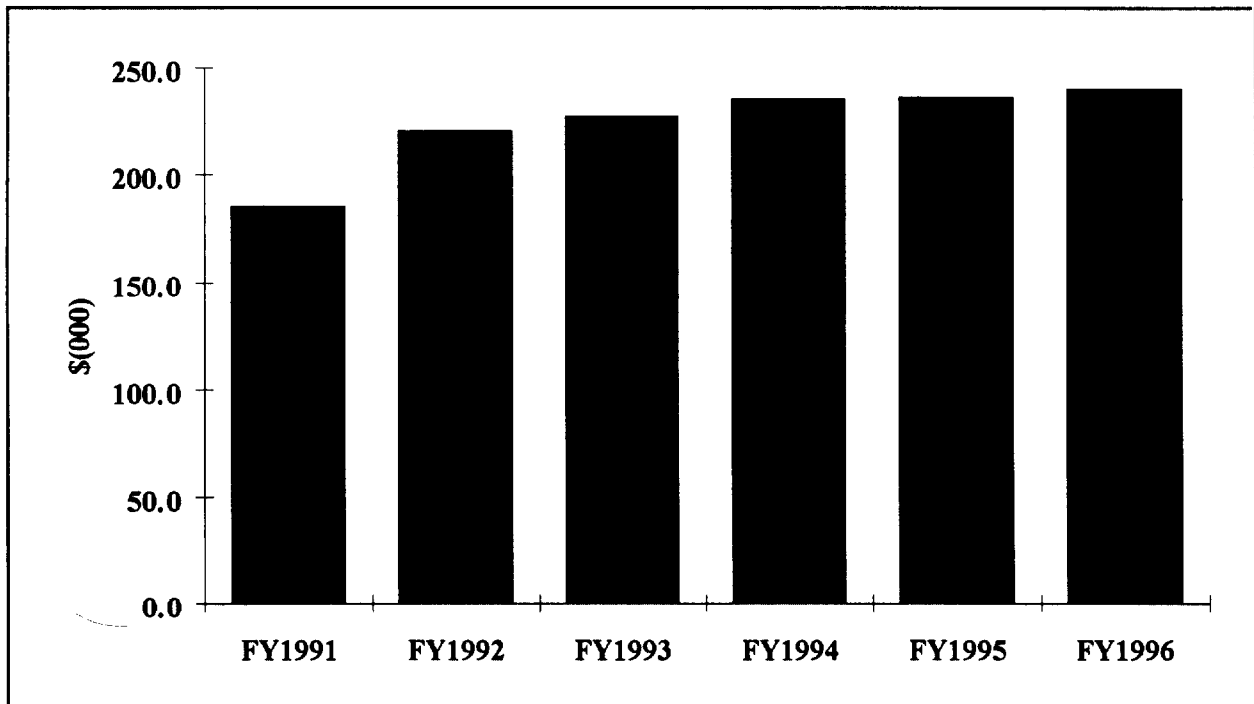
TransitChek and the \$15 transit fringe benefit were portrayed as an "employee benefit program" rather than a "transit subsidy" because of the negative reputation of transit in the Philadelphia area. The program became operational in June 1991, with participation by ten firms ordering over \$20,000 in TransitChek vouchers. After one year of operation, 69 firms had bought \$169,540 in TransitChek vouchers. As of September 1994, 178 firms had enrolled, representing about 5,000 TransitChek users, and had purchased over \$1.7 million worth of TransitChek vouchers since program inception.

**3.1.2.3 Program Goals** - DVRPC's main goal in establishing the TransitChek program was to increase ridership on the Philadelphia area's major transit systems, especially SEPTA, through a commuter benefit program. The goals of the participating operators and the FTA were similar to those for the TransitChek program in New York, listed in Section 2.3.2.

### 3.2 TRANSITCHEK<sup>o</sup> TODAY IN PHILADELPHIA

#### 3.2.1 Funding

Expenditures and revenues for the TransitChek program have been increasing since 1991. Figure 3-2 shows growth in actual budgets for Fiscal Years 1991 through 1995, and the estimated budget for Fiscal Year 1996. Table 3-1 details the Fiscal Year 1994 through 1996 budgets, showing on the revenue side, the level of program funding by transportation agencies and operators, and the amount of internal revenues.



**Figure 3-2. Philadelphia TransitChek<sup>o</sup> Program Budgets FY1991-1996**

**Table 3-1. Budget for TransitChek® in Philadelphia**

<b>FUNDING</b>				
<b>SOURCE</b>	<b>AMOUNT</b>			<b>MEAN % OF TOTAL</b>
	<b>FY1994</b>	<b>FY1995</b>	<b>FY1996</b>	
<u>TRANSITCHEK® PARTICIPANTS' CONTRIBUTIONS</u>				89.1%
PADOT & NJDOT	\$26,000	\$26,000	\$26,000	
TRANSIT OPERATORS	188,500	183,500	183,500	
SUBTOTAL	214,500	209,500	209,500	
<u>PROGRAM REVENUES</u>	20,534	26,340	30,500	10.9%
<u>TOTAL</u>	\$235,034	\$235,840	\$240,000	100.0%
<b>EXPENSES</b>				
<b>CATEGORY</b>	<b>AMOUNT</b>			<b>MEAN % OF TOTAL</b>
	<b>FY1994</b>	<b>FY1995</b>	<b>FY1996</b>	
<u>STAFF</u>	\$125,000	\$75,000	\$70,000	38.0%
<u>PROGRAM SERVICES</u>	32,500	55,000	60,000	20.7%
<u>MARKETING</u>	24,859	75,385	80,600	25.4%
<u>OFFICE EXPENSES</u>	52,675	30,455	29,400	15.8%
<u>TOTAL</u>	\$235,034	\$235,840	\$240,000	100.0%

The major participating operators (SEPTA, NJ TRANSIT, PATCO, DART and PAT) have made sizeable contributions to the program in past years and are expected to continue their support. However, future funding from some smaller operators is less certain, since they have not realized the ridership increases they expected from program participation.

Internal revenues are generated by slippage (monies received for vouchers that were distributed but never redeemed), float (interest on the balance of monies in the bank account awaiting disbursement to operators), and fees for the sale of the vouchers. In 1994, slippage produced internal revenues equal to about 2 percent of gross sales, float about 3 percent, and fees about 3 percent. Because the \$0.70 fee was less than the \$1.03 it cost DVRPC to produce and process each TransitChek voucher, the fee was changed in 1995 to be scaled according to the number of vouchers purchased plus shipping. For the near term, internal revenues are projected to cover the costs of the fulfillment contractor, but it is the goal of DVRPC to make the program self-sustaining, meaning that the internal revenues will cover all expenditures, and contributions from the operators and other agencies will not be needed.

Besides funding, the TransitChek program receives in-kind contributions from a number of operators. SEPTA, NJ TRANSIT and PATCO provide some telemarketing and advertising services, but an estimate of the value of this and other in-kind contributions is not available. Many small operators that accept TransitChek vouchers contribute neither funding nor in-kind services to the program.

### **3.2.2 Staffing and Organization**

The TransitChek program was originally part of the Commuter Benefit Program, which operated under the Transportation Planning Division at DVRPC. Staffing resources included a Marketing/Program Manager and several co-op students full time, and 20 percent of the division's Associate Director's time. In 1993, the program staff was expanded by a full time entry level professional employee.

In 1994, the departure of both the Program Manager and the Associate Director led to a reorganization of the Commuter Benefit Program. An Office of Commuter Services was formed within DVRPC to manage both TransitChek and the Regional Rideshare program, called "Share-A-Ride." The Office's Marketing Assistant works full time on TransitChek with the Marketing Manager spending approximately 25 percent of her time on this program. The staff is supported by printing, TransitChek fulfillment, telemarketing, and advertising contractors, and by banking services.

The major funding operators and organizations make important operating and policy decisions on the TransitChek program through participation on two committees: the Policy Committee and the Marketing Task Force. Since TransitChek is a program of the DVRPC, it has no separate Board of Directors. The Policy Committee is effectively the Philadelphia program's board, and consists of general managers and marketing representatives from the funding organizations, private industry, and the Chamber of Commerce. The Marketing Task Force, which includes marketing directors from the major funding operators, and representatives of the Pennsylvania, New Jersey, and Delaware DOT's, meets periodically to offer marketing advice. An Operations Committee, initially formed to develop and implement TransitChek system operations, and design the vouchers and their security features, was dissolved.

### **3.2.3 Marketing**

In mid-1993 DVRPC launched a major three-year "Ride Free...Breathe Easy" marketing campaign for TransitChek, emphasizing the three key themes of employee benefit, clean air, and congestion relief. These themes capitalized on the expected needs of companies seeking to satisfy demands of the 1990 Amendments to the Clean Air Act to reduce employees' single occupancy commuting. The campaign enlisted WCAU television and radio as a joint partner with DVRPC, a "partner in a caring community" offering free community features and stories, public service announcements, and ads. WCAU paid for the ad production, and in return its logo appeared with DVRPC's on publications, posters and newly designed stationery with a clean air motif. The campaign represented a departure from their previous marketing approach, which focused primarily on the program's tax-free employee benefit. Some campaign literature is included as Appendix E.

In 1995, based on limited research and considering the climate of skepticism over the EPA's enforcement of the 1990 Amendments to the Clean Air Act, DVRPC staff decided to move the emphasis of the marketing materials to the more tangible benefit of less traffic. A new slogan of "Clear the Road, Clean the Air" was introduced, and materials were revised and condensed to make program information less cumbersome and easier to understand. A new media partner was sought.

DVRPC employs standard marketing methods to reach potential employer customers and their employees: direct mail, public service announcements via television and radio, Chamber of Commerce mailings, transportation and business fairs, poster and bus card campaigns, etc. The campaigns appeal to employees to request the program from their employers. Some operators have heard of the program from passengers attempting to purchase passage using TransitChek vouchers, and consequently, have become participants. The quarterly TransitChek newsletter is also used to market new companies.

### **3.2.4 Program Expansion and Plans**

Although most marketing efforts are directed toward the Philadelphia tri-state area, DVRPC has reached out to cities in which Philadelphia businesses have subsidiaries or branch sites. In addition, some operators that provide commuter service from outlying areas into Philadelphia have agreed to accept the vouchers. As a result several operators and companies from Allentown, Harrisburg, Pittsburgh, Lehigh, Reading, and Lancaster, and from Berks County are participating.

### **3.2.5 Operators Accepting Vouchers**

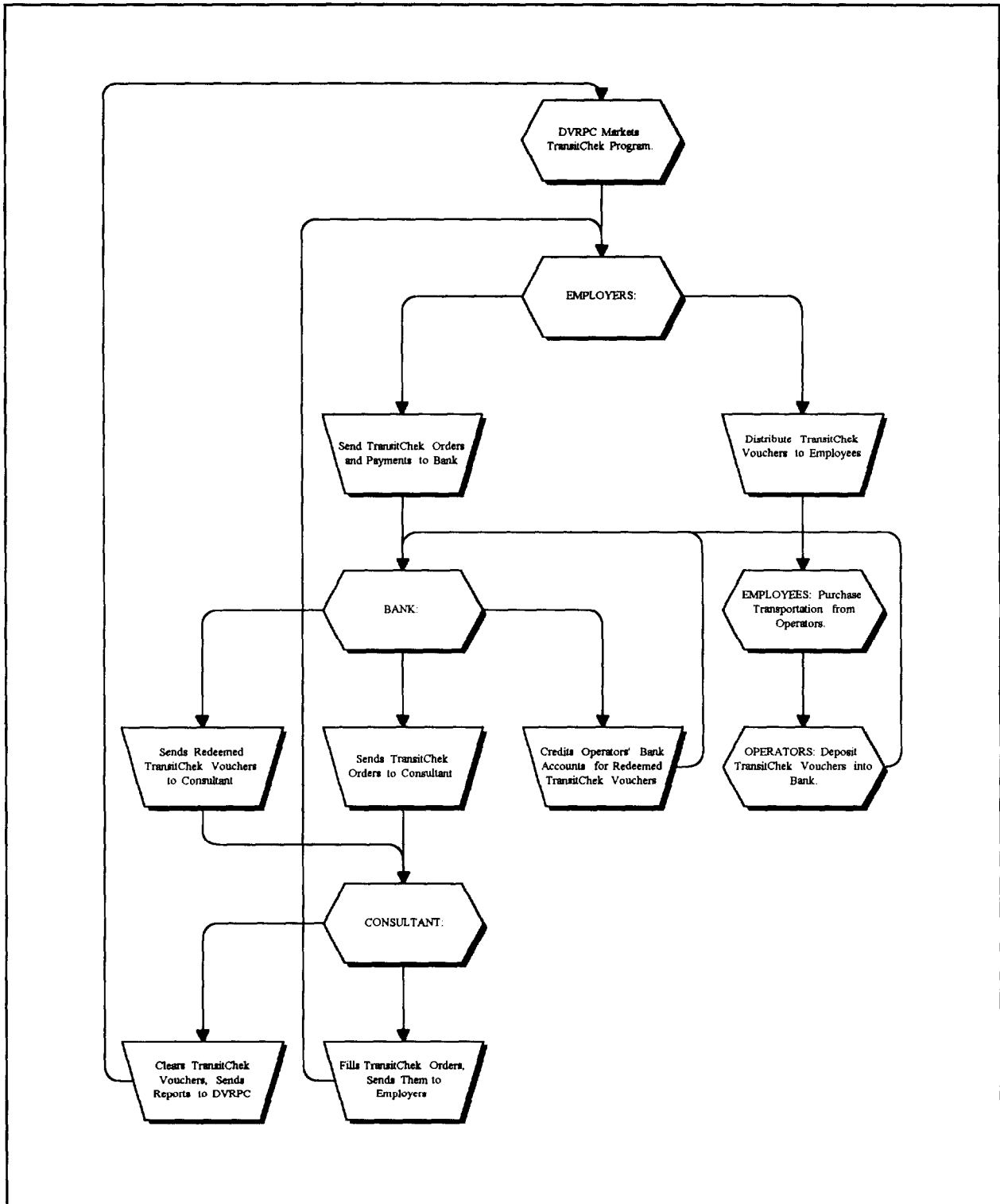
Table 3-2 below contains a list of the operators accepting TransitChek vouchers as of early 1995. The list includes not only operators who take an active part in supporting TransitChek with monetary or in-kind contributions, but also those that simply accept the vouchers as payment for transportation.

**Table 3-2. Operators Accepting DVRPC TransitChek® Vouchers**

<ul style="list-style-type: none"><li>● Southeastern Pennsylvania Transportation Authority (SEPTA)</li><li>● New Jersey Transit (NJ TRANSIT)</li><li>● Port Authority Transit Corporation (PATCO)</li><li>● AMTRAK</li><li>● Ferries<ul style="list-style-type: none"><li>Philadelphia - Camden Ferry</li><li>League Island Ferry (New Jersey - Philadelphia Naval Shipyard)</li><li>South Terminal Ferry</li></ul></li><li>● Pennsylvania Bus Services<ul style="list-style-type: none"><li>Carl R. Bieber Tourways</li><li>Capitol Area Transit (CAT)</li><li>Port Authority Transit of Allegheny County (PAT)</li><li>Berks Area Reading Transportation Authority (BARTA)</li></ul></li><li>● Delaware Bus Services<ul style="list-style-type: none"><li>Delaware Transit Commission (DTC)<ul style="list-style-type: none"><li>Administration for Regional Transit (DART)</li><li>Transportation for the Elderly and Disabled (DAST)</li></ul></li><li>Blue Diamond Lines</li></ul></li><li>● Vanpools<ul style="list-style-type: none"><li>Vanpool of New Jersey</li><li>Vanpool Services, Inc.</li></ul></li></ul>
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### **3.2.6 How It Works**

Figure 3-3 shows a flow diagram of the TransitChek system in Philadelphia. The most significant difference from the New York system is that the Philadelphia employer purchases TransitChek vouchers by sending both its order and payment to a lockbox at DVRPC's bank, rather than to the fulfillment contractor. The bank, in turn, forwards the order to the fulfillment contractor, and deposits the payment directly into the TransitChek bank account, where it is used to reimburse transit operators for their redeemed vouchers. DVRPC preferred this arrangement to New York's, so that it could maintain constant ownership of the funds, rather than rely on the fulfillment contractor to deposit them into the bank. It believed this procedure would facilitate the transition, if the fulfillment contractor were to change in future years.



**Figure 3-3. Flow Diagram of Philadelphia TransitChek® System**

DVRPC initiates the process by marketing the TransitChek program throughout the Philadelphia tri-state area. Interested employers contact the commuter benefits hotline at DVRPC to obtain an information packet and self-explanatory order form. The employer completes the form and sends it along with payment to the bank lockbox.

The bank deposits the funds into the TransitChek account and forwards the order form to the fulfillment contractor. In addition, the bank sends the fulfillment contractor a quarterly tape of the numbers on the redeemed TransitChek vouchers.

The fulfillment contractor fills the orders for TransitChek vouchers, and ships them to the employers. It maintains a record of voucher numbers shipped, and runs the quarterly tape of redeemed voucher numbers received from the bank against the shipped voucher numbers to detect the entrance of counterfeit vouchers into the system, and to identify unused vouchers that have expired.

After employers receive the TransitChek vouchers, they distribute them to their employees. Although employers are encouraged to order vouchers quarterly, semi-annually, or annually to minimize associated administrative activities and to give them a backup supply of vouchers on-hand, they typically distribute vouchers monthly.

Employees redeem their TransitChek vouchers for tickets or passes on the participating transit mode of their choice. The operator redeeming the vouchers then deposits them into its bank account just as though they were regular bank checks. The bank processes the vouchers, and clears them through the federal banking system.

Finally, the TransitChek bank account is debited by the amount of incoming redeemed vouchers.

### **3.2.7 Fulfillment Activities**

The Philadelphia system handles fulfillment and associated activities differently from the New York system. Activities that were performed by one contractor in New York are divided among three organizations in Philadelphia: DVRPC has the TransitChek vouchers printed; a service company reviews them for printing quality and fills the orders; and a bank handles the funds. As of early 1994, Commuter Check Services Corporation, located in New York, was performing the fulfillment activities, and First State Marketing Corporation, a subsidiary of First State Bank in Lake Lillian, Minnesota, was performing the banking activities.

Bank activities include:

- maintaining a lockbox for incoming orders
- depositing funds from TransitChek sales into DVRPC's account and maintaining a deposit log



- producing records of redeemed voucher numbers
- faxing order information to the fulfillment contractor and to DVRPC.

Fulfillment activities carried out by the service company include:

- reviewing vouchers for printing quality
- filling and shipping TransitChek orders to customers, and producing invoices
- reconciling the numbers of shipped and redeemed vouchers
- maintaining an information system and dispersing management information and data on transactions to DVRPC
- providing customer service support.

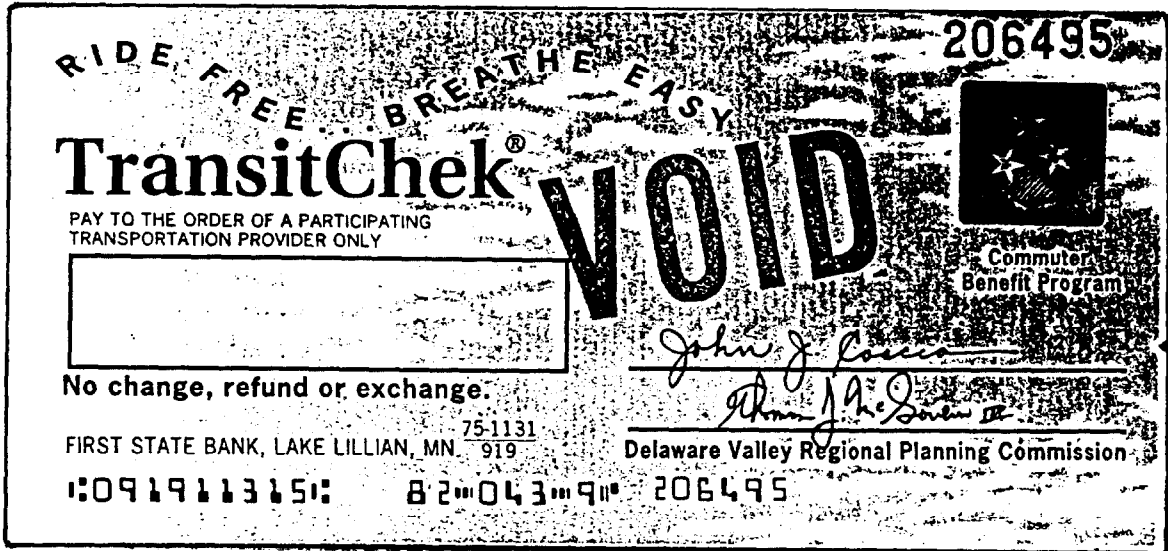
### **3.2.8 Physical Characteristics**

Figure 3-4 shows the front and back of a TransitChek. The denomination is printed in the box on the left as the orders are filled. Originally DVRPC offered seven denominations (\$7, \$15, \$20, \$21, \$30, \$45 and \$60), but as of March 31, 1995, this number was streamlined to four (\$15, \$21, \$30 and \$60). The \$21 denomination is available only to companies ordering it prior to the change; it is not offered to new participants. All TransitChek denominations have the same security features: water marks in the paper, a striped pattern on the back of the voucher, paper that smudges easily if erased, chemical void paper, a hologram of the TransitChek logo in the upper right corner, a copy void paragraph (a pattern on the voucher that appears only on duplicated copies), and a laser lock (a process that locks the print to the paper surface).

## **3.3 EVALUATION**

### **3.3.1 Methodology**

**3.3.1.1 Interviews** - The Volpe Center conducted interviews with DVRPC and with representative participating employers and operators. A cross section of participating employers was chosen from the range of industry types, locations, and sizes of the companies enrolled in the program. The participating operators interviewed included the largest public transit agencies and several private transit operators. Appendix F contains a synopsis of the findings from each operator and employer interview.



FOR DEPOSIT ONLY by participating transit service provider, transit sales outlet or authorized vanpool provider. Please endorsement stamp here:

Protect your TransitChek®. Damaged or mutilated documents will not be accepted. Replacement or refund cannot be made in the event of loss, theft or destruction. TransitCheks™ may be used only for transit fares of participating transit service providers and authorized vanpool providers. Any other use is fraudulent.

