

THE COMMUTER BENEFIT PROGRAM
FOR PENNSYLVANIA, NEW JERSEY, AND DELAWARE

GRANT NUMBER: PA-03-4503

PROJECT SUMMARY REPORT

1988 through 1991

PREPARED BY
DELAWARE VALLEY REGIONAL PLANNING COMMISSION
FOR THE
FEDERAL TRANSIT ADMINISTRATION

This report, prepared by the Delaware Valley Regional Planning Commission, was financed in part by the Federal Transit Administration of the U. S. Department of Transportation. The authors, however, are solely responsible for its findings and conclusions, which may not represent the official views or policies of the funding agencies.

Created in 1965, the Delaware Valley Regional Planning Commission (DVRPC) is an interstate, intercounty and intercity agency which 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 as well as the City of Philadelphia in Pennsylvania and Burlington, Camden, Gloucester, and Mercer counties in New Jersey. The Commission is an advisory agency which divides its planning and service functions among the Office of the Executive Director, the Office of Public Affairs, and three line Divisions: Transportation Planning, Regional Information Services Center which includes the Office of Regional Planning, and Finance and Administration. DVRPC's mission for the 1990s is to emphasize technical assistance and services and to conduct high priority studies for member state and local governments, while determining and meeting the needs of the private sector.



The DVRPC logo is adapted from the official seal of the Commission and is designed as a stylized image of the Delaware Valley. The outer ring symbolizes the region as a whole while the diagonal bar signifies the Delaware River flowing through it. The two adjoining crescents represent the Commonwealth of Pennsylvania and the State of New Jersey. The logo combines these elements to depict the areas served by DVRPC.

DELAWARE VALLEY REGIONAL PLANNING COMMISSION

Publication Abstract

TITLE	Date Published: <i>May 1994</i>
The Commuter Benefit Program for Pennsylvania, New Jersey, and Delaware	Publication No. <i>93039</i>

Geographic Area Covered:

Pennsylvania, New Jersey, and Delaware

Key Words:

Commuter Benefit Program, TransitChek® Subsidies, Employer Fringe Benefit, Employee Subsidies, Cash Subsidies, Voucher

ABSTRACT

This is the final report for the Commuter Benefit Program, an employee benefit program for mass transit commuting costs. Administered by DVRPC, this program operates with employer-provided vouchers which employees use to pay for their mass transit passes and multi-ride tickets. Transit operators in the southeastern Pennsylvania and southern New Jersey region as well as in Pittsburgh and Delaware and other areas of Pennsylvania. accept the vouchers. This report discusses how the program was developed, its growth and achievements, as well as recommendations for future directions.

For more information contact:



Delaware Valley Regional Planning Commission

Regional Information Services Center

The Bourse Building

111 S. Independence Mall East

Philadelphia, PA 19106

(215) 592-1800

Table of Contents

Introduction	1
Background	7
Methodology	9
Current Activities	17
Achievements	19
Recommendations	21

List of Figures

Figure I	Participating Transit Agencies at the Inception of the Commuter Benefit Program	1
Figure II	TransitChek® Service Area	2
Figure III	TransitChek® Committee Structure	4
Figure IV	TransitChek® Work Program Tasks	5
Figure V	Program Participants Policy Committee Members	10

List of Appendices

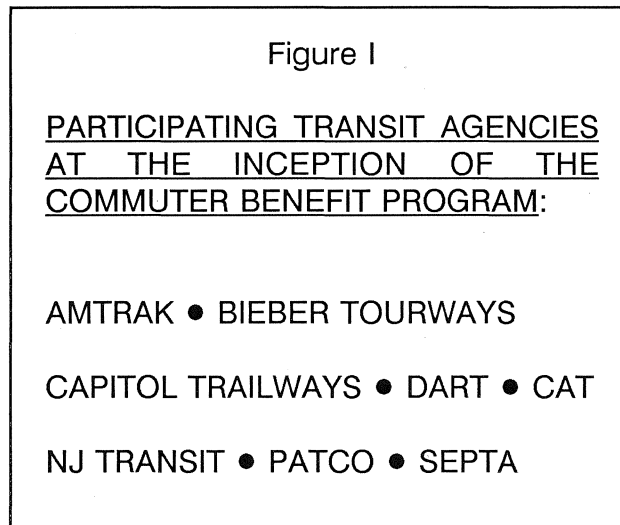
Appendix I	Schedule, Voucher Printing Services Scope of Services, and Consultant Selection Committee Memo and Minutes
Appendix II	Three Year Conceptual Plan for Marketing
Appendix III	Marketing Materials
Appendix IV	Sales Activity
Appendix V	Three Year Budget
Appendix VI	The Smart Kit

INTRODUCTION

The Commuter Benefit Program was developed for the tri-state area of Pennsylvania, Southern New Jersey and Delaware through a grant to the Delaware Valley Regional Planning Commission (DVRPC) by the Federal Transit Administration (FTA), formerly the Urban Mass Transportation Administration. The grant was in the amount of \$300,000 with a local match of \$110,000.

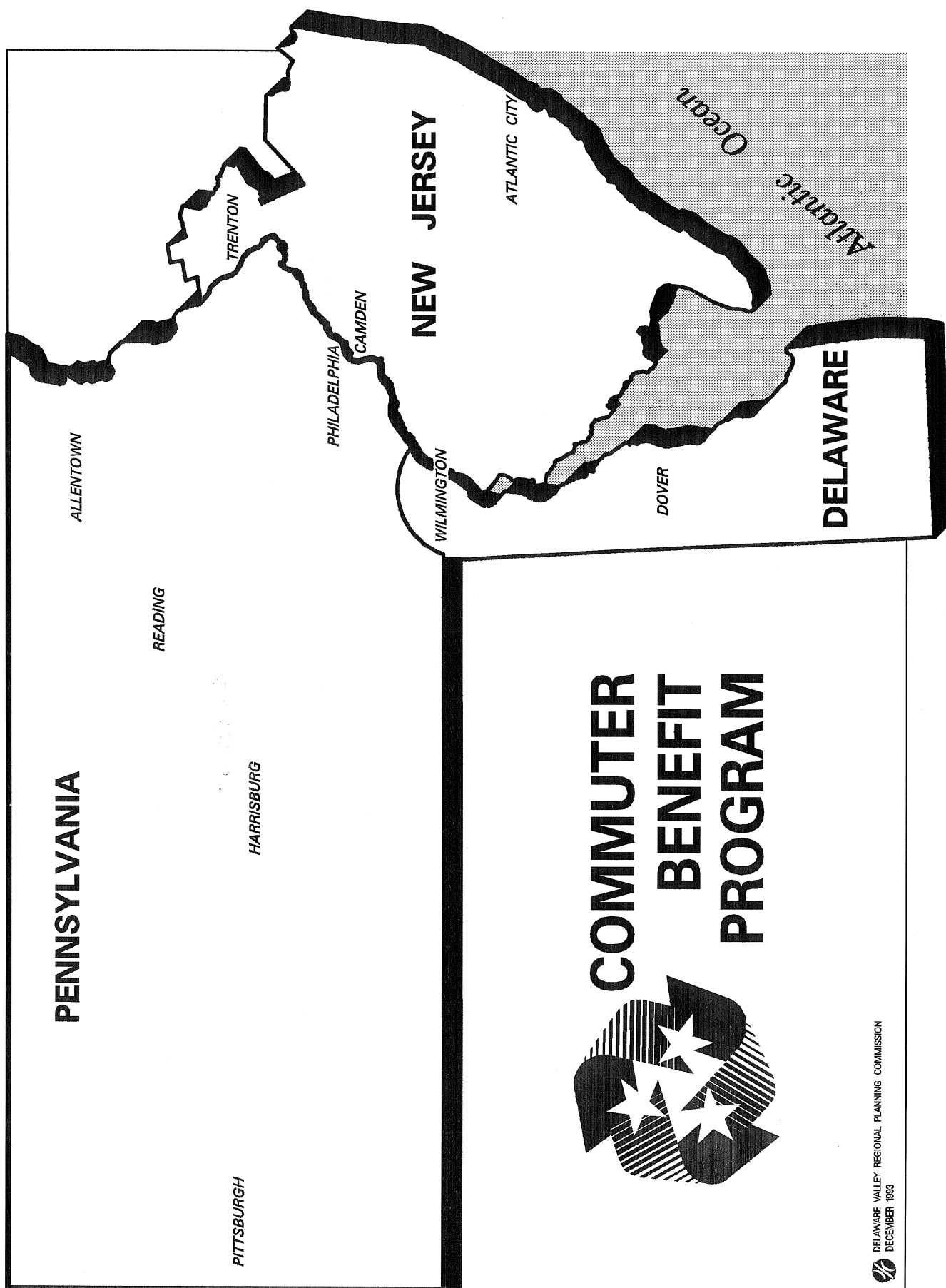
The goal of the project was four-fold: (1) to gain the support of the business community in promoting transit use through the provision of transit subsidies for their employees, (2) to create a transit voucher called TransitChek® that would be uniformly accepted by all of the area's transit providers, (3) to establish a program identity and operation, and (4) to set up a three-year program supported locally by the area's transportation providers for the purpose of funding the continuing marketing and sales of commuter benefits to employers for their employees.