**NOTICE:** Any duplication, simulation, unauthorized use, fraud or other abuse of this document is punishable under State and Federal statutes and will be prosecuted to the full extent of the law.

Figure 3-4. A DVRPC TransitChek®

**3.3.1.2 Surveys** - In preparation for a full scale survey in late 1993, the DVRPC conducted a limited test survey of employees receiving TransitChek at two companies participating in the program during the spring of 1993, namely Alexander & Alexander and the U.S. Mint. The survey achieved a response rate of 63%, or 314 TransitChek recipients out of a total of 500, requesting information on mode of transportation, particular transit system used, type of transit fare purchase, monthly transit expenditures, and frequency of usage both before and after receiving TransitChek. Survey results appear in Appendix G.

The full scale survey was conducted during December 1993, using a refined questionnaire seeking the same type of before-after information from its respondents. A copy of the survey, entitled "TransitChek '60-Second' Survey," is shown in Appendix G. Like the pretest, the survey questionnaire contained seven short-answer and check-off response questions.

DVRPC mailed a letter of explanation and a copy of the survey to all currently enrolled employers in the Philadelphia/Wilmington, Pittsburgh and Harrisburg areas, except for Alexander & Alexander and the U.S. Mint. Employers were asked to duplicate the surveys and to distribute them to all employees receiving TransitChek vouchers. Only 43 of the approximately 144 companies in the program actually complied, and 386 TransitChek recipients responded. DVRPC staff cited the timing of the survey (near the winter holidays) as the main reason for the low response by enrolled companies. Although not verified, it was believed that within the companies participating in the survey, close to 100 percent of TransitChek recipients responded. The number of responses received per participating employer ranged from two to 50. Survey results are found in Appendix G.

For the discussions below, the results of the test and full scale surveys have been combined into one data set, except where noted. This combination approach is appropriate since:

- basically the same questions were asked in both surveys
- the two employers of the test survey were excluded from the full scale survey, so there is no double counting of respondents
- together the two surveys provide a more representative picture of the TransitChek user population, including the range of participating employer sizes and locations

However, the low response rate and survey design require caution in extrapolating the results to the overall participant market; DVRPC plans a more extensive survey for late 1995.

### **3.3.2 Transit Usage**

As with New York, direct measurement of TransitChek's effects on transit ridership is hampered in two ways: 1) data available from operators and DVRPC are limited, and 2) the TransitChek community is small relative to total transit usage. Consequently, the evaluation takes a less direct route in attempting to assess TransitChek's effects on ridership. Using a

"bottom up" approach, the evaluation focuses first on the TransitChek users, and their stated changes in transit usage and choices of transit mode. Then the evaluation takes a general look at the number of TransitChek users as estimated by DVRPC and the number of TransitChek vouchers redeemed by individual operators.

**3.3.2.1 Changes in Transit Usage** - Based on the combined survey results, employees increased the average number of transit trips they took from 7.8 to 10.3 per week after receiving TransitChek, an increase of 2.5 trips, or 32 percent. These trips were taken for both commuting and noncommuting purposes. While significant, this increase applies only to those employees receiving TransitChek vouchers, not to the employee population as a whole within participating companies. Except for specific companies interviewed, it is not known what proportion of all employees at participating companies receive TransitChek. (See Section 3.3.4.3.)

**3.3.2.2 Operator Choice** - In the Philadelphia area, SEPTA received the bulk of new transit ridership due to TransitChek, with PATCO and NJ TRANSIT also experiencing small ridership increases. In the Harrisburg area, the bulk of new riders chose Capitol Area Transit. In the Pittsburgh area, new riders chose Port Authority Transit. The smaller operators from satellite communities do not show up in the survey. Table 3-3 shows the results of the survey question asking which transit system is primarily used by each TransitChek recipient; the Before TransitChek column is based on the 536 respondents using transit before receiving TransitChek, and the After TransitChek column is based on all 700 respondents.

It appears that TransitChek induced many employees in participating companies to switch to transit, compared to the number of employees using transit before TransitChek. The 164 new transit users represent a 30 percent increase. An extrapolation of this result to the population of nonparticipating companies would not be advised, given that the small number of currently participating companies may not be truly representative of all businesses in Pennsylvania's metropolitan areas. Nevertheless, it shows that in areas such as Philadelphia, where an extensive transit system exists and where the transit market is not saturated, there is a great potential for a program such as TransitChek to convert a significant number of employees to transit.

**3.3.2.3 Growth in TransitChek<sup>o</sup> Usage** - Table 3-4 shows the growth in the number of TransitChek users since the program began in 1991. The number of employees participating in the program is obtained from the form a company completes for its first TransitChek order. DVRPC does not attempt to track adjustments to that number after the initial order. However, if a participating company drops out of the program, its number of participating employees is subtracted from cumulative figures.

The table reflects growth each year since its inception in all aspects of the program. Since 1992, revenues have grown at an average annual rate of about 60 percent, and the number of participating companies has grown at an average annual rate of about 45 percent.

**Table 3-3. System Choice by TransitChek<sup>o</sup> Users in Philadelphia Plan**

<b>Operator</b>	<b>Before TransitChek</b>	<b>After TransitChek</b>	<b>Percent Change</b>
<b>SEPTA</b>	315	376	19.4
<b>PATCO</b>	57	71	24.6
<b>NJ TRANSIT</b>	12	13	8.3
<b>CAT</b>	119	199	67.2
<b>PAT</b>	32	39	21.9
<b>Other</b>	1	2	100.0
<b>Total</b>	536	700	30.6

**Table 3-4. Growth of TransitChek<sup>o</sup> in the Philadelphia Region**

<b>Year</b>	<b>Sales (\$000)</b>	<b>New Companies Enrolled</b>	<b>New TransitChek Users</b>
<b>1991</b>	69.6	36	964
<b>1992</b>	348.0	54	1,555
<b>1993</b>	711.4	54	2,603
<b>1994</b>	903.2	42	907*
<b>Total</b>	2,032.3	186	6,029
* Reflects the loss of approximately 350 EPA employees in 1994.			

**3.3.2.4 Method of Fare Payment** - Table 3-5 shows the distribution of types of fare instruments purchased by transit users both before and after they began receiving TransitChek vouchers, based on the combined survey results. There was a significant shift away from tokens and tickets to weekly and monthly passes. Transit passes provide operators with the advantage of up-front fare payment, but the disadvantage of inducing pass holders to use transit more often than they would if paying for individual rides. Nevertheless, because the introduction of TransitChek converted 164 new riders among the survey respondents, the average amount of money spent on transit per month per survey respondent increased from \$42.62 to \$52.44, a 23 percent increase.

**Table 3-5. Method of Fare Payment in Philadelphia TransitChek® Program**

<b>Fare Instrument</b>	<b>Before TransitChek</b>	<b>After TransitChek</b>	<b>Percent Change</b>
<b>Monthly Pass</b>	58.5 %	69.0 %	+ 17.9 %
<b>Weekly Pass</b>	7.0 %	7.3 %	+ 4.3 %
<b>Single Ticket</b>	8.1 %	3.6 %	- 55.5 %
<b>Multiple-ride Ticket</b>	8.1 %	7.3 %	- 9.9 %
<b>Tokens</b>	17.0 %	12.8 %	- 24.7 %
<b>Other</b>	1.1 %	0 %	- 100 %
<b>Total</b>	100 %	100 %	

### **3.3.3 Financial Impacts**

**3.3.3.1 On Operators** - As with the New York operators, interviews with the major operators participating in the Philadelphia TransitChek program revealed that they incur no additional ongoing costs in administering the program. Most operators treat TransitChek vouchers no differently from other checks received in payment for transportation, and do not separate them when depositing them into the bank.

Operators sitting on TransitChek's Policy Committee make sizable contributions to the TransitChek program's annual budget. (See Section 3.2.1.) SEPTA, NJ TRANSIT and PATCO, in particular, provide in-kind assistance by actively marketing TransitChek to employers in their service areas. In addition, most operators display TransitChek posters on their vehicles during marketing campaigns.

**3.3.3.2 On DVRPC** - Figure 3-5 shows the monthly TransitChek sales from program inception in June 1991, to December 1994. The large spike in March 1993 is due to employer anticipation of a fee increase in April, and the spike in December 1994 is due to employer anticipation of tax changes in 1995. Figures 3-6 and 3-7 depict the growth in number of employers and employees, respectively. These figures, along with Table 3-4, show that revenues and participating employers and employees did not grow as fast in 1994 as in the previous years of the program. This is likely due both to the personnel change and reorganization of the Commuter Benefit Program at DVRPC earlier that year, and to the withdrawal of EPA, heretofore the single largest purchaser of TransitChek vouchers, from the program. It is expected that with full staffing, the program will experience increased growth in 1995.

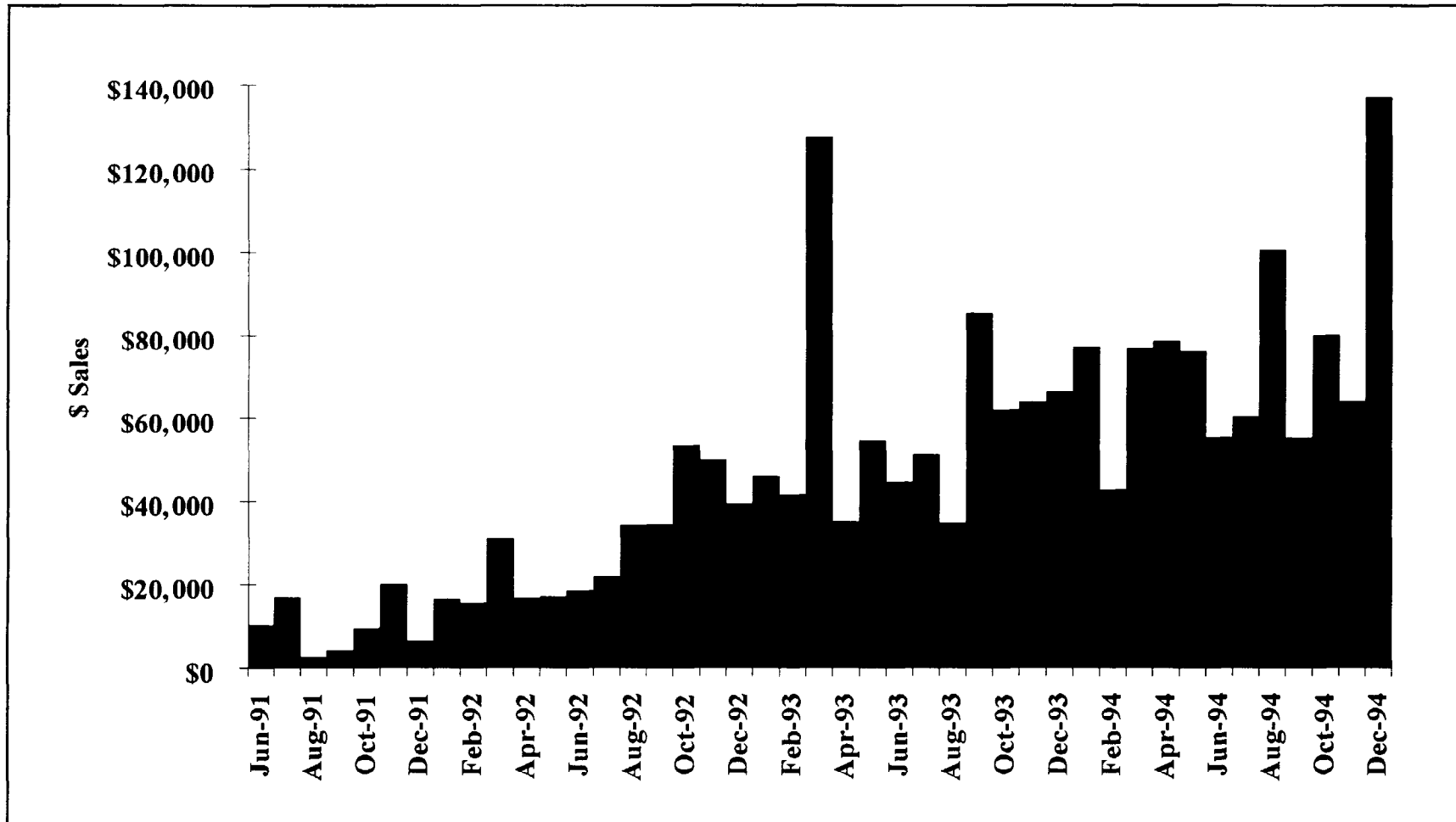
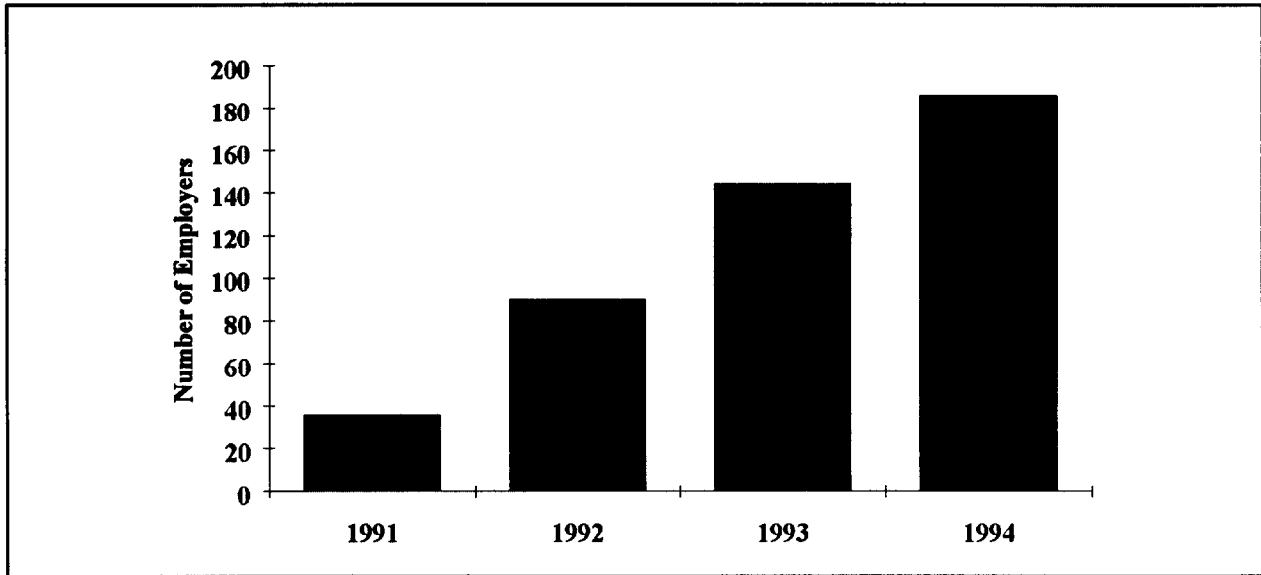
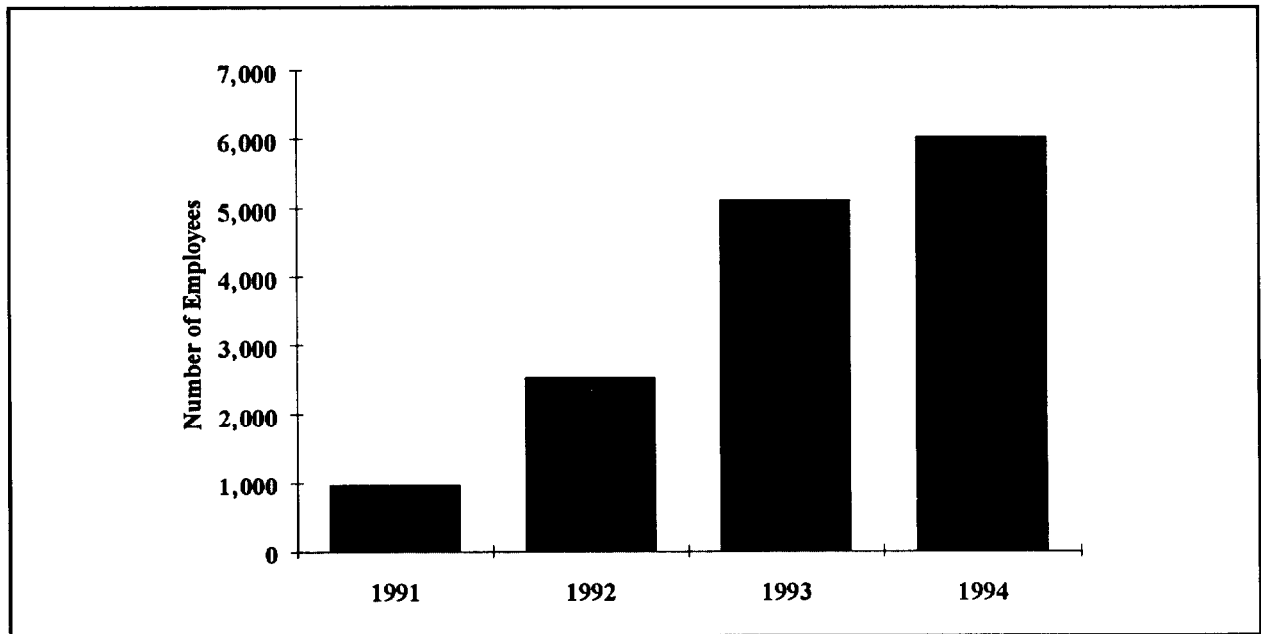


Figure 3-5. Monthly TransitChek® Sales in Philadelphia



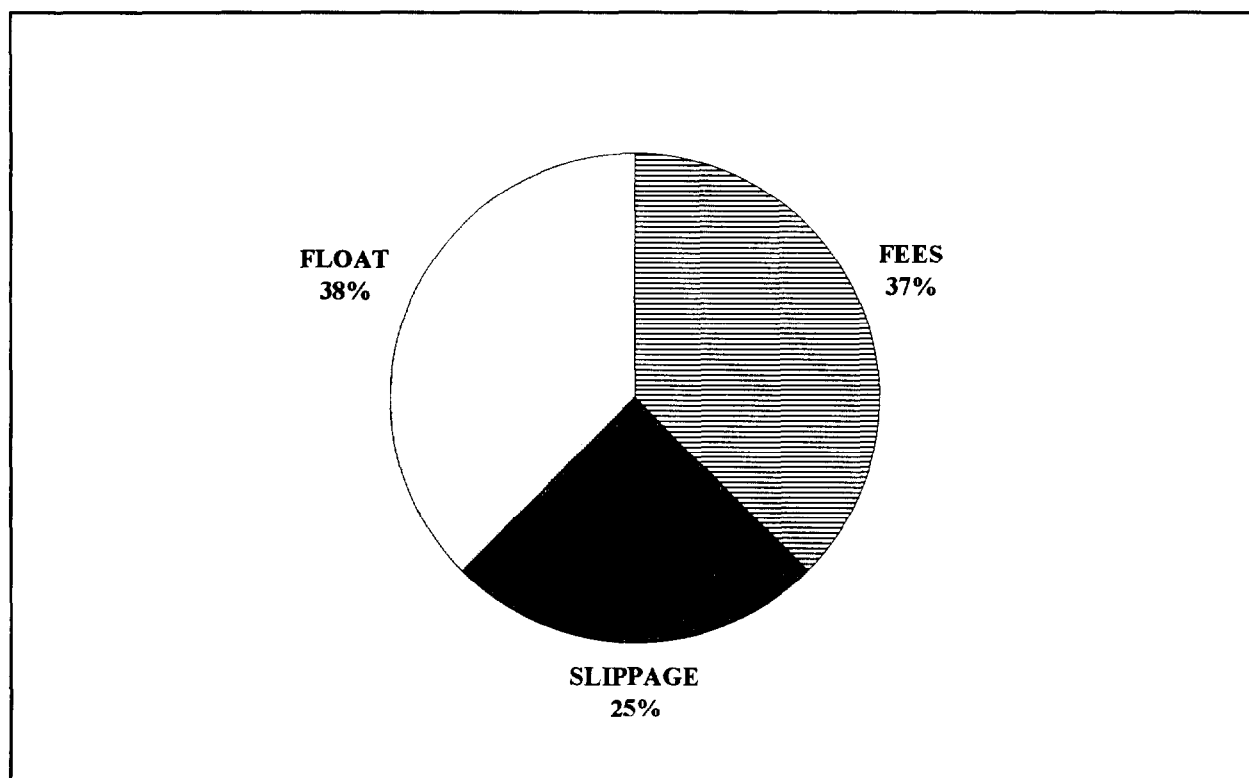
**Figure 3-6. Cumulative Number of Employers Enrolled in the DVRPC TransitChek<sup>®</sup> Program**



**Figure 3-7. Cumulative Number of Employees Using TransitChek<sup>®</sup> Vouchers in the Philadelphia Area**



The pie chart in Figure 3-8 illustrates the sources of revenue for DVRPC from the TransitChek program as of mid-1993. About 37.5 percent of revenues came from fees for the purchase of TransitChek vouchers, 37.5 percent from float, and 25 percent from slippage. Compared to New York's sources of revenues, the Philadelphia program's revenues from fees comprised a significantly smaller portion of total revenues. Philadelphia's fees averaged 3 percent of voucher value, since they charged a fixed \$0.70 per voucher regardless of face value, while New York's fee is 4 percent, resulting in increasing revenues as voucher value increases. Consequently, in 1995 DVRPC scaled its fee according to the number of vouchers purchased.



**Figure 3-8. Sources of Philadelphia TransitChek® Revenue**

**3.3.3.3 On Employers** - Employers reap benefits from giving their employees benefits as TransitChek vouchers rather than salary increases, because of the tax savings: TransitChek expenses are tax deductible. Figure 2-8 in Section 2.4.3.3 shows that employers in Philadelphia giving employees a \$60 per month TransitChek benefit would save \$336 per year per employee over an equivalent conventional raise, assuming as for New York an approximate 30 percent corporate tax bracket.