To achieve these goals, DVRPC set up a tri-state program called the Commuter Benefit Program with the participation of the Southeastern Pennsylvania Transportation Authority (SEPTA) in Philadelphia and its suburbs; New Jersey Transit (NJ TRANSIT)



in southern New Jersey and portions of Philadelphia; Port Authority Transit Corporation (PATCO) from Center City Philadelphia to Lindenwold, New Jersey; Delaware Area Regional Transit (DART) in New Castle County, Delaware; Capitol Trailways in the Harrisburg, Pennsylvania area; Bieber Tourways in the Lancaster, Pennsylvania area; and the National Railroad Passenger Corporation (AMTRAK) in the rail corridors between Philadelphia and Harrisburg, New York City and Wilmington, and Philadelphia and Atlantic City. Figure II illustrates the program's current geographic scope.

Figure II



These agencies supported the initial grant request and participated in the development of a voucher for the tri-state area and the program's operation. The agencies were organized into several committees that advised the DVRPC staff and endorsed recommendations to the DVRPC Board: the Policy Committee, the Operations Subcommittee, and the Marketing Subcommittee. Figure III shows the committee structure designed in coordination with the participants. These committees provided ongoing support and continue to guide the program to date.

Figure IV shows major work program tasks anticipated during start-up.

To meet the stated goals, DVRPC had established a set of objectives in its original grant proposal. DVRPC staff and the committees began work on meeting these objectives in the summer/fall of 1989, through 1991:

PROGRAM OBJECTIVES

1. Develop and implement a multi-operator, voucher-based employer fare subsidy program within a 10 month period.
2. Establish an effective interagency process for marketing and promoting the program throughout the greater Philadelphia region.
3. Establish/improve links to the business community for the promotion of transit use and enhancement of private sector support.
4. Enroll 50 companies in the program within the first month of the program's implementation phase.
5. Enroll 150 companies in the program within the program's first four months of implementation.
6. Secure and develop ongoing sources of funding to ensure the program's continuation.

Participation by the transit agencies occurred at the highest levels and by diverse staffs from the outset of the project. The details of program implementation and start-up are presented, on the following pages, after a brief background section.

FIGURE III

COMMITTEE STRUCTURE

DELAWARE VALLEY TRANSITCHEK[®]
PROJECT POLICY COMMITTEE

**PROGRAM DESIGN
COMMITTEE**

- Check & Financial Security
- Check Production
- Information Systems

**OPERATIONS
SUBCOMMITTEE**

- Processing Orders
- Follow-up Sales
- Financial Services

**IMPLEMENTATION
SUBCOMMITTEE**

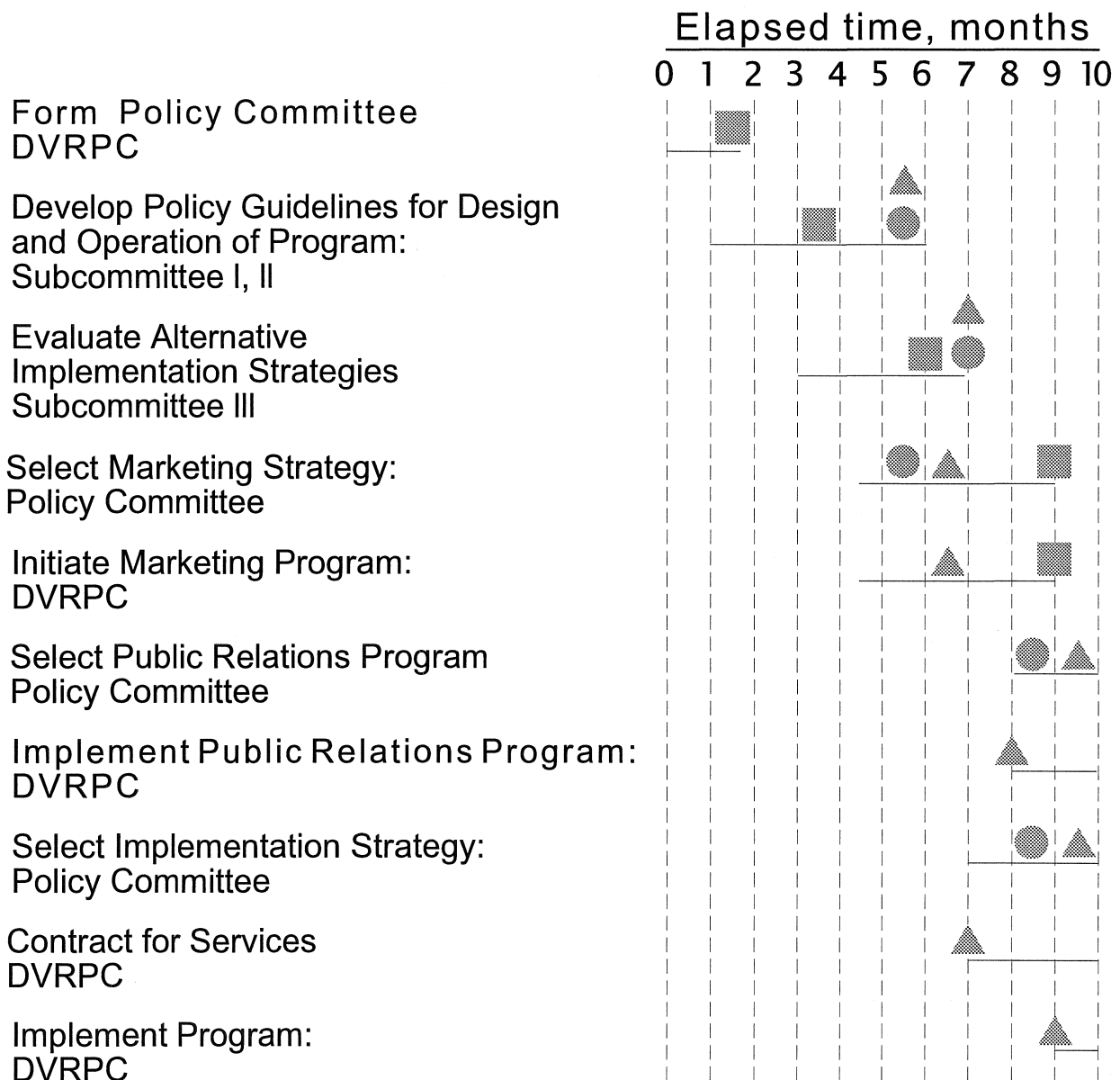
- Organizational Development
- Revenue Plan
- Sales/Marketing Plan
- Customer Services