### 3.3.4 Mobility of Employees

**3.3.4.1 Modal Choice** - Table 3-6 shows there was a significant shift among survey respondents to public transit as the primary mode of transportation from single-occupancy vehicles. Before TransitChek, 73.7 percent of the employees surveyed indicated transit was their primary mode of transportation and 20.3 percent indicated single-occupancy vehicles. After TransitChek, 98.7 percent used public transit, and only 0.4 percent continued to use single-occupancy vehicles as their primary mode.

**Table 3-6. Modal Shift among Survey Respondents  
Due to Philadelphia TransitChek Program**

<b>Mode of Transportation</b>	<b>Before TransitChek</b>	<b>After TransitChek</b>	<b>Percent Change</b>
<b>Public Transit</b>	73.7 %	98.7 %	+ 33.9 %
<b>Drive Alone</b>	20.3 %	0.4 %	- 98.0 %
<b>Drive with Others</b>	3.9 %	0.6 %	- 84.6 %
<b>Bicycle</b>	0.1 %	0 %	- 100 %
<b>Walk</b>	2.0 %	0.3 %	- 85.0 %
<b>Total</b>	100 %	100 %	

**3.3.4.2 Employee Attitudes** - Information on employee attitudes is limited. The full scale TransitChek survey suggested 91 percent of the new riders switched to transit because of TransitChek, but contained no other questions on employee attitudes toward the program. The employers interviewed said the program was popular among their employees, especially those already using transit.

Employees working in the City of Philadelphia save tax dollars by receiving benefits in the form of TransitChek vouchers, rather than salary increases. As Figure 2-9 in Section 2.4.4.3 shows, a \$60 tax-free benefit to an employee is worth \$92 in an equivalent taxable salary benefit. In other words, for every nontaxable TransitChek dollar an employee receives, he or she would have to receive a salary increase of \$1.53 to achieve an equivalent net benefit after paying federal, state and city taxes.

**3.3.4.3 Employer Attitudes** - Employer attitudes about the TransitChek program's effects on employee mobility were revealed through interviews conducted with several participating companies in the Philadelphia area. In general, they believed that employee mobility increased, because the subsidy expanded the employees' commuting choices. Highlights from the interviews are below. (Interview synopses are found in Appendix F.)

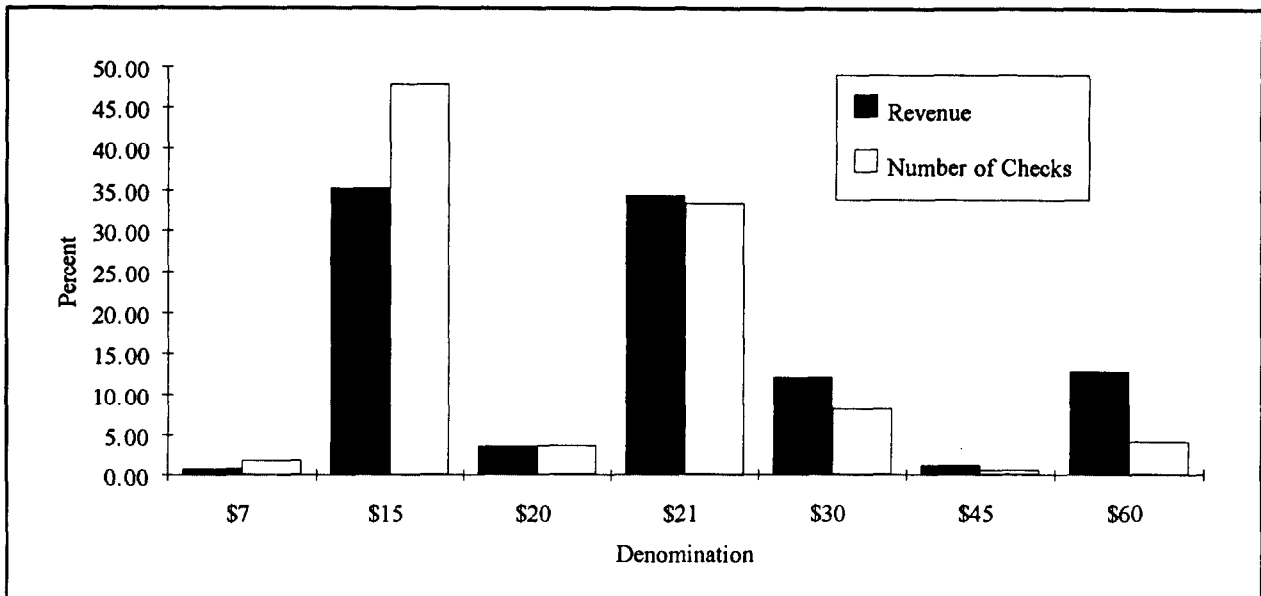
- Employers interviewed were not aware of a major switch in employee commuting mode of transportation due to TransitChek, in contrast to the DVRPC survey results (Section 3.3.4.1), which showed a 33.9 percent increase in public transit usage and a 98.0 percent decrease in single occupancy vehicle commuting. In fact, the EPA discontinued program participation partly because an internal survey they performed showed few employees switched to public transportation.
- The majority of the employees who signed up for the TransitChek program were already transit users. Several companies were "captive" transit audiences, because of their convenient locations to transit and lack of reasonably priced local parking. High percentages of their employees registered: 700 of 900 EPA employees; 80 of 150 Alexander & Alexander employees; 400 of 850 US Mint employees. These companies said the program was very popular among the participants.
- Program participation was offered to all employees of the interviewed employers, regardless of job category and salary, although it was most popular among lower paid employees. The terms for receiving the benefits varied from company to company: one company required employees in writing to give up driving in exchange for the vouchers; another relied on the "honor system."
- Most employers distributed vouchers monthly. The monthly amounts ranged from \$5 (the employees paid \$10 and received a \$15 voucher in return) to \$21. None of the interviewed employers had increased the amount to \$60, citing budget limitations.

### **3.3.5 Functional Characteristics**

**3.3.5.1 Vouchers** - It appears the many security features incorporated into the TransitChek vouchers, described in Section 3.2.8, have prevented their counterfeiting.

At the autumn 1994 Policy Committee meeting, DVRPC reexamined the large number of denominations of TransitChek vouchers it offered to TransitChek subscribers, seven in all. Figure 3-9 shows Fiscal Year 1994 sales of TransitChek vouchers by denomination. It was decided to eliminate the \$7, \$20 and \$45 vouchers, since they represented only 5.6 percent of sales revenue and 6.2 percent of vouchers for the year. The Committee also adopted a fee structure patterned after that of New York, in which the fees are scaled according to the value of the order instead of a flat per voucher charge.

**3.3.5.2 Program Abuse** - DVRPC is not aware of any counterfeiting activities or the use of TransitChek vouchers as underground currency. Although DVRPC has assumed liability for any bad vouchers that might slip past transit agents, none has surfaced to date. DVRPC feels confident enough in the present security measures to allow SEPTA to expand its redemption points for TransitChek vouchers to include supermarkets.



**Figure 3-9. FY1994 TransitChek® Sales by Denomination in Philadelphia Program**

### **3.3.6 Physical Impacts**

Almost all the TransitChek users in the Philadelphia area that were driving alone to work switched to public transit upon receiving TransitChek from their employers, approximately 1,020 people based on combined survey results. If, as in New York, a commuter who leaves the car at home and travels to work by public transit saves about 400 gallons of gas per year, then 408,000 gallons of gas in total have been saved in a year because of the TransitChek program in the Philadelphia area, and the release of over eight million pounds of carbon dioxide into the air did not occur. Although this is significant, nevertheless considering the 1.8 million vehicles on the road daily in the Delaware Valley, the effects of the reduction in emissions due to TransitChek would not be measurable in any air quality study.

### **3.4 SUMMARY FINDINGS FOR THE PHILADELPHIA REGION**

- The TransitChek program has grown at a healthy rate in the Philadelphia area. Since 1992, the first full year of its operation, it has achieved average annual growth rates of 60 percent in sales and 45 percent in company enrollments. However, it is significant to note that from 1992 to 1993, sales more than doubled. This is the same period in which the maximum transit subsidy increased from \$21 to \$60. From 1993 to 1994, when the maximum benefit remained the same, sales increased by 27 percent. The lower growth in 1994 is also partly due to a change in program staffing at DVRPC. (Growth in 1995 has improved substantially; sales grew 57 percent during the first five months.)

- TransitChek has made progress toward many goals of DVRPC and other interested parties.

TransitChek has increased employee mobility by making transit an affordable choice for commuting. There was a modal shift away from single-occupancy vehicles among TransitChek recipients. Before TransitChek 20.3 percent said their primary mode of transportation to work was the automobile; after TransitChek only 0.4 percent continued to use the automobile as their primary mode.

Transit ridership has increased because of the TransitChek program. Employees increased the number of trips they took per week from 7.8 to 10.3 trips after receiving the vouchers, an increase of 32 percent. Among surveyed recipients of TransitChek, 30 percent were new transit riders. This suggests that as the TransitChek program grows, it has the potential to convert a significant number of employees to transit in the Philadelphia area, where an extensive transit system exists and where the transit market is not yet saturated.

The amount of cash handling was reduced for operators after the introduction of TransitChek. Monthly and weekly pass purchases increased, while ticket and token purchases declined.

Cooperation among the operators, private industry and the Chamber of Commerce has been fostered by their joint participation on the TransitChek Policy Committee.

Given the small size of the TransitChek user community compared to weekday transit ridership and to the total number of commuters, the effects of TransitChek on ridership on specific transit systems and on congestion are not measurable.

- The TransitChek program has been very popular among employees of participating companies. The employers in the Philadelphia area seem very cost conscious, however, and due to budget limitations have been reluctant to increase their subsidy amounts even though the maximum allowed by law has increased. In some cases they have discontinued the program, because it did not induce their employees to increase transit usage.
- The Philadelphia TransitChek system appears to work well, and DVRPC is administering it to the satisfaction of participating employers and operators.

## **4. COMPARISON OF THE NEW YORK CITY AND PHILADELPHIA TRANSITCHEK® PROGRAMS**

### **4.1 TRANSITCHEK® SYSTEMS**

The TransitChek systems set up in New York and in Philadelphia are similar in overall design, since DVRPC used New York's model, and received guidance from TransitCenter in system development. But the two systems diverge in several areas.

Activities performed by one fulfillment contractor in the New York system are split among three entities in the Philadelphia system: DVRPC has the TransitChek vouchers printed; the consultant reviews the vouchers for printing quality, fills the orders, provides customer service support, and produces management reports; and the bank receives the orders and payments, deposits the funds into DVRPC's account, and forwards the orders to the consultant. TransitCenter has opted for administrative simplicity in contracting with only one organization to perform a multitude of activities, while DVRPC has a more hands-on role that allows it to maintain constant ownership of monies received for TransitChek purchases. Both systems have performed satisfactorily. Two other models for TransitChek-like instruments have been used in various cities around the country: the sponsoring organization contracting out all activities to an independent contractor such as Commuter Check Services Corporation<sup>21</sup> or Voucher Corporation, and a group of operators performing all activities itself. These two models are beyond the scope of this evaluation.

TransitCenter offers three TransitChek denominations: \$15, \$21 and \$30. Although the demand for a \$21 voucher was considerably reduced once the subsidy maximum was raised to \$60 from \$21, TransitCenter is continuing to offer it to Chapter S corporations for which the de minimis maximum is still by regulation only \$21. DVRPC originally offered seven denominations: \$7, \$15, \$20, \$21, \$30, \$45 and \$60. In 1995, DVRPC reduced the number of denominations offered to four, eliminating the \$7, \$20 and \$45 vouchers, based on low sales figures for these amounts in the past. The \$21 denomination is not offered to new customers.

The two systems differ in the fees they charge employers on TransitChek purchases. TransitCenter's fee is a percentage of the total dollar value of the TransitChek vouchers purchased plus a flat \$12.00 shipping charge, while DVRPC's fee is \$0.70 per voucher plus a flat \$10.00 shipping charge. In July 1995, DVRPC is planning a change in its fee structure to be scaled according to the number of vouchers purchased plus shipping, more similar to that of TransitCenter. The new structure will be: \$0.70 for orders of 1 to 89 vouchers, and \$0.65 for orders of more than 90 vouchers, plus a \$12 shipping fee.

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<sup>21</sup> Commuter Check Services Corporation, which serves as the consultant for DVRPC, has adapted its standard model to accommodate DVRPC.

## 4.2 SPONSORING ORGANIZATIONS

The sponsoring organizations in both cities are departments of larger, well-established organizations, the Port Authority in New York and the DVRPC in Philadelphia. Both organizations receive financial and in-kind support from public and private entities of the transportation community. They have advisory boards composed of major operators, state departments of transportation and chambers of commerce.

In spite of these similarities, there are major differences between the two organizations. TransitCenter has significantly greater resources to work with than the Office of Commuter Services of DVRPC. TransitCenter's budget for 1994 was approximately \$3,170,000, over ten times the Office of Commuter Services' \$277,500 budget for 1994. This translates into about 20 TransitCenter staff devoted to TransitChek (and TransitLink) compared to the Office of Commuter Services' staff of approximately 2 people devoted to TransitChek. Even when New York's larger city population (about five times Philadelphia's), larger regional population (about three times Philadelphia's) and larger workforce (about four times Philadelphia's) are considered, the TransitChek program enjoys proportionately stronger support from its sponsoring organization and from the transportation community in New York than in Philadelphia.

## 4.3 ENVIRONMENTS

Many factors external to the TransitChek system itself and its administration play an important role in the ultimate success of the program. Some environmental factors at work in the two cities are discussed here.

It is more difficult and expensive to commute by auto in New York than in Philadelphia. Commuters from outside New York must pay bridge and tunnel tolls; parking is expensive and scarce; and there is severe congestion. While highway congestion is also an issue in Philadelphia and is increasing, there is a surplus of reasonably priced parking available once the commuter arrives in the city. Transit in Philadelphia has a poor reputation; in Center City, transit has experienced a 14 percent loss in modal share since 1980, and in the Region, a 2 percent loss.<sup>22</sup> Ongoing construction projects, while beneficial in the end, have been causing service disruptions and delays for several years, and will do so to the year 2000. There has been a major flight of businesses to the suburbs (where typically parking is free), which trend is expected to continue. In addition, the recession has been easing more slowly in Philadelphia than in New York, and Philadelphia companies are much more dollar conscious regarding employee benefits.

Finally, while New York City seems to have accepted its status as a nonattainment city for ozone according to the criteria set forth in the 1990 Amendments to the Clean Air Act, the state of Pennsylvania and Philadelphia area businesses have fought Philadelphia's classification as a nonattainment area on all fronts: through legislation, lobbying, lawsuits and negotiations

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<sup>22</sup> *Journey to Work Trends in the Delaware Valley Region, 1970 - 1990*, DVRPC Direction 2020 Report #5, 1993.

with the EPA. Penjerdel, a regional business group, conducted a negative campaign against the automobile trip reduction plans required by the Amendments, labeling them "government meddling." As a result, EPA suspended enforcement of the trip reduction plan requirement in the Philadelphia area. In contrast, a big selling point for TransitChek in New York has been its ability to counteract any negative response employees might have to the setting up of employer trip reduction plans by area businesses.

One advantage of Philadelphia transit's loss of modal share in the last decade is that it affords TransitChek with a greater opportunity to convert more commuters to transit than in New York, where transit already enjoys popularity. Indeed, Philadelphia survey results show an increase of 2.5 transit trips per *week* by TransitChek recipients, while New York survey results show an increase of three trips per *month* by TransitChek recipients.

#### **4.4 RESULTS**

Employees of participating companies in both regions have been enthusiastic about the TransitChek benefit. Both programs have conducted successful marketing programs that have contributed to increasing enrollments in the two cities. Employers have been satisfied with the programs' effects on employees and the service received from TransitCenter and the DVRPC. It appears both programs have made progress toward the goals of increasing transit ridership, improving employee mobility and reducing dependence on automobiles, although in both cities, the number of enrolled employees is still too small to make a noticeable difference in traffic congestion and operator revenues.

Since New York's TransitChek program began over seven years ago, a comparison of the initial period of New York sales with sales in Philadelphia was made. After three and one half years, the TransitChek program in Philadelphia has sold just over \$2 million in TransitChek vouchers. After an equivalent period, September 1987 through March 1991, New York had sold almost \$7.2 million. The relative sales are roughly proportional to the relative sizes of the work forces of the two cities, although the New York number might have been larger if the maximum benefit had been increased to \$60 during the early stages of the New York program. This would suggest that the Philadelphia program, though much smaller than New York's, could be on a growth track similar to New York's in spite of the obstacles of limited resources and the negative transit climate in Philadelphia.

TransitCenter has benefitted from minimal staffing changes since the inception of TransitChek. The original executive director and other principal staff have stayed with the program, and their collective experience has been of great value to its advancement. DVRPC received a setback with the departure of their two key staff in 1994, and temporarily lost its sales momentum. The hiring of new people and a small increase in the number of support staff has infused the program with new energy that should cause the resumption of the sales growth experienced before the former staff's departure.



## 5. CONCLUSIONS

The TransitChek program, as implemented in the New York City and Philadelphia regions, has moved toward its goals of increasing transit ridership, reducing dependence on the automobile, improving employee mobility, reducing cash fare payment for operators, and fostering cooperation among operators and the transportation and business communities. It helps retain current transit users, and has induced some commuters to switch to transit. As more employers enroll, it has the potential to convert significant numbers of riders to transit in a noncoercive way, and contribute toward regional compliance with the 1990 Amendments to the Clean Air Act.

The program is popular among the groups it affects. It provides employers with a way to compensate employees with benefits in a more cost-effective manner than a conventional salary increase, because the value of TransitChek vouchers given to employees is a nontaxable business expense. It provides employees with a tax-free benefit that subsidizes their commute to work. And it provides operators with an administrative-free source of additional ridership and revenues.

The raising of the maximum benefit to \$60 in 1993 has had a positive effect on TransitChek sales, having increased the program's attractiveness to both employers and employees. There is also some evidence indicating that transit usage increases as the benefit grows.

Both TransitCenter and DVRPC have been successful in administering their TransitChek programs. Employer surveys and interviews revealed that employers were pleased with the service they received from their TransitChek suppliers. TransitCenter and DVRPC are making progress in penetrating their markets, although they are far from being saturated. DVRPC has suffered a temporary setback in the loss of its initial program staffing, and subsequent momentum in sales. But now that the key positions have been filled, it is instituting some program changes to make operations more efficient, and hiring more staff.

Program revenues in both cities have been increasing each year, and the goal of program self-sufficiency may be achieved in the next few years in both areas. In New York, the increase in ridership on the larger operators' systems is beginning to offset their contributions to TransitCenter's operating budget.

**APPENDIX A. New York TransitChek<sup>®</sup> Marketing Materials**

TransitChek Advertisements for Print Media and Transit Vehicles, Pages A-2 – A-5

TransitChek Order Form, Page A-6

Excerpts from Glossy TransitChek Brochure, Pages A-7 – A-10

Cover of *TransitLink* Publication, Page A-11

7:51 AM

Jane Moritz,  
President,  
DMTG, Inc.  
Direct Marketing

Instituted TransitChek  
program in '93.

50% employee  
participation to date.  
(Including Jane)

Significant increase  
in company morale.

Demonstrated a  
sincere willingness to  
address employees'  
needs.

Allowed company  
to give employee  
bonuses.

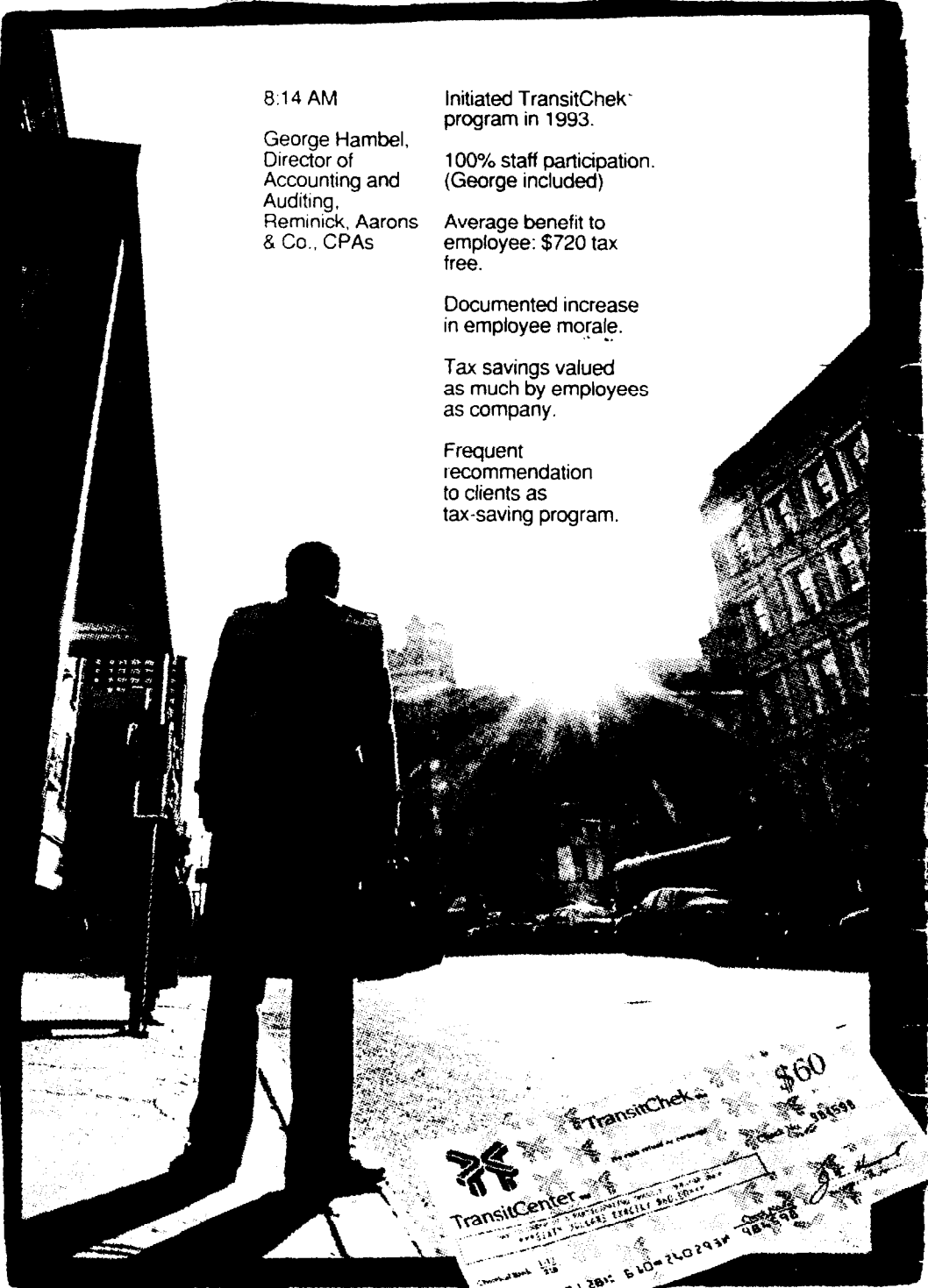
'93 savings used  
for office expansion  
and additional  
computer equipment.



Reward your employees with tax-free TransitChek vouchers of up to \$60 per month (\$720 per year) to offset their commuting costs on subway, bus, rail, PATH and ferry services. At the same time, your company can save over \$300 per employee per year on payroll taxes and other costs, as opposed to a comparable pay raise.

FIND OUT HOW EASILY TRANSITCHEK CAN WORK FOR YOUR COMPANY.  
**CALL 1-800-331-CHEK.**

© 1993 METROPOLITAN TRANSIT AUTHORITY



8:14 AM

George Hambel,  
Director of  
Accounting and  
Auditing,  
Reminick, Aarons  
& Co., CPAs

Initiated TransitChek  
program in 1993.

100% staff participation.  
(George included)

Average benefit to  
employee: \$720 tax  
free.

Documented increase  
in employee morale.

Tax savings valued  
as much by employees  
as company.

Frequent  
recommendation  
to clients as  
tax-saving program.

Reward your employees with tax-free TransitChek

vouchers of up to \$60 per month

(\$720 per year) to offset their commuting costs on subway, bus, rail, PATH and ferry services. At the

same time, your company can save over \$300 per employee per year on payroll taxes and other

costs, as opposed to a comparable pay raise.

FIND OUT HOW EASILY TRANSITCHEK CAN WORK FOR YOUR COMPANY  
**CALL 1-800-331-CHEK.**

# With All The Belt Tightening And Numbers Crunching, Why Are So Many Employees Getting Big Checks?

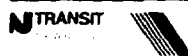
With the TransitChek<sup>®</sup> program, everybody wins. You reward your employees with tax-free vouchers of up to \$60 per month (\$720 per year) to offset their commuting costs on subway, bus, rail, PATH and ferry services.

At the same time, your company can save over \$300 per

employee per year on payroll taxes and other costs, as opposed to a comparable pay raise.

TransitChek<sup>®</sup> is a win-win situation. It's an aggressive way to deal with fiscal responsibility, yet reward everyone in a big way.

FIND OUT HOW EASY  
 TRANSITCHEK CAN WORK FOR YOUR COMPANY  
**CALL 1-800-331-CHEK**

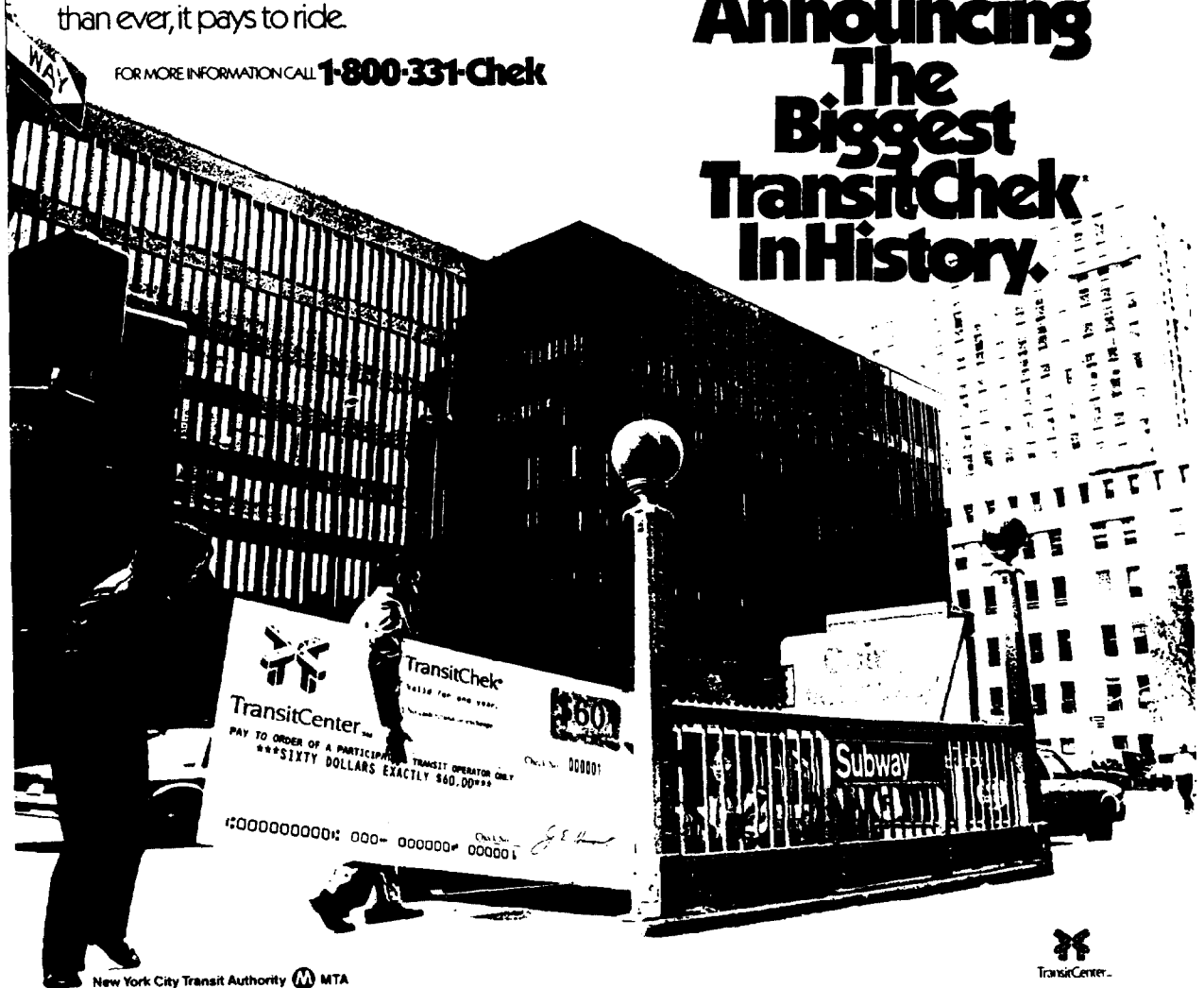


**Now Save \$720 A Year On Your Commute.** With the TransitChek program, your company can now save you up to \$60 per month, \$720 a year, tax free on your commuting expenses.

TransitChek vouchers can be used for Transit Authority subway and bus, as well as commuter rail, bus and ferry services. Now more than ever, it pays to ride.

FOR MORE INFORMATION CALL **1-800-331-Chek**

# Announcing The Biggest TransitChek In History.



New York City Transit Authority  MTA

  
TransitCenter

# TransitChek® Order Form

DATE / /

TM92 NO #

**1. SHIP TO:** Please fill in this information clearly and completely. Be sure to provide a street address. **No P.O. boxes.**

**2. BILL TO:** Fill this out only if your billing address is **different** from your shipping address.

COMPANY \_\_\_\_\_

CONTACT NAME \_\_\_\_\_

TITLE \_\_\_\_\_

ADDRESS \_\_\_\_\_

ADDRESS LINE 2 \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

( ) ( ) ( )

TELEPHONE \_\_\_\_\_ FAX \_\_\_\_\_

COMPANY \_\_\_\_\_

CONTACT NAME \_\_\_\_\_

TITLE \_\_\_\_\_

ADDRESS \_\_\_\_\_

ADDRESS LINE 2 \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

( ) ( ) ( )

TELEPHONE \_\_\_\_\_ FAX \_\_\_\_\_

### 3. HOW TO ORDER:

TransitChek voucher orders are delivered on a **quarterly** basis. You can provide each employee up to **\$180 per quarter** (\$60 per month) for a total of \$720 per year in tax-free TransitChek vouchers. TransitChek vouchers are issued in two convenient denominations: **\$15** and **\$30**.

Use the table below to determine the number of TransitChek vouchers per employee you will need each **quarter** for the subsidy level you select.

Monthly Subsidy	Quarterly Order	Number and Value of TransitChek Vouchers per Employee
\$20	\$60	2 x \$30 TransitChek Vouchers
\$25	\$75	5 x \$15 TransitChek Vouchers
\$30	\$90	8 x \$15 TransitChek Vouchers
\$35	\$105	7 x \$15 TransitChek Vouchers
\$40	\$120	4 x \$30 TransitChek Vouchers
\$45	\$135	9 x \$15 TransitChek Vouchers
\$50	\$150	5 x \$30 TransitChek Vouchers
\$55	\$165	11 x \$15 TransitChek Vouchers
\$60	\$180	6 x \$30 TransitChek Vouchers

### 4. CALCULATE YOUR ORDER:

Use the Order Chart above to determine the total number of TransitChek vouchers you will need each quarter. Select only one denomination: either the **\$15** or **\$30** TransitChek voucher. Fill out the remaining boxes to obtain your Total Order Cost. **The minimum order that can be processed is 12 TransitChek vouchers.**

**\$15**

or x  = \$

**\$30**

No. of TransitChek Vouchers (Minimum Purchase of 12)      Subtotal

Processing Fee (multiply Subtotal X 0.04) = +\$

Packaging and Delivery = +\$ **12.00**

**YOUR TOTAL ORDER COST = \$**

Note: This Amount Is Fully Tax Deductible

### 5. REORDER NOTICES:

To facilitate your next order of TransitChek vouchers, indicate when you would like us to forward you a reorder notice.

- Quarterly       Semi-Annually       Annually

### 6. PAYMENT OPTION:

For fastest service, include a check payable to TransitChek Employer Service.

- Payment Enclosed (*Please allow 2-3 weeks for delivery*)
- Send Invoice (*Orders cannot be processed until payment is received*)

### 7. FREE SERVICES:

To personalize the voucher receipt with your company's name, please complete:

(Note: Maximum of 30 characters)

May we identify you as a TransitChek program participant?  Yes  No

How many Employee Information Guides do you require?

### 8. INFORMATION:

- Need additional information on how to order TransitChek vouchers? Call TransitChek Sales Office: **(212) 432-4260**.
- For questions about your shipment or delivery of your order, call TransitChek Customer Service: **1-800-945-CHEK**.

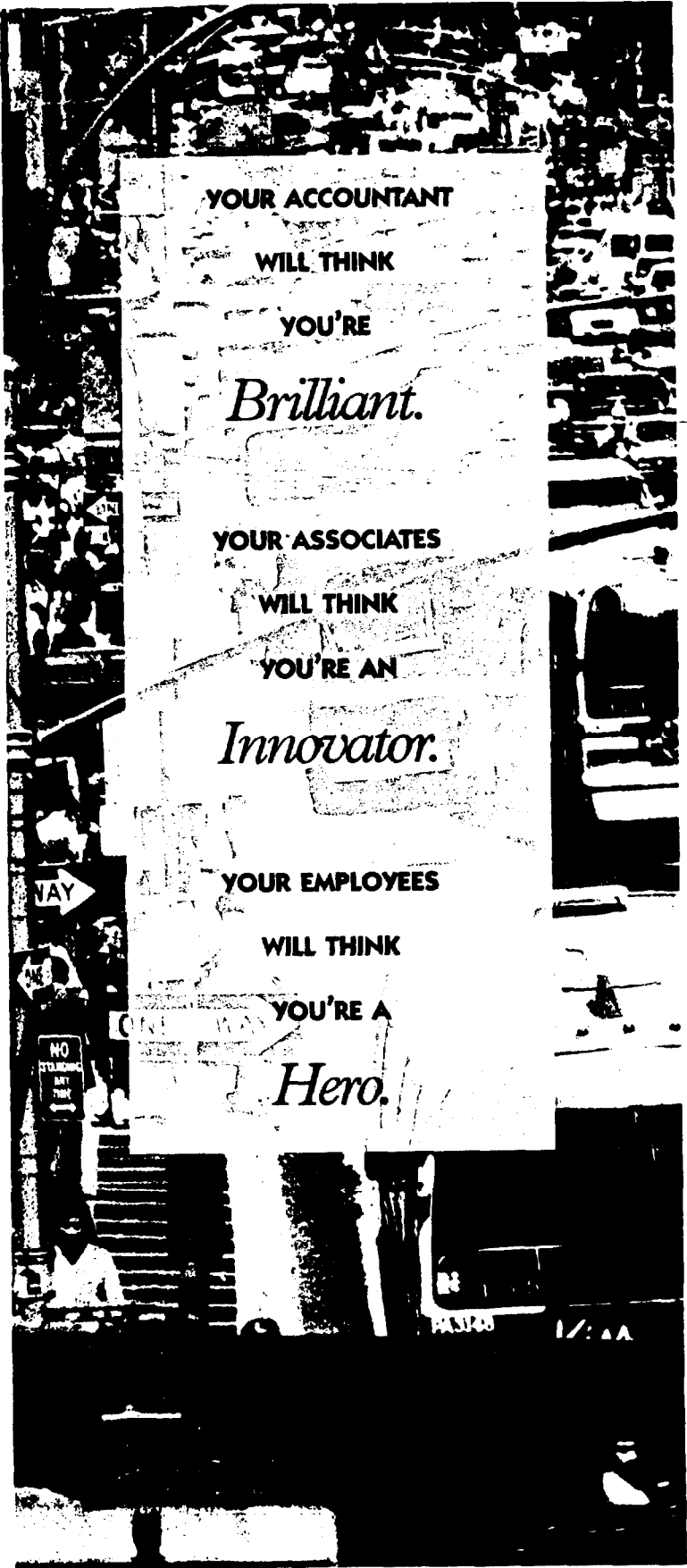
### 9. MAIL OR FAX:

Mail or fax your completed order to:

**TransitChek Employer Service**  
8255 N. Central Park Ave. Skokie, Illinois 60076  
FAX (708) 673-0434



**TransitCenter**  
A Public-Private Alliance  
Promoting Transit



**YOUR ACCOUNTANT**

**WILL THINK**

**YOU'RE**

*Brilliant.*

**YOUR ASSOCIATES**

**WILL THINK**

**YOU'RE AN**

*Innovator.*

**YOUR EMPLOYEES**

**WILL THINK**

**YOU'RE A**

*Hero.*

NO STANDING ANY TIME

ONE WAY



## Get SOMEWHERE WITH TRANSITCHEK®

If your company is looking for a less expensive and less complicated way to motivate your employees, discover the TransitChek program. Easy to use, it pays for itself in increased morale and productivity. Plus, it's tax deductible for your company and tax free for your employees. The advantages are so motivating and cost-effective, nearly 3,000 businesses in the metropolitan area have already joined. Here's everything you need to know.

### What THE PROGRAM'S ABOUT

TransitChek allows you to offset your employees' commuting costs with tax-free transit vouchers. The program is hassle-free to administrate, and it gives employees a benefit that's immediate and tangible. And, how you distribute TransitChek vouchers is completely up to you. You can award them as a regular benefit or as an employee incentive, reward or holiday bonus. Employees then redeem these vouchers like cash for subway and bus tokens or train, commuter bus, and ferry tickets throughout the tri-state area.

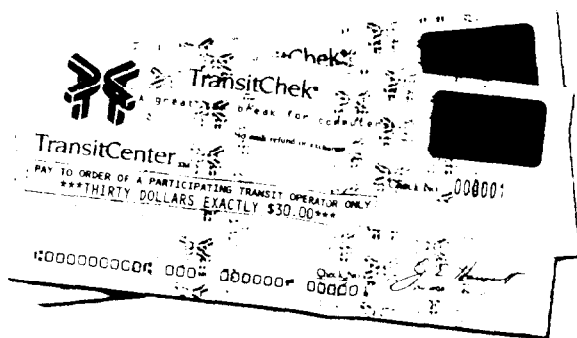
### Why THE BENEFITS ARE BIGGER THAN EVER

Recently, the program's benefits have been expanded with the passage of the Comprehensive National Energy Policy Act. You are now allowed to give your employees as much as \$720 a year. That's \$60 a month—enough to completely cover many people's average commute.

Because the program is tax deductible for employers, you'll receive a bigger tax break. And the new, higher limit will make the program more appealing to higher level employees and employees who commute a long distance.



### How YOU SAVE ON TAXES



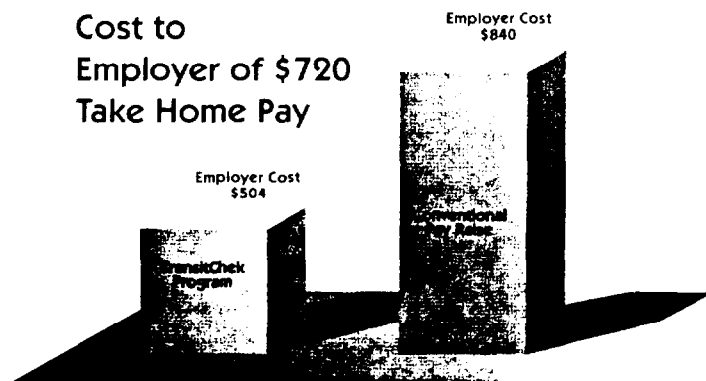
TransitChek enables you to give an employee a \$720 annual take-home increase, while saving about \$336\* per year over the cost of a conventional raise. Here's how:

Assuming your employee is in a 28% tax bracket, you'd have to start with a conventional raise of \$1000 for that employee to take home \$720. Then, of course, you may pay up to 20% more in payroll-

related costs such as FICA, pension, and unemployment insurance. That gives you a gross cost of \$1200, or \$840 after taxes.\*

With TransitChek vouchers, however, there are no additional payroll costs, and your gross cost of \$720 per year is only \$504 after taxes.\* A net savings of \$336 per year, per employee.\*

### Cost to Employer of \$720 Take Home Pay



\* Assumes 30% combined federal, state and local corporate tax bracket. This example is for illustrative purposes only. Actual savings may vary depending upon your tax bracket and costs.

# Questions & Answers

## **Q. HOW CAN I USE THE PROGRAM?**

**A.** There are many ways you can put TransitChek to work for you. Many companies offer TransitChek vouchers as a regular benefit or as part of a salary increase. You can also use them as a special incentive, year-end bonus, productivity reward or as part of relocation and recruitment packages. You can even provide different benefit levels to different employees. The program is so versatile, you are the one who determines how it best serves your company.

## **Q. DO I HAVE TO INTEGRATE TRANSITCHEK INTO MY PAYROLL SYSTEM?**

**A.** Absolutely not. TransitChek is a stand alone program outside your payroll system. It requires no computer time and almost no paperwork. We send TransitChek vouchers to you and you just pass them out to your employees.

## **Q. WHAT TAX SAVINGS DO I RECEIVE?**

**A.** Since you can deduct the cost of the TransitChek program from your taxes, you'll spend significantly



less than you would on salary increases or employee benefits of comparable value. Look at the previous chart to see just how much you can save.

## **Q. IS THE PROGRAM A HASSLE TO ADMINISTER?**

**A.** No. TransitChek vouchers are easy to order by fax or mail. The only records you need to keep are copies of the order form, shipping receipt or cancelled check. There are no complicated plans to file or forms to fill out, so your administration time and costs are minimal.

## **Q. CAN NON-PROFIT GROUPS BENEFIT?**

**A.** Yes. Non-profit groups can reap the same important advantages of improved employee morale and productivity. And they'll save money, too. Because the TransitChek program is exempt from payroll-related taxes paid by non-profit employers.

## **Q. ARE THERE ANY OBLIGATIONS ONCE I ORDER?**

**A.** No. You can order on a one-time-only basis or order regularly with quarterly, semi-annual or annual shipments. If for any reason you are not satisfied, you may stop ordering at any time.

## **Q. HOW DO EMPLOYEES USE TRANSITCHEK VOUCHERS?**

**A.** Employees use the tax-free vouchers, in denominations of \$15 or \$30, just like cash to purchase subway and bus tokens or train, commuter bus and ferry tickets in the tri-state area. The vouchers are valid for one year and may not be redeemed for cash.

## **Q. WHO SHOULD I CALL IF I HAVE ANY QUESTIONS?**

**A.** You can call one of our program managers at (212) 432-4260 for any additional information you need about the program.



*Meet* **SOME OF THE NEARLY 3,000 WHO COMMUTE WITH US**

Alitalia Airlines  
 Bank of California, International  
 Chubb & Son  
 Cleary, Gottlieb, Steen & Hamilton  
 Colgate-Palmolive Company  
 Christie's Fine Auction House  
 DDB Needham  
 Doremus & Company  
 Emory, Roth & Sons  
 Financial World Magazine  
 The Hay Group  
 The Hotel Millenium  
 Long-Term Credit Bank of Japan  
 Mueser Rutledge Consulting Engineers  
 National Financial Services-Fidelity Investments  
 New York Life Insurance Company  
 The New York Marriott Marquis  
 Oppenheimer Management Corporation  
 Price Waterhouse  
 Princess Hotels International  
 Times Mirror Magazines, Inc.  
 Whittle Communications

**NON-PROFIT/PUBLIC SECTOR**

Battery Park City Authority  
 Children's Television Workshop  
 Federal Transit Administration  
 New York Chamber of Commerce and Industry  
 New York State Power Authority  
 New York State Urban Development Corporation  
 The Port Authority of New York and New Jersey  
 Rockefeller Foundation  
 Securities & Exchange Commission  
 Statue of Liberty-Ellis Island Foundation  
 United Hospital Fund

*More* **REDEEMING QUALITIES**

Look at all the transit operators who accept TransitChek vouchers:

**NEW YORK CITY TRANSIT AUTHORITY SUBWAY AND BUSES** Vouchers are redeemed at all token booths, at all times.

**STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY** Vouchers are redeemed for tokens at the St. George Terminal.