Delaware Valley Regional
Planning Commission

FIGURE IV

DELAWARE VALLEY TRANSITCHEK® WORK PROGRAM TASKS



▲ Policy Committee Decision
 ■ Reports
 ● Meetings



Delaware Valley Regional
Planning Commission

BACKGROUND

The Commuter Benefit Program was made possible by a minor IRS tax provision that allowed employers to provide a "de minimis" fringe benefit of up to, but not more than \$15 per month* towards their employees' transit commuting costs. The benefit is tax-free for employees and a tax-deduction for the employers and was authorized under the Deficit Reduction Act of 1984 and the Tax Reform Act of 1986.

In 1986, TransitCenter in New York City (under the auspices of the Port Authority of New York and New Jersey) developed a voucher program for its transit agencies that took advantage of the tax laws and offered employers a simple approach to making the subsidy available to their employees, thus promoting greater use of public transportation.

The voucher concept reduced the employer's administrative burden by largely leaving all the details of purchasing transit fares to the employees; this was in contrast to traditional transit pass discount programs that require employers to purchase transit fares for resale to the employees.

The voucher concept had been carefully designed with the business community's needs in mind; therefore, the Delaware Valley Regional Planning Commission, with the backing of the regional transit agencies, felt it was an approach worth implementing in the Philadelphia market, and work began in early 1988 to get the process started. TransitCenter in New York proved to be a helpful resource in formulating the grant proposal and focusing DVRPC's method of implementation.

*Maximum tax-free subsidy levels have since been increased to \$21 in 1991 and \$60 in 1993.

METHODOLOGY

When the DVRPC \$300,000 grant application was submitted to the Federal Transit Administration for consideration on August 26, 1988, a "seamless," tri-state, multi-operator program was envisioned by the Delaware Valley Regional Planning Commission, the City of Philadelphia, and many others. The commitments received from the key transit operators, along with a pledge for a local match of \$110,000, were to begin lasting relationships among members of the transit industry, government and the business community.

DVRPC had estimated that in 1987 about 275,000 people worked in Center City Philadelphia, of which about 62 percent commuted by public transportation. Several other cities in the region, such as Camden and Trenton, were also major employment centers and served as foci for local transit routes. These markets, while largely limited to the transit dependent, had the potential for expansion, given favorable conditions and active marketing. The ever-growing suburban employment centers, such as King of Prussia and Cherry Hill, also represented potential markets for transit, given more attention by the transit agencies. In the Philadelphia market alone, it was estimated that 3,500 employers with 25 or more employees needed to be targeted to receive information. Employers in other cities in the region - Wilmington, Camden, Trenton and Harrisburg - were also targeted to receive information early on in the program.

The foundation was set to create a comprehensive program to market and sell employer transit subsidies.

The objectives of the grant were achieved, as follows:

Objective 1 -- Develop and implement a multi-operator, voucher-based employer fare subsidy program within a 10-month period.

TransitChek offered an ideal tool for providing employer support to transit, increasing its acceptability by employees and helping to maintain mobility on regional highways by shifting automobile commuters to transit. It was a distinct goal of the participating transit operators to demonstrate ways to enhance transit revenues and reduce the reliance on federal operating subsidies. After the grant was received from FTA, a Policy Committee was formed with membership from participating transit agencies and state departments of transportation to work with DVRPC staff in ensuring that the implementation of the Delaware Valley TransitChek Program got underway with maximum coordination.

Although the Delaware Valley area program stood, to some degree, on the shoulders of TransitCenter, the area faced its own unique operational issues in implementing TransitChek. Most of the initial work involved meetings with the financial representatives of the operators to ensure the integrity of the Delaware Valley area's "voucher." Extensive discussions about the type of voucher and its security features were held; ease of the transaction procedures was paramount. Administrative procedures and customer services policies were reviewed at length. While the transit operators wanted to adapt many of the key features used by TransitCenter, a "local" feel was also desired. The name "TransitChek," based on New York's voucher, was endorsed by the Policy Committee, because it offered the best opportunity for integrating these neighboring programs (northern New Jersey uses the New York version of TransitChek and NJ TRANSIT participates in both TransitCenter's and DVRPC's programs) and avoiding consumer confusion.

The Operations Committee advised on the Request for Proposal (RFP) for voucher printing and fulfillment. The Operations Committee selected Standard Register as the voucher printer and Commuter Check Services, Inc. as the fulfillment/banking consultant. Appendix I presents documentation about the process that led to the selection of the TransitChek voucher and the consultants chosen for the support jobs. The voucher design is shown on the first page of Appendix III.

Objective 2 -- Establish an effective interagency process for marketing and promoting the program throughout the greater Philadelphia region.

The area of marketing received similar attention; an Implementation Subcommittee, which later evolved into the Marketing Committee, assisted in the development of the initial strategies to launch and operate the program. The members of the committee were high-level marketing and public relations professionals. A three-year strategy was prepared that would take the program from public "launch" to various awareness-raising events and daily sales operations.

Another task of the Marketing Committee was to help develop a theme for the program. Commuter Benefit Program was chosen as a marketing platform to enable TransitChek to become known among employers as a logical addition to employees' benefit packages. It was felt to be important to raise awareness and educate employers and employees during the initial phases of the program. Appendix II presents the three-year strategy.

The logo design was accomplished with input from Marketing Committee members and is shown on the cover of this report; the logo depicts the tri-state region encircled by bands signifying an award, or benefit.

A thorough RFP process resulted in the selection of FCB/Lewis Gilman and Kynett (FCB/LGK) as the marketing and public relations consultant. Appendix I documents the consultant selection process.

During most of 1990 staff worked closely with FCB/LGK to develop a series of marketing materials for several distinct activities and audiences: (1) to introduce the program to the business community, (2) to respond to requests for information, (3) to promote the concept with transit commuters, and (4) to enable employers to implement the program. The Marketing Committee reviewed the materials prior to production to make sure that they accurately reflected each of the participating operators' services and philosophy accurately. The Marketing Committee agreed to the position proposed by the consultant (FCB/LGK) "Making the Smart Move Between Home and Work." See Appendix III for samples of the materials.