**COMMUTER RAIL SERVICES**

LONG ISLAND RAIL ROAD

METRO-NORTH COMMUTER RAILROAD

NJ TRANSIT

**PORT AUTHORITY TRANS-HUDSON CORP. (PATH)**

**COMMUTER AND SUBURBAN BUS SERVICES**

**NEW YORK, CONNECTICUT AND PENNSYLVANIA BUS SERVICES**

Anton Travel Service	Metropolitan Suburban Bus Authority
Atlantic Express	New York Bus Service
Command Bus	Queens Surface Corp.
Connecticut Transit	Trans-Bridge Line
Erin Bus Service	Triboro Coach
Green Bus Lines	Westchester County — Bee-Line System
Hampton Express Inc.	Westport Transport
Huntington Area Rapid Transit	
Jamaica Buses	
Liberty Lines Express	
Martz Lines	
Metro Apple	

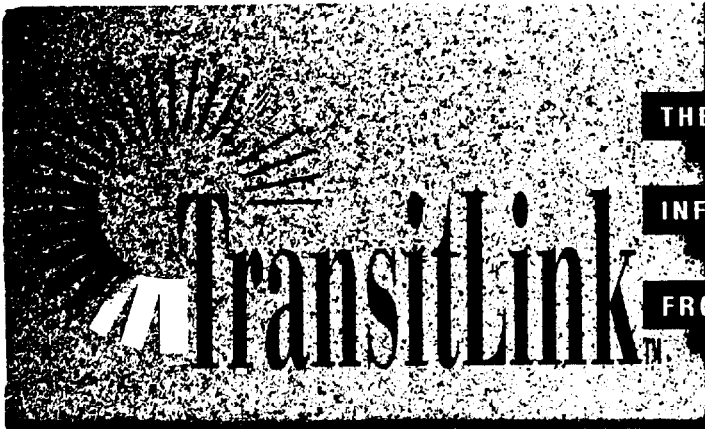
**NEW JERSEY BUS SERVICES (INCLUDING ROCKLAND, ORANGE & DUTCHESS COUNTIES)**

Academy Bus Lines	Monsey Trails
Asbury Pk-N.Y. Transit	Morris Metro
Atlantic Express Coachways	NJ TRANSIT
Blue & Gray Transit	Pocono Mt. Trails
Carefree	Red and Tan
Community Coach	Rockland Coaches
DeCamp Bus Lines	Shortline
Evergreen Lines	Spring Valley Coach
Lakeland Bus Lines	Suburban Trails
Leprechaun Lines	Suburban Transit

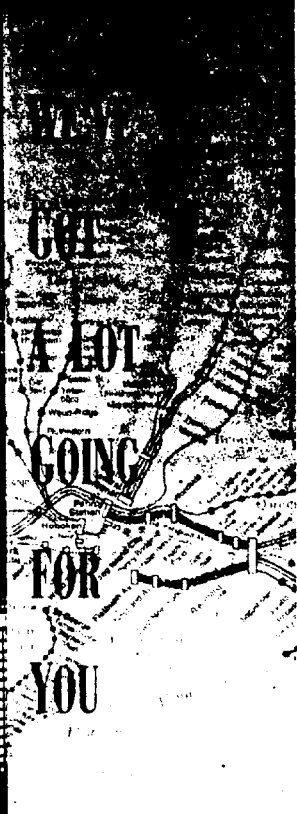
**AMTRAK** Redeemed at all ticket windows between Poughkeepsie, New Haven, and Philadelphia.

**FERRY SERVICES**

Hoboken Ferry  
 Port Imperial Ferry Service (Weehawken, NJ)  
 TNT Hydrolines



THE CORPORATE  
INFORMATION PROGRAM  
FROM TRANSITCENTER



TransitCenter<sup>SM</sup>  
A Public-Private Alliance  
Promoting Transit

**APPENDIX B. 1989 New York TransitChek<sup>®</sup> Survey**

Cover Letter, Page B-2  
TransitChek Employer Survey, Pages B-3 – B-6  
TransitChek Employee Survey, Pages B-7 – B-8



**Board of Trustees**

**Chair**

Peter E. Stangl  
Metropolitan Transportation Authority

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James P. Gifford  
New York Chamber of Commerce and Industry  
New York City Transit Authority  
Long Island Rail Road  
Metro-North Commuter Railroad  
New Jersey Transit Corporation  
Port Authority Trans-Hudson Corporation  
New York City Department of Transportation  
New Jersey Private Bus Operators  
New York Private Bus Operators

September 14, 1989

Dear Employer:

Your company has taken a stand against traffic congestion by enrolling in TransitChek.

Now we want to measure how well the program is doing, both from the employer's viewpoint and from the employee's viewpoint. Both opinions are extremely important to us.

Could you take a few minutes of your time to fill out the blue employer questionnaire asking for your opinions on TransitChek? In addition, could you ask those employees enrolled in TransitChek to give us their reactions on the white questionnaire? We have provided the number of questionnaires we think you'll need.

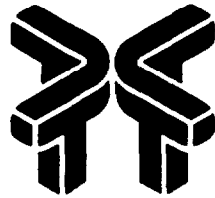
If you would like a summary of the findings of this study please indicate that at the bottom of your questionnaire. We think you'll find the results interesting.

Thank you again for your help. Your opinions, and those of your employees, will help determine the future of this program.

Sincerely,

Larry Filler  
Executive Director

Enclosures



**TransitCenter<sub>sm</sub>**

**Employer TransitChek<sub>™</sub>  
Survey**

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## **YOUR OPINION COUNTS**

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**Please take a moment to fill out this survey  
to let us know your opinion of TransitChek.  
After you've completed it, please put it in the enclosed  
envelope and just drop it in the mail.  
We sincerely appreciate your assistance,  
and look forward to your comments.**

# TransitChek Employer Survey

Mark the appropriate answers and return in the post paid envelope provided, by Oct. 6, 1989.

1. What industry category best describes your business?

5-6 (choose one only)

- |   |  |
|---|--|
| 01 <input type="checkbox"/> Manufacturing       | 09 <input type="checkbox"/> Real estate    |
| 02 <input type="checkbox"/> Retail              | 10 <input type="checkbox"/> Accounting     |
| 03 <input type="checkbox"/> Banking/finance     | 11 <input type="checkbox"/> Insurance      |
| 04 <input type="checkbox"/> Law                 | 12 <input type="checkbox"/> Non-profit     |
| 05 <input type="checkbox"/> Advertising         | 13 <input type="checkbox"/> Governmental   |
| 06 <input type="checkbox"/> Printing/publishing | 14 <input type="checkbox"/> Communications |
| 07 <input type="checkbox"/> Medical             |  |
| 08 <input type="checkbox"/> Other _____         |  |

(please describe) 7-8

2. What is the total number of your employees at the locations where the TransitChek program is offered? \_\_\_\_\_ 9-12

3. How many of these employees receive TransitChek? \_\_\_\_\_ 13-16

4. What group(s) of your employees receive TransitChek?

- 17-1  All      2  Some

Please check those groups receiving it.

- |  |   |
|--|---|
| 18 <input type="checkbox"/> Clerical   | 21 <input type="checkbox"/> Those meeting attendance/performance standard                       |
| 19 <input type="checkbox"/> Support    | 22 <input type="checkbox"/> Other _____ 23-24 <input type="checkbox"/> <input type="checkbox"/> |
| 20 <input type="checkbox"/> Management | (please describe)   |

5. Does your firm use TransitChek as :

- |  |                                      |
|--|--------------------------------------|
| 25-1 <input type="checkbox"/> Fringe benefit | 2 <input type="checkbox"/> Incentive |
| 3 <input type="checkbox"/> Other _____       |                                      |

(please specify) 26-27

6. How often do you distribute TransitCheks to your employees?

- |  |                                     |
|--|-------------------------------------|
| 28-1 <input type="checkbox"/> Monthly    | 4 <input type="checkbox"/> Annually |
| 2 <input type="checkbox"/> Quarterly     | 5 <input type="checkbox"/> Other    |
| 3 <input type="checkbox"/> Semi-annually |                                     |

(please specify) 29-30

7. How do you give TransitCheks to your employees?

- |  |                                  |
|--|----------------------------------|
| 31-1 <input type="checkbox"/> In paycheck envelope | 3 <input type="checkbox"/> Other |
| 2 <input type="checkbox"/> Distributed by a clerk  |                                  |

(please specify) 32-33

8. How pleased have you been with the TransitChek program?

- |   |  |
|---|--|
| 34-1 <input type="checkbox"/> Very pleased  | 4 <input type="checkbox"/> Somewhat displeased |
| 2 <input type="checkbox"/> Somewhat pleased | 5 <input type="checkbox"/> Very displeased     |
| 3 <input type="checkbox"/> Neutral          |  |

9. Have you or your employees had difficulties with the program?

- |                                  |                                |
|----------------------------------|--------------------------------|
| 35-1 <input type="checkbox"/> No | 2 <input type="checkbox"/> Yes |
|----------------------------------|--------------------------------|

(please specify) 36-37



10. Would you recommend TransitChek to other companies?

20-1  Yes                      2  No

11. What were the key elements of the TransitChek program's appeal to you? (Check all that apply)

- 30  The tax benefits  
40  Administrative ease  
41  Its application as an incentive  
42  We like providing a new benefit  
43  We like supporting public transit  
44  Other \_\_\_\_\_  
(please specify) 45-46

12. Do you know or believe that providing TransitChek to your employees has increased their use of transit? ( Check all that apply.)

- 47-1  Yes... 48  It has increased use of transit for trips to or from work  
49  It has increased use of transit for midday or other trips  
2  No, It has not increased use of transit  
3  I do not know

13. Do you believe TransitChek is causing less auto or taxi use by your employees?

50-1  Yes                      2  No                      3  Possibly                      4  Don't know

14. If the TransitChek program were originally presented as having a \$30 or \$45 per month tax-free maximum, would your firm have been more or less likely to enroll?

51-1  More                      2  Less                      3  No effect                      4  Don't know

15. If the monthly tax-free limit on providing TransitCheks is raised from \$15 to \$30 or \$45, would your firm increase the amount that you provide?

52-1  Yes                      2  No                      3  Possibly                      4  Don't know

16. Did you have difficulty completing the TransitChek order form?

53-1  Yes                      2  No                      3  Don't recall

17. Did the number of shipping and ordering options that the program offers help tailor it to your company's needs and procedures?

54-1  Yes                      2  No

18. If you had reason to call or write the TransitChek customer service unit, were you pleased with the assistance you received?:

55-1  Yes  
2  No \_\_\_\_\_ 56-57   
(please explain)  
3  Haven't called/written

19. Are the transit information materials and information updates you periodically receive from TransitCenter useful?

58-1  Yes                      2  No

20. Would you use a transit voucher to pay employee transit costs for business trips in Manhattan reduce the expenses associated with taxis or private van services?

59-1  Yes                      2  No

21. If a \$2 TransitChek was available, do you think your firm would use this to reimburse the cost of employee midday business trips?

- 1 Yes                       3 Maybe  
 2 No                          4 Don't know

22. About what percent of your total employees are eligible to receive auto-related benefits such as free or discounted parking, a company car, reimbursed tolls, etc?

- 1 1% or less                 5 51% -75%  
 2 2%-10%                     6 76%-90%  
 3 11%-25%                   7 91%-100%  
 4 26%-50%

Return this survey to:  
**TransitCenter, One World Trade Center, 25N,  
New York, N.Y. 10048**

A postage-paid envelope is enclosed for your convenience.  
Feel free to add any comments or suggestions.

Thank you very much.

- Please send me a summary of the results of the surveys.

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Serial #: N<sup>o</sup> 12011  
1-5

# TransitChek. Employee Survey

Dear Employee:  
Your company was among the first to adopt the TransitChek program. We now need your assistance to help us understand the impact this new program is having on transit and auto use. Please mark your answers to the questions below. When you have completed the survey, please fold and seal this page where shown, and then mail the survey to us. No postage is needed. Please mail this by Oct.6,1989.

Thank you.

### 1. How long have you been receiving TransitChek?

- 1-1  Less than 6 months  
2  6 months to 1 year  
3  More than 1 year

### 2. How is it provided to you?

- 7  Regular employee benefit  
8  Incentive/performance award  
9  Other

10-11

(please specify)

### 3. Where do you usually use your TransitChek?

- 12-1  NYCTA (subway or bus) 5  NJ Transit Bus  
2  Metro-North 6  NJ Transit Rail  
3  Long Island Rail Road 7  Private Bus Operator  
4  Ferry 8-9

(please specify)

10  Other

11-12

(please specify)

### 4. Since receiving TransitChek, how would you describe your use of transit for commuting trips?

- 13-1  Stayed the same. (Skip to question 5)  
2  Increased. Please indicate how many more single trips per month you take because of TransitChek.

(A single trip is travel to or from work).

- 14-1  1 3  3-5 5  9-12 7  16-19  
2  2 4  6-8 6  13-15 8  20 or more

### 5. How has TransitChek affected your use of an auto or taxi for commuting trips?

- 15-1  No change 2  Decreased

### 6. Since you began receiving TransitChek, how would you describe your use of transit for non-commuting trips?

- 16-1  Stayed the same (Skip to question 7)  
2  Increased. Please indicate how many more single trips per month you take because of TransitChek. (A single trip is travel to or from your destination).  
17-1  1 3  3-5 5  9-12 7  16-19  
2  2 4  6-8 6  13-15 8  20 or more

### 7. How has TransitChek affected your use of an auto or taxi for non-commuting trips?

- 18-1  No change 2  Decreased

### 8. Which transit service(s) do you use to commute to work? (check all that apply):

- 19  NYCTA-subway 25  NJ Transit Bus  
20  NYCTA-bus 26  NJ Transit Rail  
21  Metro-North 27  Private Bus Operator  
22  Long Island Rail Road  
23  PATH (please specify) 28-29   
24  Ferry 30  Other

(please specify) 31-32

### 9. Has receiving TransitChek affected your opinion of your employer in any way?

- 33-1  Positive Change  
2  Negative Change  
3  No effect

### 10. What is your sex?

- 34-1  Male 2  Female

### 11. What is your age?

- 35-1  Under 16 3  21-34 5  51-64  
2  16-20 4  35-50 6  65 or over

### 12. What is your approximate annual salary?

- 36-1  Under \$15,000  
2  \$15,000-\$25,000  
3  \$25,001-\$35,000  
4  \$35,001-\$50,000  
5  \$50,001 or more

If you have any additional comments regarding TransitChek, please tell us in the space below.

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TransitCenter

Employee TransitChek Survey

# YOUR OPINION COUNTS

Please take a moment to fill out this survey  
to let us know how you feel about the TransitChek program.  
After you've completed the survey, just fold and drop it in the mail.  
We sincerely appreciate your assistance,  
and look forward to your comments.

B-8



NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
UNITED STATES

## BUSINESS REPLY MAIL

FIRST CLASS MAIL PERMIT NO. 4284 NEW YORK, N.Y.

POSTAGE WILL BE PAID BY ADDRESSEE



### TransitCenter

One World Trade Center, 25 North  
New York, N.Y. 10277-0133



**APPENDIX C. 1994 New York TransitChek<sup>®</sup> Survey**

TransitChek Employer Survey, Pages C-2 – C-8  
TransitChek Employee Survey, Pages C-9 – C-14



TransitCenter<sub>sm</sub>

### Survey of Participating Employers, 1994

#### Why you have been sent this questionnaire

TransitCenter would greatly value your opinions and insights about the TransitChek<sup>®</sup> program, to help make the program more effective both for your firm and for your participating employees. So TransitCenter has commissioned this survey by an independent research firm. Any *opinions* that you express will be confidential, and reported back to TransitCenter either in summary form only or with no identification attached.

At the same time, TransitCenter is in the process of updating its database of participating firms, to help in improving its service to them. The up-to-date *factual* information that you provide here, about your firm and the ways in which you currently use TransitChek vouchers, will greatly help the TransitCenter fulfill its mission. Thank you in advance for your participation.

Larry Filler  
Executive Director, TransitCenter

#### About your organization:

1 The full name of your organization is: \_\_\_\_\_ 6-9

2 The name and job title of the person completing this questionnaire is:

Dr /Mr /Mrs /Miss /Ms.

\_\_\_\_\_

*first name*

*MI*

*last name*

\_\_\_\_\_

*job title*

3 The full mailing address of this person is:

\_\_\_\_\_

*internal division/unit (if any)*

\_\_\_\_\_

*street address*

\_\_\_\_\_

*city town*

\_\_\_\_\_

*state*

\_\_\_\_\_

*zip code*

Telephone: (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

4 In what type(s) of business is your organization? Please choose the *one* category from the following list that best describes your organization:

- |  |   |
|--|---|
| 1 <input type="checkbox"/> Manufacturing   | 11 <input type="checkbox"/> Publishing/printing             |
| 2 <input type="checkbox"/> Transportation  | 12 <input type="checkbox"/> Law                             |
| 3 <input type="checkbox"/> Communications  | 13 <input type="checkbox"/> Accounting                      |
| 4 <input type="checkbox"/> Utilities       | 14 <input type="checkbox"/> Medical/health-related          |
| 5 <input type="checkbox"/> Wholesale trade | 15 <input type="checkbox"/> Engineering                     |
| 6 <input type="checkbox"/> Retail trade    | 16 <input type="checkbox"/> Other professional services     |
| 7 <input type="checkbox"/> Banking/finance | 17 <input type="checkbox"/> Other personal services         |
| 8 <input type="checkbox"/> Insurance       | 18 <input type="checkbox"/> Government, judiciary           |
| 9 <input type="checkbox"/> Real estate     | 19 <input type="checkbox"/> Other non-profit organization   |
| 10 <input type="checkbox"/> Advertising    | 20 <input type="checkbox"/> Other ( <i>specify:</i> ) _____ |

**About the use of TransitChek vouchers by your organization:**

5 When did your organization first start offering or awarding TransitChek vouchers to your employees?

\_\_\_\_\_ 19\_\_\_\_\_  
*month*    12-13    14-15

6 Here is a list of various ways in which different organizations use TransitChek vouchers. Which *one* category best describes your own organization's policy?

In this organization, TransitChek vouchers are used primarily . . . (*check one only*)

- 1  as a *regular employee benefit* for all employees
- 2  as a *regular employee benefit* for some employees only
- 3  as an *incentive award* for good work habits
- 4  as a *bonus award* for good work performance
- 5  as an inducement or compensation for *job relocation*
- 6  in some other way (*please specify:*) \_\_\_\_\_

7. If you make TransitChek vouchers available to *all* employees who commute by public transportation, check here  and go straight to Question 8.

If only *some* of the employees who commute by public transportation qualify to receive TransitChek, please indicate the groups that qualify (**Check as many groups as qualify**).

- 18/1  Clerical employees
- 19/1  Support employees
- 20/1  Manual employees
- 21/1  Unionized employees
- 22/1  Management employees
- 23/1  Officers or partners of the organization
- 24/1  Those with base pay up to \$ \_\_\_\_\_ per year  
25-30
- 31/1  Those with base pay of \$ \_\_\_\_\_ per year or more  
32-37
- 38/1  Those meeting an attendance or on-time standard
- 39/1  Those meeting a job performance standard
- 40/1  Those qualifying for a special (occasional) award
- 41/1  Those with a certain work schedule
- 42/1  Other group (*specify:*) \_\_\_\_\_ 43
- 44/1  Other group (*specify:*) \_\_\_\_\_ 45

8. How often do you distribute TransitChek vouchers to a qualifying employee? Is it . . . (**check one only**)

- 46/1  monthly
- 2  quarterly
- 3  semi-annually
- 4  annually
- 5  other (*please specify:*) \_\_\_\_\_

9. Are the TransitChek vouchers that are administered through your office distributed to . . .

- 47/1  . . . employees working at just *one* location, or
- 2  . . . employees working at *several different* locations?



- 10 On May 1, 1994, how many people *in total* were employed at the location(s) where your office distributes TransitChek vouchers?

Number of full-time staff on May 1, 1994: \_\_\_\_\_ 48-51

Number of part-time staff on May 1, 1994: \_\_\_\_\_ 52-55

- 11 For the month of May 1994, how many of those staff members received TransitChek vouchers? Please enter the number of different people who have received TransitChek vouchers intended to cover their travel to and from work in May 1994, *regardless of whether the vouchers were actually distributed in May or at some other time.*

Number of full-time staff receiving vouchers for May 1994: \_\_\_\_\_ 56-59

Number of part-time staff receiving vouchers for May 1994: \_\_\_\_\_ 60-63

12. For the month of May 1994, what is the *total* dollar value of TransitChek vouchers given to the employees you have counted in Question 11? Again, think about the vouchers that are intended to reimburse employees for their commuting in May, regardless of whether the vouchers were actually distributed during May or at some other time.

Total value of your organization's TransitChek vouchers to defray May 1994 commuting expenses: \$ \_\_\_\_\_ 64-69

13. For each of these statements, please check "yes" or "no" to describe your organization's policy regarding the *value* of TransitChek vouchers that individual employees receive:

a. All employees who get TransitChek receive the same value for each month  
[If "yes," enter the standard value given per month: \$ \_\_\_\_\_ 71-73]

70/1  yes 2  no

*and go straight to Question 14. If "no," continue with Question 13]*

b. People who have higher commuting expenses get a higher value of TransitChek, with no maximum

74/1  yes 2  no

c. People who have higher commuting expenses get a higher value of TransitChek, up to a maximum of \$ \_\_\_\_\_ 71-73 per month

75/1  yes 2  no

d. The amount a person receives depends on job status, location, longevity, performance, or union status

76/1  yes 2  no

14 Since you first started offering or awarding TransitChek, has your organization . . . **(check one response on each line)**

	Yes	No	Not Sure
. . . changed the employee eligibility criteria so that <i>more</i> employees qualified to receive TransitChek	77/1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>
. . . changed the employee eligibility criteria so that <i>fewer</i> employees qualified to receive TransitChek	78/1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>
. . . <i>increased</i> the maximum value of TransitChek vouchers given to any employee each month	79/1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>
. . . <i>decreased</i> the maximum value of TransitChek vouchers given to any employee each month	80/1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>
. . . changed your policies that determine how much a qualified employee gets in TransitChek, making them <i>more generous</i>	81/1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>
. . . changed your policies that determine how much a qualified employee gets in TransitChek, making them <i>less generous</i>	82/1 <input type="checkbox"/>	2 <input type="checkbox"/>	3 <input type="checkbox"/>

15 If you have not made any changes in your TransitChek policies since you introduced them, please check here 83/1  and **skip to Question 16.**

If you *have* made changes in your TransitChek policies, from the list below please select the three most important factors that motivated the changes, and rank them in order of importance by writing "1," "2," and "3" next to them. The "1" denotes the *most important* factor. If fewer than three factors affected your decision(s), rank as many as did have influence.

- \_\_\_\_\_84 We were spending too much on our TransitChek program
- \_\_\_\_\_85 Changes in the tax code; more is now tax-free to employees
- \_\_\_\_\_86 Pressure from employees or employee groups
- \_\_\_\_\_87 Marketing efforts by TransitCenter
- \_\_\_\_\_88 Popularity of this employee benefit
- \_\_\_\_\_89 Lack of employee interest in this benefit
- \_\_\_\_\_90 Responding to external pressures about transportation and the environment
- \_\_\_\_\_91 Reduced pressure on company parking spaces
- \_\_\_\_\_92 Reduced costs of parking subsidies
- \_\_\_\_\_93 Other reasons (*specify:*) \_\_\_\_\_94
- \_\_\_\_\_95 Other reasons (*specify:*) \_\_\_\_\_96
- \_\_\_\_\_97 Other reasons (*specify:*) \_\_\_\_\_98

16 Do you currently have any plans to change your organization's TransitChek policies during 1994?

991  No      2  Yes (*please detail below*)

How are your policies likely to change? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ 100-101

Why are you planning changes? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ 102-103

17 Are there any denominations of TransitChek vouchers, other than the \$15, \$21, and \$30 amounts in which they are already available, that would be useful to your organization?

If so, please list them here: \$ \_\_\_\_\_, \$ \_\_\_\_\_, \$ \_\_\_\_\_  
104-106      107-109      110-112

18. Within the last twelve months, have you had any problems with the *administration* of the TransitChek program, or in your dealings with TransitCenter?

1131  No      2  Yes (*please detail below*)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ 114-115

19. Within the last twelve months, are you aware of any significant problems your employees have had in *using* their TransitChek vouchers?

1161  No      2  Yes (*please detail below*)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ 117-118





**Please tell us about your journey to work**

**Why you have been given this questionnaire**

The providers of public transportation in the New York City region are working to improve your options for getting to and from work, whether you currently commute by private or by public transportation. Your employer is cooperating in this survey to help the transportation agencies better understand your travel needs.

Please take a minute or two *today* to answer these questions about your travel to and from work. When you have finished, return the form right away by dropping it in one of the survey boxes prominently displayed at your workplace (or follow other instructions from your employer). All replies are confidential.

**About your journey to work:**

1. Today is . . . (Check one day, and fill in the date)

1 2/1 <input type="checkbox"/> Monday	3 <input type="checkbox"/> Wednesday	5 <input type="checkbox"/> Friday	7 <input type="checkbox"/> Sunday
2 <input type="checkbox"/> Tuesday	4 <input type="checkbox"/> Thursday	6 <input type="checkbox"/> Saturday	

\_\_\_\_\_ / \_\_\_\_\_ /1994  
month    13    date    14-15

2. In an average week, how many times do you travel *from* your home to come to work?

Enter the number of times per week: \_\_\_\_\_  
16-17

3. How did you travel to work today? (Check *all* that apply)

18/1 <input type="checkbox"/> drove alone all or part of the way	28/1 <input type="checkbox"/> Staten Island railway
19/1 <input type="checkbox"/> carpooled all or part of the way	27/1 <input type="checkbox"/> Transit Authority local bus
20/1 <input type="checkbox"/> subway	28/1 <input type="checkbox"/> Transit Authority express bus
21/1 <input type="checkbox"/> Long Island Rail Road	29/1 <input type="checkbox"/> other bus services
22/1 <input type="checkbox"/> Metro-North	30/1 <input type="checkbox"/> vanpool all or part of the way
23/1 <input type="checkbox"/> NJ TRANSIT train	31/1 <input type="checkbox"/> ferry
24/1 <input type="checkbox"/> NJ TRANSIT bus	32/1 <input type="checkbox"/> other means (please specify:)
25/1 <input type="checkbox"/> PATH	_____

4. From where did you start your trip to come to work today? (Check one only, and write the details below)

33/1 <input type="checkbox"/> Manhattan	6 <input type="checkbox"/> Nassau, Suffolk Counties	9 <input type="checkbox"/> New Jersey
2 <input type="checkbox"/> Queens	7 <input type="checkbox"/> Westchester County	10 <input type="checkbox"/> Connecticut
3 <input type="checkbox"/> Brooklyn	8 <input type="checkbox"/> Other parts of New York State	11 <input type="checkbox"/> Pennsylvania
4 <input type="checkbox"/> The Bronx		12 <input type="checkbox"/> elsewhere
5 <input type="checkbox"/> Staten Island		

Zip code, if you know it

**OR**

Town, neighborhood, well-known building, or nearest street intersection

\_\_\_\_\_

5. When did you leave your home (or another starting point), and when did you arrive at work?

I left the start point at:

:   <sup>43</sup>  a.m.  
  :   <sup>2</sup>  p.m.

39 41      41 42

I arrived at work at:

:   <sup>48</sup>  a.m.  
  :   <sup>2</sup>  p.m.

44 45      48 47

6. Was your trip to work *today* different in any important way from your *usual* trip to work? (Check all that apply)

- <sup>49</sup>  No, today was like most other days  
<sup>50</sup>  I usually use a different means of transportation  
<sup>51</sup>  The trip usually takes a different amount of time  
<sup>52</sup>  My usual trip differs in other ways

7. If you did *not* use a *private car or van* for any part of your trip to work today, please check here <sup>53</sup>  and skip straight to question 9.

If you did use a private vehicle for any part of your trip, we would like to know the costs to you (each day) for parking and tolls.

If some costs are shared by your employer or by other travelers, enter only *your own share* of the costs. If you pay any of these costs by the month or by the week, estimate how much it costs you for *each round trip* that you make when traveling to and from work.

Bridge, tunnel, or highway tolls, *both ways*:

\$   :   or <sup>56</sup>  no costs

54-56      57-58

Parking charges for *one day*:

\$   :   or <sup>59</sup>  no costs  
 or <sup>2</sup>  parking costs are included in my rail or bus ticket, and I don't know how much they are.

50-61      62-63

8. Which one of these statements about parking near your workplace best describes your own situation? (Check one only)

- <sup>65</sup>  I don't usually park a private car or van at or near my workplace  
<sup>2</sup>  I usually park in an employer-owned space or on the street at or near my workplace, at no cost  
<sup>3</sup>  I park in a commercial parking lot, but my employer pays *some or all* of the cost  
<sup>4</sup>  I park in a commercial lot, and I pay *all* of the cost  
<sup>5</sup>  other situations (please describe:) \_\_\_\_\_

9. If you did *not* use the *subway, bus, train, or ferry* for any part of your trip to work today, please check here <sup>66</sup>  and skip straight to question 12.

If you did use transit on your way to work, please tell us how much it costs to commute to and from work, both ways. Please enter the *total transit costs*, including any cash or vouchers you get from your employer. You can report your costs either for each *day (round trip)*, each *week*, or each *month*, whichever is easiest for you (select one only):

- <sup>67</sup>  no costs, or  
<sup>2</sup>  \$ \_\_\_\_\_ for each *day*, or  
<sup>3</sup>  \$ \_\_\_\_\_ for each *week*, or  
<sup>4</sup>  \$ \_\_\_\_\_ for each *month*.
- 68-70      71-72

10. For this month, how much (if any) of those transit fares to and from work will be paid for by your employer, with transit vouchers or cash? Again use the time period that's easiest for you — by the day, week, or month.

Total amount of transit costs paid by my employer:

- my employer doesn't pay any part of my fares, or
- my employer pays \$\_\_\_\_\_ for each day, or
- my employer pays \$\_\_\_\_\_ for the week, or
- my employer pays \$\_\_\_\_\_ for the month.

74-76 77-78

11. What type(s) of tokens, tickets, or passes do you usually use for traveling to and from work by transit? (Check all that apply)

- |  |   |
|--|---|
| <input type="checkbox"/> Transit Authority subway or bus tokens (\$1.25 per token) | <input type="checkbox"/> ten-trip tickets                                 |
| <input type="checkbox"/> Transit Authority express bus tokens (\$4.00 per token)   | <input type="checkbox"/> twenty-trip tickets                              |
| <input type="checkbox"/> Transit Authority MetroCard                               | <input type="checkbox"/> forty-trip tickets                               |
| <input type="checkbox"/> cash  | <input type="checkbox"/> monthly tickets or passes                        |
| <input type="checkbox"/> one-way tickets or round-trip tickets                     | <input type="checkbox"/> weekly tickets or passes                         |
|  | <input type="checkbox"/> other types of tickets or fare (please specify:) |

12. Here are some reasons people have for deciding how to travel to and from work. For each one, please tell us (Yes or No) whether that reason applies to you.

- |  |                                    |                               |
|--|------------------------------------|-------------------------------|
| "Most days, I need to pick up or drop off a family member on the way"  | 90/1 <input type="checkbox"/> yes  | 2 <input type="checkbox"/> no |
| "Most days, I want to stop off somewhere else (for example, to shop) on the way"                             | 91/1 <input type="checkbox"/> yes  | 2 <input type="checkbox"/> no |
| "I bring my own vehicle to work because I need to use it during my workday"                                  | 92/1 <input type="checkbox"/> yes  | 2 <input type="checkbox"/> no |
| "I don't have a private vehicle available to me that I could regularly use for commuting"                    | 93/1 <input type="checkbox"/> yes  | 2 <input type="checkbox"/> no |
| "Using transit would take me too long or be very inconvenient"   | 94/1 <input type="checkbox"/> yes  | 2 <input type="checkbox"/> no |
| "Using a private vehicle would take me too long or be very inconvenient"                                     | 95/1 <input type="checkbox"/> yes  | 2 <input type="checkbox"/> no |
| "Using transit regularly would be too expensive"   | 96/1 <input type="checkbox"/> yes  | 2 <input type="checkbox"/> no |
| "Using a private vehicle regularly would be too expensive"   | 97/1 <input type="checkbox"/> yes  | 2 <input type="checkbox"/> no |
| "I use transit because my employer pays some or all of the costs"  | 98/1 <input type="checkbox"/> yes  | 2 <input type="checkbox"/> no |
| "I use a private vehicle because my employer pays some or all of the costs"                                  | 99/1 <input type="checkbox"/> yes  | 2 <input type="checkbox"/> no |
| "I use transit up to the amount my employer pays for each month, then I use a private vehicle on other days" | 100/1 <input type="checkbox"/> yes | 2 <input type="checkbox"/> no |
| Other reason (please specify:)   | 101/1 <input type="checkbox"/> yes | 2 <input type="checkbox"/> no |

102

About your journey to work at the beginning of 1993:

13. Please think back to the beginning of last year — that is, to January 1993. At that time, were you living at or near the same place as you do now and working at or near the same place as you do now? (Check one only)

- 13.1  yes, my home and workplace were the same then as now (go to Question 14)
13.2  no, I've changed my home or workplace since then (skip to Question 16)

14. Has your usual journey to and from work changed in any of the following ways since the beginning of 1993? (Check all that apply)

- 14.1  My commute is still the same as it was a year ago (skip to Question 16)
14.5  I used to come by private vehicle, but I usually use transit now
14.6  I used to come by transit, but I usually drive alone in a private vehicle now
14.7  I used to come by transit, but I usually carpool or vanpool now
14.8  I used to come by transit, but I take a commercial van now
14.9  I use different transit service(s) now than I did a year ago
14.10  I use a different type of ticket or pass for transit than I did a year ago [If so, what type of ticket did you usually use a year ago? \_\_\_\_\_]
14.11  I vary my method of commuting now more than I did a year ago
14.12  other differences (please specify:) \_\_\_\_\_

If your commute hasn't changed since the beginning of 1993, skip to Question 16.

15. What are the main reasons why you've changed aspects of your journey to and from work, compared with a year ago?

Three horizontal lines for writing answers.

113-114

About your job:

16. What is the name of the company or agency you work for?

Horizontal line for writing the company name.

115-116

17. What is the zip code of your place of work?

Five empty boxes for zip code digits.

117-121

18. How long have you worked for that organization at that location?

years 122-123 months 124-125

19. Are you eligible to receive TransitChek vouchers — that is, "checks" that can be used to help pay for transit tickets that you use to travel to and from work — from your employer? (Check one only)

- 19.1  no, that benefit is not available to me under any circumstances (skip to Question 30)
19.2  yes, I am eligible to receive TransitChek vouchers on a continuing basis, but I decided not to take them
19.3  yes, I am eligible to receive TransitChek vouchers on a continuing basis, and I usually take them
19.4  yes, I am eligible to receive TransitChek vouchers on an occasional basis (for example, as a bonus or incentive award), but I decided not to take them
19.5  yes, I am eligible to receive TransitChek vouchers on an occasional basis (for example, as a bonus or incentive award), and I usually take them





If you do *not* currently receive TransitChek vouchers from your employer, skip to Question 30.

20. For how long have you been receiving TransitChek vouchers from your employer?

years <sup>1 27 1 28</sup> months <sup>1 29 1 30</sup>

21. When you receive TransitChek vouchers from your employer, what dollar amount do you usually receive? \$ \_\_\_\_\_

1 31-1 33

Is this amount intended to cover

- one month?
- three months?
- no specific time?
- other (please specify:)

22. On which transit system do you most often use the tickets or tokens that you purchase with your TransitChek vouchers? (Check one only)

- NYC subway or bus
- Long Island Rail Road
- Metro-North
- NJ TRANSIT train or bus
- PATH
- MSBA bus
- other bus services
- ferry
- other (specify:)

23. When you use your TransitChek vouchers to buy tickets or tokens, where or how do you do that most often? (Check one only)

- subway token booth
- train station or ticket window
- through the mail
- at the Port Authority Bus Terminal
- at another bus terminal
- at a ferry terminal, or on board
- at a park-and-ride lot
- at a private business (newsstand, bank, store, etc.)
- other (specify:)

24. Please think back to the time before you received TransitChek vouchers from your employer. Compare the number of times each week that you use transit, both now and then, when traveling to and from work. Would you say that, compared with then, you . . . (check one only)

- use transit more often now than then (go to Question 25), or
- use transit less often now than then (skip to Question 26), or
- haven't changed how often you use transit (skip to Question 26), or
- can't compare, because you've received TransitChek vouchers for as long as you've worked here (skip to Question 26).

25. In a typical month, how many more one-way rides do you make by transit to and from work, primarily as a result of your receiving TransitChek? Count a round trip as two one-way rides.

Enter the number of extra one-way rides: \_\_\_\_\_

26. Think back again to the time before you received TransitChek vouchers from your employer. For trips other than to and from work, would you say that, compared with then, you (check one only)

- 1  use transit *more often* now than then (go to Question 27), or
- 2  use transit *less often* now than then (skip to Question 28), or
- 3  haven't changed how often you use transit for reasons other than commuting (skip to Question 28), or
- 4  can't compare, because you've received TransitChek vouchers ever since you moved to the New York area (skip to Question 28).

27. In a typical month, how many more one-way rides do you make by transit, other than to or from work, primarily as a result of your receiving TransitChek? Count a round trip as two one-way rides.

Enter the number of extra one-way rides: \_\_\_\_\_ 141-142

28. For some people who get TransitChek, their participation causes them to take family or friends with them by transit more often than they used to do. In a typical month, how many more one-way rides (if any) do your family and friends make by transit, primarily because you receive TransitChek? Count a round trip as two one-way rides.

Enter the number of extra one-way rides by family or friends: \_\_\_\_\_ 143-144

OR 140  no extra travel by family and friends

29. If you could change just one thing about TransitChek to make it better for you, or easier or more convenient to use, what would that one thing be?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ 146-147

**About yourself, for classification purposes:**

30. Are you . . . 148  female 2  male

31. How old are you? 149  under 20 4  35 to 44  
2  21 to 24 5  45 to 54  
3  25 to 34 6  55 or over

32. What is the total annual income of your household, before taxes and other deductions from your pay?

- 150  under \$15,000 4  \$35,000 to \$49,999 7  \$100,000 to \$124,999
- 2  \$15,000 to \$24,999 5  \$50,000 to \$74,999 8  \$125,000 to \$149,999
- 3  \$25,000 to \$34,999 6  \$75,000 to \$99,999 9  \$150,000 or more

**Please return your completed questionnaire right away. Thank you very much for your cooperation.**

**APPENDIX D. Synopses of Interviews with Organizations  
Associated with the New York TransitChek® Program**

Companies Enrolled in TransitChek, Pages D-2 – D-5  
Operators Participating in TransitChek, Pages D-6 – D-7

## Companies Enrolled in TransitChek<sup>o</sup>

### **Aegis Insurance Services (Jersey City)**

- Enrolled to give employees a tax-free benefit, and to avoid parking capacity problems in the future. They find the program benefits employee morale, and recruiting, and they appreciate its tax savings aspect.
- Began participating early in the program when the benefit was \$15. Increased amount to \$60 in 1993.
- Administrative expenses are minimal; they distribute TransitChek vouchers in the payroll envelopes monthly. (Previously when the benefit was \$15, they distributed them quarterly.) They would prefer to give their employees the transit subsidy directly in their paychecks, but realize current IRS regulations prevent this practice.
- Give employees the choice of free parking or TransitChek vouchers monthly. They feel some employees have permanently converted to transit commuting, but there are some who tried it and went back to single occupancy vehicle commuting. Employees must sign an agreement monthly to use TransitChek only for their own commuting.
- Fifty of the 116 employees of Aegis participate in TransitChek in any one month. All employees are professionals.
- They have had no problems with abuse of the program.
- Other comments include that the NJ TRANSIT users love the program. The MTA users used to complain that more redemption centers were needed, but more were opened. PATH users also complain that the only redemption centers are in the City, and difficult for them to get to, as Aegis is located in Exchange Place in Jersey City.

### **Airline Delivery Services (ADS) (Upper Manhattan)**

- Enrolled originally to provide an incentive for its employees, but now they give it to all employees as a tax-free benefit.
- They give up to \$60, based on the employment status and length of service of the employee.
- They distribute about 150 vouchers each month with employee paychecks to about 50 out of 297 employees. TransitCenter would prefer them to purchase the vouchers quarterly, but ADS does not have the cash flow to do this. Their monthly costs are \$3,132 in TransitChek vouchers plus administrative costs.
- Positive aspects of the program include improved employee morale, and tax savings. ADS is very enthusiastic about the program. Lower paid employees especially appreciate them.

- Initial negative aspects include the unfamiliarity with the program of both token booth personnel (which is problematic when employees attempt to purchase fares with the vouchers), and employees (who are skeptical of a "tax-free benefit" and think there must be a catch). The MTA rule to accept only three vouchers in one visit makes it difficult for some employees to use all \$60. (ADS uses only \$15 vouchers for flexibility in the amount given.)
- ADS gives no driving subsidy, and does not require employees to sign any statement to receive the vouchers.
- Most employees were using transit before TransitChek. Greatest use on MTA, LIRR and Metro-North.

#### **Children's Television Workshop (Upper Manhattan)**

- Enrolled to give employees a tax-free benefit and to maintain employee morale. The company is very conscientious in providing employee benefits. The employees are enthusiastic about the program, since almost all of them were using transit regularly for commuting before TransitChek.
- Began participating a couple of years ago, giving employees \$45 per quarter. They did not increase the amount in 1993.
- Distribute TransitChek vouchers quarterly in payroll envelopes to all of the 370 employees. The expenses of administering the program are minimal.
- Employees receive no parking or driving subsidy, and are not required to give up anything to receive TransitChek vouchers.
- They are unaware of any program abuse.

#### **Federation of Jewish Philanthropies (Mid-Manhattan)**

- Began participation a few years ago to offer employees an incentive for perfect attendance. If the employees achieved perfect attendance for a month, they would get TransitChek the next month. Although the employees appreciated and were enthusiastic about the program, attendance did not improve, and a year ago the Federation dropped out of the program.
- TransitChek users did not sign any agreements to use the vouchers only for commuting.
- The Federation has 150 employees, but had no figures on how many were using TransitChek.

### **New York Job Development Authority (Mid-Manhattan)**

- This state agency enrolled to give employees a cost-effective benefit, as salary increases were not possible. The authority got no additional tax break because of its existing tax-free status.
- Participated for only one year, ending last year, because of budget problems. During the summer of 1993, they did, however, give TransitChek to summer interns.
- Only upper management gets free parking, but they were not required to relinquish it to obtain TransitChek vouchers.
- Distributed the \$21 vouchers monthly. The employees signed up monthly.
- Program was good for employee morale, but was too expensive.
- About 95 percent of the 40 employees were participating. Most were already using transit before TransitChek.

### **New York Life Insurance Company (Mid-Manhattan)**

- Began participating three years ago at employees' request. They offer TransitChek vouchers as a prize in their quarterly perfect attendance lottery, instituted to improve employee attendance. If an employee has a perfect attendance record for the quarter, he or she is eligible to enter the lottery, which offers many prizes, including such things as extra vacation days and TransitChek vouchers in varying amounts.
- Of 4,000 headquarters employees, about 3,000 are eligible to participate in the attendance competition. About half typically have perfect attendance records, and are in the lottery. The company gives out about 100 \$30 TransitChek vouchers per quarter. In the field offices about 3,000 of the 3,500 employees participate in the attendance competition, but TransitChek vouchers are not given as prizes because they are not available in most field office locales.
- Most headquarters employees are using public transit for commuting; the company does not give free parking. TransitChek has not changed people's mode of commuting.
- Positive aspects to the company are that TransitChek as an incentive has helped improve attendance, and that the company's offering it shows management is listening and responding to employee requests.
- They are not aware of misuse of vouchers.