Objective 3 -- Establish/improve links to the business community for the promotion of transit use and enhancement of private sector support.

The success of the program hinged completely on the acceptance and participation of the private sector, the employers. The marketing strategy included a plan for a public-private alliance that would strengthen the outreach to employers. Thus, private non-profit organizations that represent employers were invited to serve on the Policy Committee; Figure V lists the organizations on the Policy Committee.

Figure V

PROGRAM PARTICIPANTS POLICY COMMITTEE MEMBERS

AMTRAK
Capitol Area Transit
Capitol Trailways
Carl R. Bieber Tourways
Central Philadelphia Development Corporation
Chester Valley Transportation Manangement Association (TMA)
City of Philadelphia
Cross County Connection TMA
Delaware Department of Transportation
Delaware Valley Regional Planning Commission
Greater Philadelphia Chamber of Commerce
Greater Princeton TMA
Greater Valley Forge TMA
New Jersey Department of Transportation
New Jersey Transit Corporation
Partnership for Transportation Action TMA
Pennsylvania Department of Transportation
Philadelphia TMA
Port Authority Transit Corporation
Private Industry Council
Southeastern Pennsylvania Transportation Authority
South Jersey Chamber of Commerce
U.S. Environmental Protection Agency

While preparations to launch the program were still underway, staff issued a news release which resulted in coverage by the Inquirer's business section. This exposure produced about 40 employer leads and a few early commitments from employers who wanted to offer TransitCheks to their employees.

Speaking engagements were also set up at that point to introduce the members of the private sector participants to the program. Presentations were made to the Private Industry Council, the Central Philadelphia Development Corporation, the South Jersey Chamber of Commerce, the Greater Philadelphia Chamber of Commerce and the New Castle County Chamber of Commerce. Discussions were also held with several transportation management associations and suburban chambers of commerce, although the initial marketing focus remained firmly planted on urban employers.

A pre-launch employer focus group was held to test the marketing strategies and gauge the receptivity of Delaware Valley employers to the program concepts and sales procedures. This and other information was considered in the public relations strategy developed by DVRPC and FCB/LGK. It was determined that the primary target audiences would be personnel/benefits managers in the tri-state area, consultants who could multiply sales by acting as outreach support personnel by providing employer services related to employee benefits, and commuters.

The objectives were to (1) educate area personnel/benefits managers about TransitChek, (2) educate certain consultants to businesses in a position to influence employers' decisions about employee benefits, (3) educate area commuters about TransitChek, (4) motivate employers to inquire about TransitChek, and (5) generate commuter demand for TransitChek. The position "Making the Smart Move Between Home and Work" supported the stated objectives.

Objective 4 -- Enroll 50 companies to the program within the first month of the program's implementation phase.

and

Objective 5 -- Enroll 150 companies to the program within the first four months of implementation.

The public relations/marketing team of DVRPC, FCB/LGK, and operator representatives saw an opportunity to measurably affect the target audiences' (employers) behavior. A classic behavioral communications model was applied that uses a building process to move targets from awareness of a given message or subject into latent readiness, where the information is digested and evaluated. A triggering event then moves the targets to action.

The marketing team used this model to undertake the following steps: The "awareness" step consisted of providing information about the program to the general population from various media. This information was in the form of "car cards" on public transit vehicles, posters, direct mail, seat drops (information left on transit vehicle seats), and advertising in business publications. After the population was aware of the program, the "latent readiness" step occurred and was in the form of direct dialogue with individual employers about the specific issues of importance to them. The final step, "triggering events," consisted of a direct mail campaign that offers a discount on the per check fee, and breakfast events with a local celebrity.

These were the key activities in support of enrolling employers:

June 1991 News Conference: A news conference announcing the program laid the foundation for initial awareness. Information focused on benefits offered to the region and the business community. To illustrate the widespread commitment, speakers included a former Philadelphia mayor, the SEPTA general manager, a former

administrator of FTA, the chief operating officer (COO) of the first employer who signed up for TransitChek and other top-level officials from transit agency members and state transportation departments. To underline corporate acceptance, a separate photo/media opportunity was held at the offices of the first participating company, where the COO distributed the first TransitCheks to employees.

July 1991 Breakfast Meeting: A breakfast meeting for personnel/benefits managers enabled staff to present more detailed information to the leads generated prior to program launch. A panel of experts answered questions and concerns raised by attendees. This activity served the purpose of moving employers into the latent readiness stage.

August 1991 Media Editorials: Credibility was bolstered through third-party endorsements from editorial page editors at daily area newspapers. Detailed information packages encouraged them to develop editorials favoring the program.

September 1991 Direct Mail Campaign: Information addressed to the personnel/benefits managers (by name & title) of the region's 2,000 largest businesses was mailed.

September 24, 1991 "Ballot" Drop: Commuters were asked to let their company know that they are interested in this benefit. Transit systems distributed ballots to riders who, thus, became part of the sales force and could exert influence on their employers, referred to as the "pull-through."

September/October 1991 Advertisements: Advertisements for the program were placed in the area's business publications (Business Philadelphia, Philadelphia Business Journal, and Focus) to target and reinforce exposure to the business community begun with the news conference.

September 1991 Transit Advertisements: Posters appeared in buses, subways and stations as part of the transit advertising to motivate commuters to inquire about TransitChek.

To support this level of advertising, two toll-free 800-lines were installed, one expressly for commuters and one for employers. The help of others was enlisted: The Shadow Traffic network publicized the program on radio traffic reports; "Ben Franklin" distributed ballots in downtown Philadelphia; Philadelphia Electric donated space on its electronic signboard atop its building; and SEPTA donated space on its Metrovision television monitors on station platforms.

These events, which garnered a Pepperpot award from the Public Relations Society, secured over 10.7 million gross impressions in the media, including nearly 15 minutes each of radio and television coverage, through multiple stories on two of four

local television stations, the top radio station and in 21 area newspapers. The editorials secured over 1.6 million gross impressions with editorials in two daily newspapers. Additional coverage was secured through coverage of the "ballot" event generating close to 1 million gross impressions. More than 800 employer contacts and 600 commuter requests were received in response.

During the first quarter (part of June, July, August and September, 1991), 17 companies joined the program; revenue totaled \$33,655.15, or 2,167 TransitCheks. By the end of the second quarter (October, November, December, 1991), 19 more companies purchased TransitCheks. Eighteen more were signed up by the end of the third quarter (January, February, March 1992) of operations, and the fourth quarter (April, May, June 1992) brought 15 new companies for a total of 69 employers gained during the first year of operations. By the end of the first full month (July), 13 employers had been signed up. On average, five new employers were signed each month during year one. Total revenue generated during the first year was \$100,588.50, or 5,646 TransitCheks.

Appendix IV displays the sales activity for a 15-month period from June 1991 through September 1992.

Objective 6 -- Secure and develop ongoing sources of funding to ensure the program's continuation.

Once the elements of the program were established, discussions were underway to provide for continuing TransitChek services in the region and appropriate funding. A three-year budget, presented in this chart, was approved by the Policy Committee. The inclusion of each of the state's transportation departments provided funds for future expansion opportunities, thus turning the Commuter Benefit Program into a resource that cities outside of the original region could utilize. The detailed three-year budget is displayed in Appendix V.