### **Sidley & Austin (Mid-Manhattan)**

- Chicago law firm with offices in New York City, Los Angeles and maybe other locations. Decided to give all employees a transit subsidy. In both Chicago and New York, they give TransitChek vouchers, but in LA, they give free parking. They also believe in the use of public transit as much as possible. TransitChek has been great for employee morale.
- Distribute \$21 monthly, and decided not to increase to \$60 this year. Cited equity issues, since some employees get passes that cost less than the full \$60.
- Employees must sign agreements to use the vouchers only for their own commuting.
- Have been participating since Spring 1991.
- Eighty-five to ninety percent of the employees in Chicago participate (900 participants) and 95 percent of the employees in New York City participate (175 participants).

### **US Customs Service (Lower Manhattan)**

- US Customs initiated the Public Transportation Incentive Program nationwide to promote public transportation in anticipation of conforming to the Clean Air Act Amendments of 1990 and to improve employee morale. Outside New York, they use Government Purchase Orders to procure transit tickets and passes from individual operators. In New York, they were obliged to use TransitChek, which costs them \$6-7,000 per year (\$0.84 per TransitChek). They feel that dealing with the individual operators would be less costly.
- Began participating in October, 1992, offering \$21 to employees per month as a standard benefit.
- Group coordinators distribute TransitChek vouchers to individual employees, and require employees to sign statements each month that they are using the vouchers for commuting.
- The employees must give up their free parking spot to qualify for TransitChek. TransitChek is restricted to those employees who applied to participate. The program was not widely advertised and many employees were not aware of it until it was too late. Also, Customs lost a number of applications, so those people were not permitted to participate. Next year, it is anticipated that if Congress votes to continue the program, Customs will have an open sign-up season and more employees will apply.
- Right now 654 employees out of over 2,000 are participating. Some of them have switched from single occupancy vehicles.
- Auditors review the program periodically and are not aware of any program abuse.

## Operators Participating in TransitChek®

### **Long Island Rail Road**

- Involved with TransitChek from outset, helping to develop the logistics of the system.
- They especially like the tax-exempt status of the benefit and its "gift certificate" aspect, and feel it gives employers a means to support transit.
- They do not routinely track the number of TransitChek vouchers they redeem at their 85 stations, but performed a special study for the evaluation to obtain a one-time data point of 3,510 TransitChek vouchers redeemed in November 1993, with a value of \$85,116.
- About 110,000 passengers use the system during a typical weekday rush hour. Ridership has picked up in the last six months of 1993. Revenues are up \$5 million for the first ten months of 1993.
- They offer a monthly pass for \$140 that represents a 48 percent discount over the full fare.
- Sixty percent of their passengers transfer to the subway; they sell one million subway tokens each month. They feel the actual number of TransitChek riders may be greater than that indicated by redemptions, because the riders are redeeming the vouchers at subway ticket booths rather than using them to buy railroad passes.

### **New York City Transit Authority**

- Very positive about TransitChek, and, in fact, participated in its design and development.
- They especially like its tax-free aspect, and feel it has had a positive impact on ridership on their system, but they do not have the data to support this supposition. They have not altered their service in any way due to TransitChek usage.
- They have had no problems implementing the program and incur no additional costs for its administration.
- About 2.5 million people pass through their system per day. In 1989 1.559 billion one-way trips were taken systemwide; in 1992 this number was reduced to 1.446 billion due to the recession. (A combination bus and subway trip would count as two trips in these statistics.) In 1993 they are almost back to the 1989 level of usage.



## **NJ TRANSIT**

- Their buses and trains serve both the Philadelphia and New York areas, but TransitChek redemptions are mainly for New York service. They have redeemed 50,710 TransitChek vouchers through September 1994 worth \$1,244,164. This represents approximately 0.4 percent of their revenues.
- They have subsidized the program through marketing to New Jersey employers, but have not met with much success. As of late 1994, they estimated that about 150 companies in northern New Jersey have enrolled in the New York program, but only about five in southern New Jersey have enrolled in the Philadelphia program. With the reorganization and restaffing of the Philadelphia program, increased program marketing in southern New Jersey by DVRPC is expected.
- They have been accepting the vouchers since 1987. TransitChek vouchers are processed like regular bank checks.

**APPENDIX E. Philadelphia TransitChek<sup>®</sup> Marketing Materials**

Commuter Flyer Handout, Pages E-2 – E-3  
Excerpts from Glossy TransitChek Brochure, Pages E-4 – E-9  
TransitChek Order Form, Page E-10

**RIDE FREE...  
BREATHE EASY  
TransitChek®**

**SAVE UP TO \$60 A MONTH**

Every day, TransitChek is saving thousands of commuters money while they travel to work. If you take public transit or vanpools to work, TransitCheks can save you money too — up to \$720 a year! Some of your rides can now be free!

**IT'S UP TO YOUR EMPLOYER**

TransitChek vouchers are a valuable tax-free employee benefit provided to you by your employer. You can receive up to \$60 worth of TransitCheks every month and use them when you buy tokens, tickets, or passes ...TransitCheks are as good as cash on virtually all transit systems in Pennsylvania, Delaware and New Jersey! And when you use the service of our transportation providers, you're helping to fight air pollution and traffic congestion.

**HOW TO GET TRANSITCHEKS**

Employees of companies who offer this valuable commuting benefit are eligible to get TransitCheks. If your employer does not provide TransitCheks, ask them to consider it, because they will save money on taxes too! Just fill out the form in this pamphlet and give it to your boss, administrator, office or personnel manager. If your company needs more information about the Commuter Benefit Program and its many tax advantages, tell them to call 1-800-355-5000.

**If you have questions about TransitChek,**

**Just call 1-800-355-3455.**



A program of the Delaware Valley Regional Planning Commission

**I WANT TO RIDE FREE  
AND BREATHE EASY!**

I'm interested in using **TransitCheks** to save money while I commute to work on public transportation. Please look into it. Call the Delaware Valley Regional Planning Commission to find out how to provide this valuable tax-free benefit to me and other employees. For more information, just call 1-800-355-5000.\*

Name
Department/Division
Public transportation system I now use
Type of fare I usually purchase: Monthly pass <input type="checkbox"/>
Weekly pass <input type="checkbox"/> Tokens <input type="checkbox"/> Tickets <input type="checkbox"/> Vanpool <input type="checkbox"/>

**PARTICIPATING  
PROVIDERS:**

SEPTA	Delaware Commuter Services Administration
NJ TRANSIT	Blue Diamond Lines
PATCO	Central Delaware Transit
AMTRAK	Capitol Area Transit
BARTA	Capitol Trailways
LANTA/METRO	Bieber Tourways
DART	Vanpool of New Jersey
DAST	

\*New Jersey employers can call 1-201-491-7600

\*Delaware employers can call 1-302-577-6380

for Travelink tax credit information



RIDE FREE... BREATHE EASY



TRANSPORTATION

What Employers Need to Know

EMPLOYEE BENEFITS



## B E A H E R O

**Y**ou can be a hero to your employees.

A genius to your accountants. An environmental champion to your kids. And a four-star community leader to your peers.

**H**ow? Take advantage of **TransitChek**, a new employee benefit that pays for itself.

Not only is the program tax-deductible for your company and tax-free for your employees, it also pays great dividends. Dividends such as increased employee morale and a breath of fresh air for the environment.

**T**he advantages of **TransitChek** are so numerous that over 100 businesses in the tri-state region already have joined. Here's all the information you'll need.

## H O W T R A N S I T C H E K W O R K S

**I**f you want to offset the commuting

costs of your employees, then simply give them **TransitChek** vouchers. A **TransitChek** looks like a personal check with a hologram in the corner and passes as payment for subway and bus tokens, vanpool fees, and train or ferry tickets throughout the tri-state area.

**T**he program doesn't involve a lot of messy paperwork for you, and it doesn't

cause headaches for your accountants. What

it does do is offer you the flexibility to distribute commuting subsidies in a variety of

ways. For example, you can award

**TransitCheks** as a fringe benefit, or you can

hand them out as a reward for good work,

or as a holiday bonus.

## HOW MUCH YOU CAN GIVE

**S**ince January 1, 1993, you can give your employees as much as \$720 a year, or \$60 a month in tax-free commuting subsidies for use on participating transit or vanpool operators.

Current guidelines for commuter benefit programs like **TransitChek** are spelled out in the "Comprehensive National Energy Policy Act," which was signed into law on

October 24, 1992.

**T**he new, higher ceiling of \$60 a month makes it possible for you to cover the full commuting cost of many employees and provides you with a more effective subsidy for employees whose commutes cover a long distance.

**T**he higher limit also allows us to offer **TransitCheks** in a greater number of denominations. The vouchers now can be ordered in denominations of: \$7, \$15, \$20, \$30, \$45, and \$60.

## WHERE TO REDEEM

**T**ransitChek is accepted by virtually all transit operators and several third-party vanpool operators in Pennsylvania, Southern New Jersey, and Delaware. Here is the growing list of major transportation providers:

### PHILADELPHIA/CAMDEN/TRENTON

South Eastern Pennsylvania Transportation Authority (SEPTA)

Port Authority Transit Corporation (PATCO)

NJ TRANSIT

AMTRAK

Philadelphia - Camden Ferry

Vanpool of New Jersey

### SOUTHERN NEW JERSEY

NJ TRANSIT

Port Authority Transit Corporation (PATCO)

Vanpool of New Jersey

### PENNSYLVANIA

AMTRAK

SEPTA

Bieber Tourways - Allentown, Quakertown, Reading, Philadelphia, etc.

Capitol Trailways - Harrisburg, King of Prussia, Lancaster, Philadelphia, Pottstown, etc.

Port Authority of Allegheny County (PAT) and many local transit systems - Pittsburgh area

Berks Area Reading Transportation Authority (BARTA) - Reading

Lehigh & Northampton Transportation Authority (LANTA/METRO) - Allentown/Easton

### DELAWARE

Delaware Commuter Services Administration

Delaware Administration for Regional Transit (DART)

Central Delaware Transit (CDT)

Blue Diamond Lines

Transportation for Elderly and Disabled (DAST)

## HOW YOU SAVE ON TAXES

**E**mployers save money in two ways when they buy **TransitCheks**.

First, the amount spent on **TransitCheks** (up to \$720 a year for each employee) is a fully tax-deductible expense. And, second, the amount spent on **TransitCheks** is exempt from any payroll taxes.

**T**he tax savings are also great for employees, because the amount an employee receives in **TransitCheks** is not subject to income tax. Thus, by giving an employee \$720 a year in tax-free **TransitCheks**, an employer is affording him or her the equivalent of a \$1,030 straight salary increase (based on 30 percent federal, state, and local taxes).

## WHO BENEFITS

**T**ransitChek brings benefits to you, your employees, and the environment. You benefit by offering a perk that will increase your employees' morale and help to attract new employees. What's more, by giving each employee an incentive not to use a single-occupant car to commute, your company takes an important step toward complying with the Clean Air Act legal requirements and, in turn, projects an environmentally conscious image.

**F**or employees, **TransitChek** opens the door to low-cost, hassle-free commuting. With **TransitCheks** in their hands, employees will have the flexibility to avoid stop-and-go highway traffic in favor of fast-track public transit.

**A**nd, of course, the environment benefits as well. Increased use of public transit translates into a decrease in traffic congestion and a decline in air pollution.



# QUESTIONS & ANSWERS

**Q. What is the purpose of TransitChek?**

**A** TransitChek was developed as a means to reduce traffic congestion and improve air quality by encouraging greater use of public transportation and vanpool services. The use of thousands of single-occupant automobiles by commuters each day causes severe congestion and contributes to the region's air pollution problems. The promotion of public transportation by employers through TransitChek provides a strong incentive to use alternatives to the single auto.

**Q. What benefits to business does TransitChek offer?**

**A** TransitChek is a tax-efficient means of compensation, free of any payroll-related taxes for both the employer and employee.

TransitChek is also an economical way to boost employee morale and performance, and can help reduce turnover. And it's a fully deductible business expense.

**Q. How can companies get TransitChek?**

**A** Companies throughout the tri-state area can purchase TransitCheks directly through the Commuter Benefit Program with the enclosed order form. They can be ordered in any quantity and in various denominations, and are delivered in a safe and secure manner quarterly, semi-annually, or annually. TransitCheks are purchased at face value plus a small processing and handling charge. Employee instruction pamphlets are provided free with the first shipment.

**Q. Is the program difficult to administer?**

**A** No. TransitCheks can be ordered easily by mail. You need to keep only a copy of the order form, shipping receipt or cancelled check. This simple process minimizes time spent on paperwork and administrative duties.

**Q. Can employers distribute cash to their employees as a tax-free transit allowance?**

**A** No. The "Comprehensive National Energy Policy Act" states that cash reimbursements for transit or vanpool commuting costs are no longer permitted where a transit voucher (e.g., TransitChek) is available.

**Q. Will participants be taxed on benefits exceeding the limit on monthly allowances?**

**A** Yes. Prior to 1993, employees were taxed on the full amount of their transit subsidy if it exceeded the limit of \$21 per month. Now, according to the "Comprehensive National Energy Policy Act", only amounts in excess of the \$60 per month limit will be taxed.

**Q. How do the "Clean Air Act Amendments" affect programs like TransitChek?**

**A** The "Clean Air Act Amendments" require that states set trip reduction guidelines for employers with 100 or more employees in areas that have not attained the Environmental Protection Agency's air quality standards. These guidelines should be designed to increase the average passenger occupancy rate of these employers at least 25% above the average vehicle occupancy rate of the area. Southeastern Pennsylvania, parts of southern New Jersey, and the State of Delaware are non-attainment areas and must comply with guidelines set by the state departments of environmental resources.

Many employers around the nation have designed programs to increase vehicle occupancy by using incentives such as TransitChek. They are called Employer Trip Reduction Programs (ETRP) or Employee Commute Options (ECO) Programs.

## HERE'S WHO TO CALL

**F**or the "SmartKit,"

further information on federal regulations, extra order forms and envelopes, or referrals to employers who already provide **TransitCheks**, call the Employer Hotline at (800) 355-5000. We will also arrange presentations and telephone conferences to answer your questions.

## TOP 10 REASONS

**1** Tax-deductible for businesses. **2** Tax-free for employees. **3**

A great morale booster. **4** New \$720 per year cap. **5** Easy to administer. **6** Employees appreciate tangible benefit. **7** Can be used in many ways, to suit company's needs. **8** Reduces traffic and pollution. **9** Accepted by all major transit systems. **10** Meets

Clean Air Act legal requirements.

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## PARTNERS IN A CARING COMMUNITY

**A**s part of Channel 10's

tradition of serving the

Delaware Valley

Community, we are proud to

be partners in this mass

transit, employee,

employer project.

WCAU-TV is confident that

**TransitChek** will be

a key factor in improving

our environment.

## ADDITIONAL QUESTIONS...

**F**or information about employer

tax credits in Delaware:

302-577-6380. For NJ

TRANSIT's Business Transit

Alliance: 201-491-7600.

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SIDE FREE... BREATHE EASY

# TransitChek

YOUR FIRST ORDER...

Date: \_\_\_\_\_

How many **TransitCheks** do you want in your first order?  
The minimum order is 12 per denomination.

Do you wish to place an order quarterly, semi-annually, or order enough for the entire year? It's best to order at least a quarterly supply.

**TransitCheks** are available in several denominations to allow employers to choose from various benefit levels of up to \$60 per month, or \$720 per year.

For orders of more than one denomination you must use separate order forms. Just copy this form and staple the forms together, and mail with your payment.

FOLLOW THESE STEPS...

1. Select one <b>TransitChek</b> denomination: \$7, \$15, \$20, \$30, \$45, or \$60	A	\$ _____
2. Add the per voucher processing fee: A \$ _____ + \$0.70 =	B	\$ _____
3. Total <b>TransitCheks</b> in this order (minimum 12): Find number of <b>TransitCheks</b> needed: # employees _____ x # months _____ =	C	_____
4. Total cost of your order: B \$ _____ x C _____ =	D	\$ _____
5. Packing and shipping charge:	E	+\$ <u>10.00</u>
6. <u>Optional</u> express delivery: (\$15.00)	F	+\$ _____
7. TOTAL ORDER COST: Please add (D), (E), and (F):		\$ _____

QUESTIONS...

If you have questions about how to place an order, call the Sales Office: 1-800-355-5000.

If you have questions about the status of your order, call Customer Service: 1-800-553-6563.



## SHIPPING & BILLING INFORMATION...

Please provide a street address. Deliveries cannot be made to P.O. boxes. Please print clearly and retain a copy for your records.

Company name		
Contact name		
Title		
Street address		
City	State	Zip
Telephone (very important)	Ext	

## FUTURE REMINDERS...

We'll send an invoice to remind you to re-order before you run out of **TransitCheks**. Check the appropriate box below.

We expect to need more **TransitCheks** in:

3 months  6 months  12 months

## PAYMENT...

Only paid orders are shipped. For fastest service, enclose a check payable to "Commuter Benefit Program." Clip this order form and mail completed order to:

**COMMUTER BENEFIT PROGRAM**  
c/o First State Marketing Corp.  
451 Lakeview Street  
Lake Lillian, MN 56253

Payment is enclosed  Send invoice

## EMPLOYEE BROCHURES...

Employee information brochures are sent with your first order. How many employees will participate? \_\_\_\_\_

## DELIVERY...

Your order will be received within 2 to 3 weeks. The optional express delivery reduces shipment time by about one week. To speed your order further, send it to First State Marketing by overnight delivery.

## FINALLY...

Please help us expand the Commuter Benefit Program. In what industry category is your company?

May we identify you as a Commuter Benefit Program participant?

Yes  No

For Office Use Only	
Control # _____	_____
Batch # _____	_____
Date _____	_____
<input type="checkbox"/> Check \$ _____	_____
<input type="checkbox"/> Order Form	<input type="checkbox"/> Invoice

Thank you for your order.

**APPENDIX F. Synopses of Interviews with Organizations  
Associated with the Philadelphia TransitChek® Program**

Companies Enrolled in TransitChek, Pages F-2 – F-3  
Operators Participating in TransitChek, Pages F-4 – F-5

## Companies Enrolled in TransitChek<sup>o</sup>

### **Alexander & Alexander (Downtown Philadelphia)**

- Alexander & Alexander, an insurance brokerage firm, joined the TransitChek program early to provide their employees a cost-effective benefit. They feel it has boosted morale. Now that the 1990 Amendments to the Clean Air Act are about to become effective, they consider it an auspicious decision.
- They employ 150 people in the Philadelphia area, 80 of which receive TransitChek. The decision was a local one; most of the 14,000 nationwide employees do not receive any transit subsidy.
- The company subsidizes parking for top executives and sales representatives who must drive as part of their jobs. They pay their parking fees at public lots, as opposed to using a lot of their own. As a consequence, TransitChek vouchers are used mostly by lower paid employees among whom the program is extremely popular.
- Fifteen dollar TransitChek vouchers are distributed monthly as a standard benefit to anyone who registers for the program. Participating employees are not required to sign any agreement to use the vouchers only for commuting costs; the honor system is used. However, the company will not both subsidize parking and give TransitChek to the same person.
- They have encountered no problems with the program on their end or with DVRPC's management of the program.

### **Environmental Protection Agency (Downtown Philadelphia)**

- EPA participated in the program for nine months of FY93, and stopped in FY94. Two reasons were cited. The first was that budget cuts precluded EPA's continuing this employee benefit. The second, and perhaps more significant, was that the increase in transit usage by employees was not great enough to warrant the cost involved in subsidizing all existing users. EPA joined the program because it believed in public transit and wanted to promote a benefit both to employees and to the environment. However, because EPA's location creates a "captive audience" for transit to begin with, 82 percent of its approximately 900 employees were already using transit, and TransitChek increased this only to 87 percent. EPA now offers no transit subsidy of any kind. (No driving subsidies are offered either.)
- All employees were eligible to register for the program. They had to sign an agreement to use the vouchers only for commuting, and had to save receipts for transit purchases. Employees were given \$15 per month, with voucher distribution quarterly.
- The program was popular among employees, and participation increased steadily throughout the nine months.

- They noted the change in program personnel at DVRPC, although they did not cite any difficulties because of it.

#### **Peruto & Peruto (Downtown Philadelphia)**

- This small law firm of 13 employees tried TransitChek for one quarter over a year ago, and ended it because the six or seven employees participating found it too much trouble to "redeem them in person."
- They did not seem to understand the nature of the program, but said that they might reconsider if they received current information on the program.

#### **Provident Mutual Life Insurance Company (Downtown Philadelphia)**

- Provident has been participating for about one year. The program is popular among employees and has boosted morale.
- Out of 800 employees, about 150 are receiving vouchers.
- The company distributes the vouchers monthly as a standard benefit to any employee wishing to participate. The employees are not required to give anything up in return, although they must sign an agreement to use TransitChek vouchers only for commuting and not to sell them for cash.
- They give their employees a \$5 per month subsidy by charging them \$10 for the \$15 TransitChek voucher.
- Lower paid employees are more interested in the program, and have a greater participation rate than higher paid employees.

#### **U.S. Mint (Downtown Philadelphia)**

- The U.S. Mint distributes \$21 vouchers to their employees monthly as a standard benefit.
- The employees must sign a form agreeing to use them for commuting. Employees may not receive vouchers if they carpool or drive to work, or live in certain areas.
- Out of about 850 employees, about 400 participate each month. The number varies by month depending on the number of new employees, changes in commute mode, etc.

## Operators Participating in TransitChek<sup>o</sup>

### **Carl R. Bieber Tourways**

- Bieber operates a daily commuter bus from Allentown, Bethlehem and several other stops into Philadelphia. They redeem TransitChek vouchers monthly from around five people who use the bus in the Quakertown area. They do not track the amount received separately from other forms of payment.
- Bieber has participated in the TransitChek program from its inception in 1991. They hoped to increase their ridership and wanted to promote transit, but the program has not met their expectations. They nevertheless continue to support the program.