CURRENT ACTIVITIES

Program expansion: As noted in the previous section, expansion of the Commuter Benefit Program was included on staff's agenda, with the support of all participants and budgeted for by the individual state departments of transportation. Staff initiated discussions with BARTA in the Reading area, LANTA/METRO in the Allentown area, and other systems, including PATransit in the Pittsburgh area. These projects were termed "satellite" programs with a scope of services based on the number of vouchers accepted by the transit agency and the types and quantities of marketing materials desired.

Outreach to federal employers: Discussions were begun with the Federal Executive Board (FEB) in Philadelphia to call attention to the Mikulski Bill that authorized federal employees to receive the transit benefit. Mailings were sent to FEB members and presentations were given to several of the FEB's committees.

Closing the sale: In working with employers to promote TransitChek, it became clear that employers needed varying types of assistance in their decision-making. Additional sales tools were necessary. A SmartKit was produced that spelled out the nuances of the program, helped employers survey their employees, and assisted employers in articulating the value of the TransitChek benefit (see Appendix VI).

Adjusting to new limit of \$21/various denominations: During the first year of program operation, staff received word that the IRS would consider raising the \$15 cap to \$21, thus adjusting the de minimis benefit to inflation. Plans were discussed to offer employers several different denominations. So that the market place would have the most flexibility in adjusting to the higher benefit level, \$7 and \$21 TransitChek were introduced (the \$7 TransitChek was actually considered as part of the expansion to other markets with lower weekly/monthly transit fares).

ACHIEVEMENTS

Sales results: During the first seven months of the program (June to December 1991), close to \$70,000 in TransitChek sales were generated by 36 employers. Only \$15 TransitCheks were offered.

In 1992, total sales reached almost \$500,000 - seven times the sales of the previous year - by 90 new employers for a total of 90 employers. TransitChek denominations were \$15 and \$21.

Monthly project reports: Conducted consistent, effective coordination with and among participating transit providers throughout program. This was particularly evident in the success of transit-oriented marketing, which was carried out simultaneously and involved tens of thousands of pieces of information targeted at commuters.

Geographic reach: The program proved cost-efficient and effective to attract interest on the part of transit providers in cities west of the Philadelphia metropolitan area. Discussions with Pittsburgh, Allentown and Reading's transit systems, as supported by the Pennsylvania Department of Transportation, will expand the program's geographic reach.

Pepperpot award for public relations: The public relations campaign that kicked off the program resulted in a large number of requests for information and awareness. The Public Relations Society's Pepperpot award was given for outstanding marketing communication of a government service. The "Smart Move Between Home and Work" campaign attracted more than 800 employer and 600 consumer contacts within just six months.

RECOMMENDATIONS

As the first program of this type to be introduced after Transit-Center developed the original voucher program, the Commuter Benefit Program still had some areas that required much attention. The amount of time it took to coordinate among several transit providers was significant, but necessary in achieving full coordination. It was determined that future annual programs would contain ample time to handle administrative details such as contracts with individual operators.

As in New York, staff found the marketplace to be extremely responsive to exposure. Consumer, that is commuter, advertising throughout participating transit systems was extremely effective and achieved the desired "pull-through" effect, i.e. commuters let their employers know about TransitChek, and many employers responded positively. It was decided that a mass marketing campaign aimed at automobile drivers would be attempted in future years.

Large employers largely eluded the program's marketing efforts. Although staff concentrated its marketing efforts on "multipliers" and smaller firms, corporations had received information about this program early with an invitation to join a Business-Transit alliance. This did not materialize and could be attributed to a lengthy economic recession and the Philadelphia area business climate. Future marketing programs aimed at employers would convey more specific reasons for spending money on a new employee benefit.

APPENDICES

Appendix I

DELAWARE VALLEY TRANSIT CHECK

SCHEDULE

DVTC Fulfillment & Procurement

February 1990

February 1

DVTC Policy Committee approval to proceed with request for proposal (RFP) to procure Delaware Valley Transit Checks and fulfillment.

February

Staff meets with operators to develop RFP.

February

Operations/Design Subcommittee work session to finalize scope of services.

February

Coordination with Policy Committee.

March 1990

March 5

DVRPC Technical Advisory Committee review of RFP.

March 22

DVRPC Board approval.

March 26

RFP completed and mailed.

RFP advertised.

April 1990

Continue advertising.

Receive proposals.

April 26

Deadline for submittal of proposals.

April 30

Mail proposals to Policy Committee.

Rank proposals received.

May 1990

May 10

Policy Committee meeting & action on proposals.

Select vendor.

May 11

Develop contract with vendor.

May 14-18

Press conference to inaugurate DVTC.

May 16

Proceed on design of fulfillment and ordering process.

June 1990

June 15-29

Set up/test ordering process for fulfillment.

June 29

Receive first order of checks for charter participants.

DELAWARE VALLEY COMMUTER BENEFIT PLAN

Voucher Printing Services Scope of Services

A. INTRODUCTION

The Delaware Valley Regional Planning Commission (DVRPC) will introduce the Delaware Valley Commuter Benefit Plan (DVCBP) to the Delaware Valley market this fall. The program allows employers to provide a subsidy to their employees for commutation by public transportation in the form of a commuter voucher that discounts transit fares. Current federal tax law implementing the 1984 Deficit Reduction Act considers this to be a non-taxable fringe benefit to promote transit usage as national policy, as long as the amount does not exceed \$15/month/employee. The program will enable employees to redeem the commuter vouchers with a transportation provider of their choice. The transportation subsidy may be provided for a variety of reasons, such as bonuses, incentive programs, job access, and support of transit as a viable commuting option.

The two major tasks that are involved in implementing the program will be voucher printing services, and voucher fulfillment and reconciliation services. The tasks to be performed as part of the voucher printing services are:

1. Produce the mechanical and proofs for the commuter voucher.
2. Print the commuter voucher using specified printing security features.
3. Deliver printed commuter vouchers to Fulfillment Processor.
4. Maintain high security during voucher production.

The design of the commuter voucher produced for the DVRPC market area will become the property of the Delaware Valley Regional Planning Commission.

The program is scheduled for a three-year test of the market acceptance. It is funded currently for one year with an annual program renewal planned for two additional years. It is anticipated that at least 100,000 commuter vouchers will be required over the three years, but the initial printing will be 15,000. The program schedule calls for delivery within eight weeks from contract signing.

B. DVCBP MARKETS

A DVRPC analysis shows that a transit voucher, valued at \$15 and universally accepted by all transit operators, could gain wide acceptance by area employers. The business communities and work force in three states -- Pennsylvania, Southern New Jersey and Delaware -- are included in the market area of the program. It is estimated that approximately 10,000 employers will be contacted, one-half million commuters will be reached and over 150 employer/business organizations involved during our three-year program.

C. BACKGROUND

The Delaware Valley Commuter Benefit Plan (DVCBP) uses a commuter voucher as a means of providing an employee discount for public transportation. The voucher will pass through many hands from printer to fulfillment processor, who fills the employers' order. Then to the employees who, in turn, redeem the voucher with their respective transit operator. Finally, the voucher returns to the fulfillment processor via the transit operators' banks, where it is reconciled. Therefore, high quality production standards and security are of utmost importance, both as built-in features of the voucher and in the way the vouchers are handled. Since the voucher will be marketed in the corporate environment, voucher image is important.

D. VOUCHER PRODUCTION

The following are production requirements:

- The voucher will be currency sized, or the standard size of a small check: 6" long by 2 ¾" high. It will have a perforated receipt stub, on the left side extending the length of the entire voucher by approximately 2", or a variable thereof.
- The paper will be not less than the 24 lb. or more than 70lb.
- The design will be similar to a bank check. The specifications (page 3) will enumerate all features in detail.
- DVRPC will approve the final proof prior to printing.
- An initial run of 15,000 copies are to be delivered to the fulfillment processor. Re-order is optional.
- Ownership of voucher remains with DVRPC.

E. VOUCHER SPECIFICATIONS

The following is an itemized list of voucher specifications. Respondents are requested to provide costs for each item indicated, as follows:

Paper

Safety paper, 24 lb to 70 lb, incl. the following features (please check which apply)

1. artificial watermark ☐
2. chemical void ☐
3. laid lines ☐
4. or similar feature(s), specify: _____

Production (Art work)

Produce two-sided mechanical of 8" by 2 3/4", including all features specified; provide proof prior to printing. Basic design will be provided by DVRPC.

Other Required Security Features

1. MICR printing
2. Serial numbering and bar coding
3. Instructions and counter signature on back
4. Copy void Pantograph
5. Prismatic or iridescent printing on front; two colors, using step and repeat pattern of program logo or acronym
6. Security shield
7. Chemical void (if not incorporated in paper)
8. Two-dimensional hologram; 1" by 3/4", using program logo or acronym. The minimum number of holograms will be ordered, if larger than 15,000. Estimate cost with and without hologram, below.
9. Other:

15,000 delivered without hologram.	Total cost:
15,000 delivered with hologram.	Total cost:

Other requirements:

For each question, please check which applies. YES NO

Are your employees bonded?		
Are high security standards maintained in producing and shipping vouchers?		
Will DVRPC own all rights to produce and sell the voucher in the Pennsylvania, South Jersey and Delaware market area?		
Can you assist in training the "in the field" personnel to properly apply the security features of the vouchers.		



**DELAWARE VALLEY
REGIONAL PLANNING COMMISSION**

The Bourse Building, 21 South 5th St., Philadelphia, PA 19106 (215) 592-1800

MEMORANDUM

Date: August 10, 1990

From: DVRPC Staff

To: Selection Committee Members

Subject: **Commuter Benefit Program**
Search for (1) Voucher Print/Production and
(2) Reconciliation/Fulfillment Vendors

Enclosed is the summary of the selection committee meeting on July 27, 1990.

Accordingly, none of the proposals were accepted and a new negotiating process was initiated. Negotiations were to be initiated with the following:

- A. Commuter Check
- B. Endata
- C. TransitCenter
- D. Rand McNally
- E. Others identified and prequalified by staff

Since our meeting, staff has accomplished the following as requested by the committee (refer to the meeting summary, item 3, page 2):

1. Contacted Rand McNally to find out if they are interested in providing a bid.

Results:

2. Contacted and met with Blue Ribbon Services to learn about their capabilities and obtain information to prequalify company for inclusion in bidding process.

Results: Blue Ribbon Services is qualified and agreeable to participate in the negotiating process for voucher fulfillment/reconciliation. The firm has a similar contract fulfilling mail orders for SEPTA transit passes.

3. Contacted 14 local vendors (NJ/PA) in order to complete item E (see the attached minutes). Staff met with three vendors who can handle voucher production/printing and two vendors who can handle voucher fulfillment/reconciliation for the purpose of prequalifying them.

Results: Two additional vendors for voucher fulfillment/reconciliation have been identified.

Four vendors for high security specialized voucher printing have been identified.

Please note the enclosed documentation.

4. Prepared the requirements for each of the two aspects of voucher implementation; i.e. producing/printing and fulfilling/reconciling. These requirements will be used to negotiate with each potential vendor. These requirements have been developed from the original RFP but reformatted and separated into the two major tasks. (To be mailed prior to our next meeting.)
5. Prepared a procedure and schedule for the continued involvement of the Selection Committee. (To be mailed prior to our next meeting.)

Staff will arrange a committee meeting within two weeks to review staffs' work and prepare for the negotiations with individual vendors who will provide bid quotations. We will call selection committee members to confirm the meeting date.

DELAWARE VALLEY COMMUTER BENEFIT PLAN

**Consultant Selection Committee Meeting
Friday, July 27, 1990 at 10:00 a.m., DVRPC**

AGENCIES REPRESENTED

SEPTA: Rich Lobron; NJTRANSIT: Tom Gagliano, Jim Schwarzwald, Carole Balash, Portia Manly-Hopkins, Louis V. Capadona; PATCO: Tom Omiatek, George Falber; PENNDOT: Bob Smeltz; NJDOT: Pat Soeteber; AMTRAK: Suzi Andiman.
DVRPC Staff: Paul Pezzotta, Jerry Gray, Rita Dommermuth.

SUMMARY OF MEETING

1. After introductions were made, Mr. Pezzotta provided a description of the fulfillment RFP, the process DVRPC completed to solicit proposals, and the criteria for evaluating proposals, which had already been reviewed by committee members. All relevant information was provided to each committee member in a folder.
2. Mr. Gray then reviewed the four proposals that were received in light of the criteria used to make a determination as to the respondents' responsiveness to the federal guidelines. He stated that the proposal submitted by Commuter Check Inc., met those requirements in full. The three proposals that did not respond fully to the requirements were those provided by JDC, ENDATA, and TransitCenter.
3. Committee members indicated some reservations about the responsive proposal submitted by Commuter Check Inc. and considered some of the purely technical aspects of the three remaining, but unresponsive proposals attractive. Mr. Gray informed committee members that they had several options in handling the next steps of proposal selection:
 - A. Accept the responsive proposal and engage in contract negotiations.
 - B. Accept none of the proposals and engage in identical negotiating procedures with at least three firms (three previous bidders plus any additional firms identified as possessing the ability to provide services as specified).
 - C. Accept none of the proposals.

Option (B) requires that a consistent set of requirements be developed for negotiation, which will be prepared by staff and reviewed by the committee. The Selection Committee will meet once again to determine the procedure for negotiations, which will be prepared by staff.

4. The committee reviewed the options, including the possibility of marketing the Commuter Benefit Plan without a commuter voucher. It was agreed that the voucher concept would be further pursued for the Philadelphia, Wilmington, South Jersey and Pennsylvania markets. Option (B) was thus unanimously endorsed by the committee.

The committee also determined that negotiations would be initiated with the following:

- A. COMMUTER CHECK INC.
- B. ENDATA
- C. TRANSITCENTER
- D. RAND McNALLY
- E. BLUE RIBBON SERVICES (Contacts: Manny Blum, Phil Burke)
- F. OTHERS IDENTIFIED BY STAFF

Staff will check all references provided by the RFP respondents.

The following activities to be accomplished in approximately 30 to 45 days were suggested by staff:

- (1) Select all companies (see above).
- (2) Prequalify each company.
- (3) Create criteria for negotiations.
- (4) Review (1), (2), (3) with Selection Committee.
- (5) Enter into negotiations with each potential bidder.
- (6) Apply federal guidelines and evaluation criteria.
- (7) Narrow down bidders and recommend suitable bidder(s) for oral presentations.
- (8) Present findings to Policy Committee for final decision.
- (9) Present to DVRPC Board for approval to negotiate contract.