### **Capitol Trailways**

- Capitol operates an early morning commuter bus from the Reading area to Philadelphia daily. The bus carries 18 to 25 people of which one passenger uses TransitChek.
- They have participated since the 1991 program inception, but have not realized any increase in ridership, one of the main reasons they joined. This year, they are not contributing to DVRPC, partially due to budget constraints and partially due to the weak participation by their riders.
- They continue to think TransitChek is a worthwhile program, and that it promotes transit and improves public relations. They feel DVRPC must do more to expand the employer base.
- They said in Harrisburg there is one employer, the Pennsylvania Department of Environmental Resources, which gives TransitChek vouchers to its employees, because it is located across the street from the Trailways terminal.
- They do not track TransitChek redemptions.

### **LANTA**

- Although LANTA initially helped fund TransitChek, they never really participated by promoting the program in their service area for several reasons:
  - They have in place a successful Ride to Work program that employers are happy with, which seems to serve the agency's needs and encourage ridership. They saw no need to change. The Ride to Work program works as follows: LANTA sells 40-ride tickets to employers for \$26, \$2 below the regular \$28 price, if the employers agree to sell them to their employees for \$24, essentially further subsidizing the cost.

- They thought they would get some media exposure from the program's affiliation with WCAU Channel 10, but the media spots did not mention specific operators' names.
- The Allentown area is not part of the Philadelphia nonattainment area, has no parking problems or congestion, has a population of people "dedicated to single-occupancy commuting," and has low cost transit. It is difficult to motivate nontransit-dependent people to ride transit.
- Allentown, like Philadelphia, is losing businesses from the central business district to suburban industrial parks, where transit coverage is limited.

## **SEPTA**

- SEPTA has been a strong promoter of TransitChek since its inception in Philadelphia, with the motivation of increasing its ridership. They have contributed \$85,000 to the program for each of the last three years, although they may reduce this amount if DVRPC can obtain more funding through government grants in future years due to the Clean Air Act requirements.
- SEPTA has had no noticeable increase in ridership due to TransitChek (overall their ridership has been decreasing), but may have maintained some users because of the program.
- They feel a major deficiency in the program is that no companies with more than 1,000 employees are participating. Larger companies perceive problems with controlling employee use of the vouchers, fearing the creation of a black market in vouchers or employees using them for recreational transportation rather than commuting. SEPTA hopes to enroll a large company (they are meeting with Boeing), so that other large companies may be encouraged to follow their example.
- They pointed out several obstacles TransitChek must overcome in Philadelphia. The city has a large number of its workers employed in health care industry, hospitals in particular. Nonprofit and government entities are not motivated to join the program, because they do not get tax breaks and the money spent on TransitChek is just another expense. In addition, Philadelphia's Center City has not come out of the recession as of late 1994. Finally, the 70-cent fee per TransitChek is expensive. SEPTA and DVRPC are lobbying to get the fee changed to a percent of the value of the vouchers (as in New York).



**APPENDIX G. 1993 Philadelphia TransitChek® Survey**

Survey Form, Page G-2  
1993 Preliminary Survey Results, Pages G-3 – G-5  
1993 Full Scale Survey Results, Pages G-6 – G-12

## TRANSITCHEK® "60-SECOND" SURVEY

*Below you'll find a few questions that we at the Commuter Benefit Program would like you to answer. All you have to do is mark your responses to each question based on your experience BOTH BEFORE AND AFTER receiving TransitCheks. Your anonymous participation in this survey will help the staff at the Commuter Benefit Program to evaluate how TransitChek is working for those who use it. Thank you for your cooperation.*

		<b>BEFORE</b> <i>(You received TransitCheks)</i>	<b>AFTER</b> <i>(You received TransitCheks)</i>
1. What is the primary mode of transportation you use to get to work? (Choose mode used most often.)	Public transit Drive alone Drive with other(s) Bicycle Walk	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2. On average, how many trips per week do you take on public transportation? (A single ride is one trip.)		☛ _____	☛ _____
3. Which transit system do you primarily use?	SEPTA PATCO NJ TRANSIT Other	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> : _____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> : _____
4. How do you pay for your transit rides?	Monthly pass Weekly pass Single ticket Multi-ride ticket Tokens Other	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> : _____	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> : _____
5. How much money do you spend per month to ride public transportation?		☛ _____ * (Before T'Chek) * Cash Only	☛ _____ ** (After T'Chek) ** Cash + T'Chek
6. If you now ride transit but did not before receiving TransitChek, was TransitChek the reason for your change to transit?		<input type="checkbox"/> Yes, it was.	<input type="checkbox"/> No, it was not.
7. What denomination of TransitChek do you receive?		☛ _____ (List only T'Chek you now receive.)	

***Please return survey to your employer today.***

# **TRANSITCHEK® TEST SURVEY RESULTS**

Below are the preliminary results for our test survey of TransitChek users. Two employers were surveyed: Alexander & Alexander consulting, located at 6th & Chestnut Streets in Philadelphia, and the United States Mint, located at 5th and Arch Streets in Philadelphia. Alexander & Alexander distributes a \$15 TransitChek to each of 100 employees on a monthly basis, and the U.S. Mint distributes a \$21 TransitChek to each of 400 employees monthly.

**SAMPLE:** 500 employees getting T'Cheks, 314 surveys completed

*Those surveys were divided as follows:*

Alexander & Alexander: 100 employees getting surveys, 82 completed.

U.S. Mint: 400 employees getting surveys, 232 completed.

The survey results show that: (1) transit agencies (SEPTA, PATCO, NJT) are seeing increased revenue from employees who receive TransitCheks, and (2) employees who receive TransitCheks are in fact taking more trips on public transit.

Below are the responses to the survey questions:

1. *Primary mode of transportation? \**

	<b>BEFORE T'Cheks (# responding)</b>	<b>AFTER T'Cheks</b>
Public transit	78.3 % (246)	97.5 % (306)
Drive alone	15.0 % (47)	1.0 % (3)
Drive w/ others	5.1 % (16)	1.0 % (3)
Bicycle	0.3 % (1)	0.0 % (0)
Walk	1.3 % (4)	0.6 % (2)

\* Only those people receiving TransitCheks responded to this survey. The total population didn't receive this survey.

2. *Trips per week on public transit?*

	<b>BEFORE</b>	<b>AFTER</b>	<b>CHANGE</b>
Alexander & Alexander	9.0 trps/wk	9.8 trps/wk	+ 0.8 tr/wk
U.S. Mint	8.4 trps/wk	10.6 trps/wk	+ 2.2 tr/wk
Total	8.6 trps/wk	10.3 trps/wk	+ 1.7 tr/wk

### 3. Transit System Used?

	<b>BEFORE</b>	<b>AFTER</b>
SEPTA	71.3 % of those surveyed	82.8 % of those surveyed
PATCO	11.1 %	14.0 %
NJTRANSIT	2.2 %	2.9 %
OTHER (auto)	15.4 %	0.3 %

#### *TRIPS / DOLLARS SPENT ON SEPTA, PATCO, NJTRANSIT*

Agency (# of riders)	Trips Before	Trips After	% Change	\$ Spent Before	\$ Spent After	% Change
<b>SEPTA</b>						
Old (224)	2,290	2,404	+ 5.0 %	\$13,530	\$13,875	+ 2.5 %
New (36)	—	398	—	—	\$ 1,755	—
Total (260)	2,290	2,772	+ 21.0 %	\$13,530	\$15,630	+ 15.5 %

*13.8 % of TransitChek users riding SEPTA are new public transit riders.*

<b>PATCO</b>						
Old (35)	317	325	+ 2.5 %	\$ 2,111	\$ 2,127	+ 1.2 %
New (9)	—	63	—	—	\$ 477	—
Total (44)	317	388	+ 22.4 %	\$ 2,111	\$ 2,604	+ 23.3 %

*20.5 % of TransitChek users riding PATCO are new public transit riders.*

<b>NJTRANSIT</b>						
Old (7)	66	68	+ 3.0 %	\$ 780	\$ 760	- 2.6 %
New (2)	—	20	—	—	\$ 141	—
Total (9)	66	88	+ 33.0 %	\$ 780	\$ 901	+ 15.5 %

*22.2 % of TransitChek users riding NJTRANSIT are new public transit riders.*

- Low program impact for NJT is due to location of test sample employers in downtown Philadelphia. There are large employers in southern New Jersey that use TransitChek who possibly would show a greater impact from TransitChek use.

- In addition, the numbers for NJTRANSIT reflect a sampling of just 9 total NJTRANSIT riders; thus, the percentage changes likely deviate further from that of the actual population than do the numbers for PATCO and SEPTA.

4. *Type of transit fare purchased?*

	<u>All Surveys</u>		<u>Excluding Non-Transit Riders Who Switched to Transit</u>	
	BEFORE	AFTER	BEFORE	AFTER
Monthly pass	16.2 %	21.0 %	19.4 %	22.9 %
Weekly pass	16.9 %	17.5 %	20.2 %	18.4 %
Single ticket	4.5 %	5.4 %	5.3 %	4.9 %
Multi-ride ticket	7.3 %	8.3 %	8.7 %	7.9 %
Tokens	39.5 %	47.1 %	46.4 %	45.9 %
Other	15.6 %	0.6 %	—	—

6. *Monthly spending on transit?*

	T'Chek Given	BEFORE	AFTER	CHANGE
U.S. Mint	\$21	\$ 49.71	\$ 57.89	+ \$ 8.18 per \$21 T'Chek **
Alex. & Alex.	\$15	\$ 65.36	\$ 69.34	+ \$ 3.98 per \$15 T'Chek **

\*\* These averages are derived from existing riders spending more on transit and from new riders spending money on transit.

Based on this limited test survey, the average increase in revenue is \$ 5.14 per month per TransitChek.

● The extrapolated annual increase in revenue for transit operators based on 4,000 TransitChek recipients is \$246,720. At the time of the survey approximately 4,000 individuals received TransitCheks each month.

## **TRANSITCHEK® SURVEY**

Over the past several months, the Delaware Valley Regional Planning Commission (DVRPC) surveyed employees participating in the *TransitChek*® Program. The *TransitChek*® program is a tax-free employer fringe benefit program that subsidizes employees' mass transit commuting costs. The employer purchases vouchers, called *TransitCheks*®, which are then given to employees. *TransitCheks*®, which are the equivalent of cash, can be used to purchase passes, tickets, or tokens on most transit systems in Pennsylvania, New Jersey, and Delaware. This report briefly summarizes the findings of this survey.

### **Aggregated Survey Results**

Overall, 386 employees responded to the survey (out of more than 4,000 recipients of the *TransitChek*® benefit). They worked for 43 different companies in various sectors of Pennsylvania's economy. Additionally, the aforementioned 43 companies are located in three characteristically different metropolitan areas: Philadelphia, Pittsburgh, and Harrisburg. Philadelphia and Pittsburgh are the two largest metropolitan areas in Pennsylvania.

**The use of *TransitChek*® increased the number of transit riders among the respondents by 42.5% throughout Pennsylvania. Approximately 30% of those transit riders currently receiving *TransitCheks*® did not use transit as their primary mode of transportation prior to receiving *TransitCheks*®.**

The use of *TransitChek*® increased the number of weekly trips per capita on transit among respondents by 42.6% from 7.2 trips per week per person to 10.2 trips per week per person.

All of the public transportation operators saw an increase in their ridership among the respondents, except for New Jersey Transit (NJT). Southeastern Pennsylvania Transportation Authority's (SEPTA) ridership among respondents increased 26.3%, Port Authority Transit Corporation's (PATCO) increased 22.7%, Capitol Area Transit's (CAT in Harrisburg) increased 67.2%, and Port Authority Transit's (PAT in Pittsburgh) increased 21.8%. NJ Transit saw a 20% decrease in ridership among a very small number of respondents (from 5 riders to 4 riders) in the Philadelphia metropolitan area.

Apparently, one of the strengths of the *TransitChek*® program is that it allows people, who in the past were able to afford only a single ride ticket, to "upgrade" their purchase to either a monthly or weekly pass. Monthly pass sales were up 67.7% and weekly pass sales were up 47.3% among respondents throughout the state. In contrast, single ticket sales were down 36.3%.

By far, the \$21 denomination of *TransitChek*® was the most popular. Of the 386 employees who responded to the survey, 250 (64.8%) used the \$21 denomination.

Overall, the money spent per respondent on public transit increased by 35.9% due to the use of *TransitChek*<sup>®</sup>. Prior to its introduction, respondents spent approximately \$33.53 per month on transit; however, since *TransitChek's*<sup>®</sup> introduction, that amount has increased to \$45.58 per month per respondent.

Finally, of the 115 new transit riders, 105 of them (or 91%) stated that *TransitChek*<sup>®</sup> was the primary reason for their switch to public transportation.

### **Philadelphia Survey**

In the Philadelphia metropolitan area, 146 employees in 36 different companies responded to the *TransitChek*<sup>®</sup> user survey.

In Philadelphia, public transit ridership among respondents increased by 22.8%, while the number of people who used a carpool decreased by 83.3%, since the introduction of *TransitChek*<sup>®</sup>. The number of transit trips per week among respondents increased by 25.9%, and the amount of money spent on transit increased by 24.9%.

Both SEPTA, which operates the most extensive public transit network in any of the cities surveyed, and PATCO saw ridership increases of 25.5% and 22.7%, respectively, among respondents. However, as mentioned earlier, NJ Transit's ridership was down 20% during the same time period, based on only five respondents who patronize NJT.

*TransitChek*<sup>®</sup> generated a large increase in the purchase of monthly and weekly passes among respondents, 62% and 41.1%, respectively. However, single ticket sales fell by 40% among respondents in Philadelphia. Interestingly, the most popular denomination in the Philadelphia area was the \$15 *TransitChek*<sup>®</sup>.

Finally, 85% of new transit rider respondents said *TransitChek*<sup>®</sup> was the primary reason for their switch to public transportation.

### **Harrisburg Survey**

In the Harrisburg metropolitan area, 201 employees in 3 different companies responded to the *TransitChek*<sup>®</sup> user survey.

In Harrisburg, public transit ridership among respondents increased by 67.5% since the introduction of *TransitChek*<sup>®</sup>. The number of transit trips per week among the respondents increased by 66.5%, and the amount of money spent on transit increased by 61.8%.

CAT saw a 67.2% increase in ridership among respondents since the introduction of the *TransitChek*<sup>®</sup> program.

*TransitChek*<sup>®</sup> increased the sale of monthly passes by 67.9% among respondents in

Harrisburg. The most popular denomination in the Harrisburg area was the \$21 *TransitChek*®.

Finally, 94% of new transit riders among respondents said *TransitChek*® was the primary reason for their switch to public transportation.

### **Pittsburgh Survey**

In the Pittsburgh metropolitan area, 39 employees in 4 different companies responded to the *TransitChek*® user survey.

In Pittsburgh, public transit ridership on PAT increased by 21.8% among respondents since the introduction of *TransitChek*®. The number of transit trips per week increased by 21.1% among respondents, and the amount of money spent on transit increased by 26.6%.

*TransitChek*® increased monthly pass sales by 76.4% among respondents and decreased single ride ticket sales by 40% in Pittsburgh. The most popular denomination in the Pittsburgh area was the \$21 *TransitChek*®.

Finally, 86% of new transit riders among respondents said *TransitChek*® was the primary reason for their switch to public transportation.

### **Conclusion**

The survey data seem to indicate that *TransitChek*® allows many more people to buy monthly and weekly passes, thus giving them an incentive to use public transportation more often than they would otherwise. In effect, those who are most dependent on transit are given a new degree of mobility. Additionally, people who work in areas served by public transportation are likely to switch to transit, if their employer is willing to cover the costs. Because subsidized transit costs are not "out-of-pocket," the total amount of money being spent on public transit by those who use *TransitChek*® has increased significantly. This is because many employees now find the cost of buying a monthly or weekly pass less than the cost of buying single ride tickets on a daily basis. In effect, transit fares are now subsidized by their employers, just as many downtown parking costs are subsidized.

**ATTACHED ARE THE SPREADSHEETS WHICH TALLY THE ACTUAL SURVEY RESULTS ON A CITY BY CITY BASIS, AS WELL AS ON AN AGGREGATED BASIS.**

B:\WRITE-UP.DOC  
May 19, 1994



**Aggregated TransitChek Survey Results**

QUESTION	CHOICES	BEFORE	AFTER	% CHANGE
1. What is the primary mode of transportation you use to get to work?	Transit	270	385	42.5%
	S.O.V.	95		
	H.O.V.	11	1	-90.9%
	Bicycle			
	Walk	10		
2. On average, how many trips/week do you take on public transit?		2771	3953	42.6%
		7.2	10.2 per person	
3. Which transit system do you primarily use?	SEPTA	91	115	26.3%
	PATCO	22	27	22.7%
	NJ Transit	5	4	-20.0%
	CAT	119	199	67.2%
	PAT	32	39	21.8%
	Other	1	1	0.0%
4. How do you pay for transit rides?	Month Pass	158	265	67.7%
	Week Pass	19	28	47.3%
	Single Tik	22	14	-36.3%
	Multi-Tik	22	28	27.2%
	Tokens	46	49	6.5%
	Other	3	0	-100.0%
5. What denomination of TransitChek do you receive?	\$60.00	21		
	\$35.00	1		
	\$30.00	34		
	\$21.00	250		
	\$15.00	79		
	\$7.00	1		
6. How much money do you spend per month to ride public transportation?		\$12,944	\$17,592	35.9%
		\$33.53	\$45.58 per person	
7. If you now use transit but didn't earlier, was TransitChek the reason you switched?	YES	105	(91%)	
	NO	10	(9%)	
SUMMARY DATA:		NUMBER	% CHANGE	
New Transit Riders		115	42.5%	
New Transit Trips/Week		1182	42.6%	
Additional Money Spent Per Month On Transit		\$4,648	35.9%	
Number of Respondents		386		
Number of Companies Surveyed		43		

Aggregated TransitChek Survey Results - Philadelphia, PA

QUESTION	CHOICES	BEFORE	AFTER	% CHANGE
1. What is the primary mode of transportation you use to get to work?	Transit	118	145	22.8%
	S.O.V.	15		
	H.O.V.	6	1	-83.3%
	Bicycle Walk	7		
2. On average, how many trips/week do you take on public transit?		1269	1598	25.9%
		8.7	10.9 per person	
3. Which transit system do you primarily use?	SEPTA	90	113	25.5%
	PATCO	22	27	22.7%
	NJ Transit	5	4	-20.0%
	Other	1	1	0.0%
4. How do you pay for transit rides?	Month Pass	29	47	62.0%
	Week Pass	17	24	41.1%
	Single Tik	10	6	-40.0%
	Multi-Tik	15	18	20.0%
	Tokens	46	49	6.5%
	Other	1	1	0.0%
5. What denomination of TransitChek do you receive?	\$60.00	19		
	\$35.00			
	\$30.00	21		
	\$21.00	32		
	\$15.00	73		
	\$7.00	1		
6. How much money do you spend per month to ride public transportation?		\$7,613	\$9,509	24.9%
		\$52.14	\$65.13 per person	
7. If you now use transit but didn't earlier, was TransitChek the reason you switched?	YES		23	(85%)
	NO		4	(15%)
SUMMARY DATA:		NUMBER	% CHANGE	
New Transit Riders		27	22.8%	
New Transit Trips/Week		329	25.9%	
Additional Money Spent Per Month On Transit		\$1,896	24.9%	
Number of Respondents		146		
Number of Companies Surveyed		36		

Aggregated TransitChek Survey Results - Harrisburg, PA

QUESTION	CHOICES	BEFORE	AFTER	% CHANGE
1. What is the primary mode of transportation you use to get to work?	Transit	120	201	67.5%
	S.O.V.	78		
	H.O.V.			
	Bicycle Walk		3	
2. On average, how many trips/week do you take on public transit?		1181	1966	66.5%
		5.9	9.8 per person	
3. Which transit system do you primarily use?	SEPTA	1	2	100%
	PATCO			
	NJ Transit			
	CAT	119	199	67.2%
4. How do you pay for transit rides?	Month Pass	112	188	67.9%
	Week Pass	0	2	N.A.
	Single Tik	2	2	0%
	Multi-Tik	6	9	50%
	Tokens			
	Other			
5. What denomination of TransitChek do you receive?	\$60.00	1		
	\$30.00	11		
	\$21.00	184		
	\$15.00	5		
	\$7.00			
6. How much money do you spend per month to ride public transportation?		\$3,786	\$6,127	61.9%
		\$18.83	\$30.48 per person	
7. If you now use transit but didn't earlier, was TransitChek the reason you switched?	YES		76	(94%)
	NO		5	(6%)
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SUMMARY DATA:		NUMBER	% CHANGE	
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New Transit Riders		81	67.5%	
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New Transit Trips/Week		785	66.5%	
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Additional Money Spent Per Month On Transit		\$2,311	61.8%	
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Number of Respondents		201		
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Number of Companies Surveyed		3		
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Aggregated TransitChek Survey Results - Pittsburgh, PA

QUESTION	CHOICES	BEFORE	AFTER	% CHANGE
1. What is the primary mode of transportation you use to get to work?	Transit	32	39	21.8%
	S.O.V.	2		
	H.O.V.	5		
	Bicycle			
	Walk			
2. On average, how many trips/week do you take on public transit?		321	389	21.1%
		8.2	10 per person	
3. Which transit system do you primarily use?	SEPTA			
	PATCO			
	NJ Transit			
	PAT	32	39	21.8%
4. How do you pay for transit rides?	Month Pass	17	30	76.4%
	Week Pass	2	2	0.0%
	Single Tik	10	6	-40.0%
	Multi-Tik	1	1	0.0%
	Tokens			
	Other	2		
5. What denomination of TransitChek do you receive?	\$60.00	1		
	\$35.00	1		
	\$30.00	2		
	\$21.00	34		
	\$15.00	1		
	\$7.00			
6. How much money do you spend per month to ride public transportation?		\$1,545	\$1,956	26.6%
		\$39.62	\$50.15 per person	
7. If you now use transit but didn't earlier, was TransitChek the reason you switched?	YES	6	(86%)	
	NO	1	(14%)	
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SUMMARY DATA:		NUMBER	% CHANGE	
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New Transit Riders		7	21.8%	
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New Transit Trips/Week		68	21.1%	
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Additional Money Spent Per Month On Transit		\$411	26.6%	
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Number of Respondents		39		
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Number of Companies Surveyed		4		
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