Committee members suggested that some flexibility in structuring the criteria would be helpful in obtaining a suitable proposal. Cost, experience, and reliability, it was agreed, were major factors in evaluating forthcoming proposals.

DELAWARE VALLEY COMMUTER BENEFIT PLAN

Consultant Selection Committee Meeting
Monday, October 15, 1990 at 9:30 a.m., DVRPC

AGENCIES REPRESENTED

SEPTA: Amy R. McCue; NJTRANSIT: Tom Gagliano, Louis V. Capadona; PATCO: Marian Darlington, George Falber; PENNDOT: Bob Smeltz; NJDOT: Pat Soeteber; DELDOT: Mary K. Davis; DVRPC Staff: Paul Pezzotta, Rita Dommermuth.

SUMMARY OF MEETING

1. DVRPC Presentation. After introductions, Paul Pezzotta provided a description of the process DVRPC completed to respond to the committee's request to solicit proposals in response to a set of two RFPs -- one for voucher printing services and one for fulfillment services. Out of a possible 11 prequalified consultants, DVRPC received proposals from seven consultants. Copies of all proposals had been mailed to each agency represented on the consultant selection committee. (Staff's work to this end is well documented and has been circulated to all Policy Committee members.) Rita Dommermuth reviewed a staff evaluation of the proposals, and offered a set of cost comparisons to enable the committee to see all information displayed in an objective format. Rating sheets based on RFP criteria were also made available to committee members to facilitate their evaluations to consultant presentations. (See attachments.)

2. Discussion. Tom Gagliano advised the committee members that there would be a potential bias on his part in evaluating the proposals, because NJTRANSIT has had a contractual relationship with TransitCenter through the Port Authority Trans-Hudson Corporation (PATH). His agency favored TransitCenter as the contractor for the Delaware Valley Commuter Benefit Plan to create a uniform program for NJTRANSIT northern and southern divisions. However, Mr. Gagliano said that NJT would support the implementation of DVCBP regardless of which consultant(s) was selected.

Paul Pezzotta requested that the committee arrive at a consensus as to the best qualified consultant for the DVCBP and make a recommendation to the Policy Committee. He pointed out that there appeared to be several workable options given the quality and breadth of proposals received. He stated that based on the staff's pre-qualification process, all the firms that were to present their proposals to the committee were fully capable of providing the services required by DVCBP. He emphasized that no one firm had any indispensable capability that required their selection over the others represented.

3. Consultant Presentations. The following consultants presented proposals in 45-minute sessions which allowed the committee to question each in some detail:

10:30 a.m.	1. Robert Cornwell Assoc./ Fulfillment
	Presenter: Peter Cornwell, Vice President

- | | |
|------------|---|
| 11:15 a.m. | 2. Blue Ribbon Services/ Fulfillment
Presenters: Phil Burke, V.P. of Sales and Manny Blum, Treasurer |
| 1:00 p.m. | 3. Commuter Check/ Fulfillment & Printing
Presenters: Richard Oram, President and Chuck Feitner, Creative Fulfillment Services |
| 1:45 p.m. | 4. Standard Register/ Printing
Presenters: Scott Ziegler, Sales Supervisor; Alan Oliver, Account Executive and Robert Assini, District Sales Manager |
| 2:30 p.m. | 5. General Business Systems/ Printing
Presenters: Joseph Tumolo, Sales Consultant and Cathy Gardener |
| 3:15 p.m. | 6. Moore Business Forms/ Printing
Presenters: Mark Scattolini, Sales Representative and Stanley Farnish, District Manager |
| 4:00 p.m. | 7. TransitCenter/ Fulfillment & Printing
Presenters: Larry Filler, President and Mark D. Carter, Project Manager |

4. Committee Recommendation. The committee utilized a two-step approach to determining the final recommendation: (a) They decided that separate consultants for both printing and fulfillment were preferable, thus eliminating TransitCenter from further consideration. (b) They took a vote on each consultant's capabilities based on an evaluation of price and quality. The committee selected Standard Register for voucher printing, and Commuter Check Inc. for fulfillment services as their first choice. All agencies represented selected Standard Register and Commuter Check Inc. except for NJTRANSIT, which abstained. DVRPC had no vote on this committee.

5. Conclusion. Paul Pezzotta thanked everyone for their hard work during the day and outlined the next steps toward implementing printing and fulfillment processes:

- a) Policy Committee approval of the committee's recommendation.
- b) DVRPC Board approval to enter into contracts with the selected consultants.
- c) Meetings with both consultants to iron out production and procedural steps.
- d) Executions of contracts.

The meeting adjourned at 5:30 p.m.

Appendix II

A THREE-YEAR CONCEPTUAL PLAN FOR

M A R K E T I N G

DELAWARE VALLEY COMMUTER BENEFIT PLAN



**DELAWARE VALLEY
REGIONAL PLANNING COMMISSION**
Mobility Services

M A R K E T I N G

Contents:

1. Introduction	3
2. Employer Perspective	4
3. Marketing Environment	5
4. Marketing Program Components	8
5. Marketing Program Work Plan	10
6. Program Goals & Objectives	11
7. Staging of DVTC Implementation	13
Tables	14-16

**Prepared for Review/Discussion by Implementation
Subcommittee**

February 1990

M A R K E T I N G

1. Introduction

The mission of the Delaware Valley Commuter Benefit Plan (DVTC) program is to build a strategic alliance in support of transit in the tri-state region of Pennsylvania, New Jersey and Delaware. There are five strategic dimensions that drive the program:

- Transit in partnership with transit. DVCBP will result in a greater degree of cooperation among transit operators creating new opportunities to market transit and realize many other benefits related to increased prepayment of fares, increased ridership and lower fare collection costs.
- Transit in partnership with business. DVCBP will enhance transit's ability to serve the real access needs of companies by enlarging their dialogue. In turn, DVCBP symbolizes the involvement of the private sector in transportation.
- Transit in partnership with commuters. DVCBP helps reduce the cost of transit to thousands of commuters. It can also make commuting more convenient when unified fare policies are implemented.
- Business - employee ties through transit. Transit-related benefits help strengthen employer-employee relationships. DVCBP will also improve current labor market mis-matches by making transit more accessible to workers.
- Transit for the environment. DVCBP promotes the use of transit by reducing its cost. It is a travel demand management tool that can keep cars off the highway and our air clean.

The Policy Committee guiding the DVCBP program has endorsed the mission of DVCBP and will, no doubt, remain at the forefront of DVCBP serving as a public symbol of the transit alliance. The Committee will set the agenda of goals and objective, program budgets, and prioritize annual work activities. It is expected that the group will over time be expanded to include additional members in support of the public-private alliance which will champion DVCBP. This group's presence will enhance staff's ability to put forth a credible and multi-dimensional marketing program.

This discussion paper lays out a marketing strategy for DVCBP that addresses (1) the employer perspective, (2) the marketing environment, (3) marketing program components, (4) the marketing work plan, (5) program goals and objectives, and (6) the staging of DVCBP marketing.

A three-year program starting in Fiscal Year 1991, has been

M A R K E T I N G

developed and will, therefore, reflect a strong emphasis on cementing the alliances between all of the public and private sector participants essential to the program's successful implementation.

But, DVCBP is largely a marketing effort with a sales/customer service component. Therefore, DVCBP will promote both, the complex concept of employer transit subsidies provided by means of commuter vouchers plus supporting customer services.

Other program components in terms of the budget, addressed elsewhere, cover the administration of DVCBP, day-to-day program operations and voucher fulfillment and banking services. Note that all components are integrated from an operational point of view.

2. Employer Perspective

Delaware Valley Commuter Benefit Plan (DVCBP) is an employer provided benefit which subsidizes transit fares. One key to bringing DVCBP into usage is the private sector -- the businesses which employ commuters who travel daily to and from their work destinations. Without a basic commitment by employers to support, in part, their employees' commutation by transit through DVCBP, the program remains a worthwhile endeavor in concept only. To move the program from concept to reality, implementation must take into account the complex marketing requirements intrinsic in shaping a persuasive message about private sector employment benefits. This recognition shapes, in part, the DVCBP program detailed on the following pages.

From the employers's perspective, the reasons for providing transit benefits are related to factors that affect to the bottom line of a company's operations. Reasons cited in a similar program¹ include up-dating employee benefits packages, a company's dependency on mass transit, and a company's need to recruit entry level employees who are likely to be transit users. Employers, typically large ones, also commit a certain level of resources to enhancing their community, or to serving programs advancing civic minded initiatives. But overall, it is primarily the need to get employees to work -- the smooth and affordable access to the work location -- that determines the involvement of the small to medium sized companies in a transit enhancement program such as DVCBP.

¹ *Transit Center, New York, 1989*

3. Marketing Environment

The DVCBP marketing program is complex for several reasons, and these must be taken into account in structuring a marketing and sales campaign:

3.1 Market Area

- DVCBP will initially be implemented in all, or part of the markets served by five major transit providers: NJTRANSIT Southern Division, PATCO, SEPTA, DART, and AMTRAK.
- NJTRANSIT already participates in the New York City TransitChek program for its Northern New Jersey market. NJTRANSIT will coordinate and interface with DVCBP.
- The necessary support exists on the part of the state DOTs to market DVCBP on a statewide basis in Pennsylvania, New Jersey and Delaware. DVCBP will be offered to transit markets in Pennsylvania and New Jersey served by public and private systems.

3.2 Type of Transit Market

- These markets serve commuters in three states, they overlap slightly and comprise a combined market of one-half million commuters. For some systems, work commutation forms most of the market, for others, commutation involves a smaller percentage of travelers, but, nevertheless represents an area of growth.
- Fare policies are not uniform, which affects the degree and ease in which commuters can transfer from one system to another. As suburban-to-suburban work trips increase, the ability to use transit for this type of trip would enhance long distance mobility.

3.3 DVCBP Market Segmentation & Targeting

- Usage of DVCBP is dependent on the businesses that buy vouchers for some, or all of their employees, the employees who use them and the operators who accept them. Although employers make the decision to provide the subsidy, employees play a role in the decision making process, as do transit systems by virtue of the type

M A R K E T I N G

and quality of the services they provide and the public relations support they lend. The commuting employees, therefore, comprise one major target to receive the DVCBP message.

- The "universe" of employers in the tri-state are -- targeted are 10,000 small to large firms over the three year period -- will be broken into market segments ranging from the smaller business to medium size to large and include business associations and employment training organizations. Different segments of employers have varying requirements, needs and resources, all of which have a bearing on their receptivity to employee transit subsidies. Our marketing program will target each with tailored messages and through several media.
- The decision maker(s) in each company will vary depending on the type and size of firms. Generally, the first contact in each company will be the owner/manager for small companies and the human resource director/manager for corporations. In this case, materials must be concise, persuasive and provide for interactive opportunity. Until DVCBP has gained some recognition, an immediate "sale" at first contact is not expected.

In many instances, the first contact will also be the employee who has been exposed to marketing materials. Chances are that the first contact may not be able to make a final decision, in which case support will be provided by the marketing program to those who "champion" DVCBP within the firm.

- DVCBP will, logically, be most successful in areas where transit is available currently, or where transit services are being developed for the near term. This dictates a geographic focus that will be adjusted from year to year as required.

The exact approach to reaching the target markets will be detailed in later reports.

3.4 Regional Implications

- The need for greater employment access has been identified as a major regional issue affecting economic development. DVCBP can help to strengthen transit's position as an affordable, or in some cases only, alternative to driving.

- Improving the quality of air is major regional focus. DVCBP will impact the mode choice of commuters to select environmentally sound modes of transportation such as transit.

3.5 Feedback by Employers about DVCBP

The Employer Roundtable, set up to receive feedback from a cross-section of firms in the region, offers several key points inspiring, or confirming the design direction of the DVCBP marketing program.²

- The complex marketing message to employers should be structured to communicate DVCBP's potential for (1) improving employee access; (2) expand companies' range of employee benefits to remain competitive; (3) providing a low cost benefit where now none exist; and (4) enhance employers' flexibility in structuring benefits packages.
- The channels of communication to reach employers must consider the segmented nature of this vast market. Wherever possible, the most effective way to "reach" the decision makers should entail personal marketing either through (1) human resource managers, who will be asked, in turn, to sell the concept to their company, and (2) through business associations and other relevant groups. The latter would be especially effective for smaller employers who, because of their numbers, cannot be contacted individually.

Direct mail campaigns to employers are effective, if they are targeted very closely to the needs and types of employers, which vary greatly.

Marketing to the general commuting public should utilize available mass media such as radio because of its ability to reach very specific market segments.

- The methods of communication should consider that busy people have little time and short attention spans. Messages must be pertinent, brief and conveyed through media that meet these criteria: (1) simple direct mail, (2) video tapes for introductions, and (3) inter-active access to people to consult and place orders with. Testimonials by peers should also be utilized to gain access.

² An Employer Roundtable was held in Decemember 1989, to provide input into the marketing program by a cross-section of employers in Philadelphia and New Jersey. A complete summary of the discussion is available from DVRPC.

4. Marketing Program Components

Bringing DVCBP to the consumer entails a marketing/public relations program of ambitious dimensions. The use of limited public resources dictates, however, that each component of the campaign is cost-effective, well-conceived and poignantly targeted. The wide variety of marketing devices from which to choose has been edited to include those felt to be most effective for DVCBP.

4.1 Public Relations Activities:

- Press conferences with key public-private sector program participants at major milestones of the program. Maximize visibility of support by allied organizations and civic organizations.
- Complimentary mentions in media and trade literature throughout program duration, but especially during the first 3 to 6 months.
- Personal appearances by staff and key participants at opportune, public occasions.
- Press releases issued regularly by transit operators and mentions of DVCBP in associated transit public relations.

4.2 Marketing to Employers and Employer Organizations:

- Sales Presentations by staff.
- Direct-mail campaigns.
- Video presentations to describe DVCBP (to be used by staff and "stand alone" by companies).
- Presentation folders containing pieces used together, or separately, to respond to request and more in-depth information requirements.
- Stationary and inter-active correspondence forms.

4.3 Marketing to Employees:

- Advertising through transit channels:
Station displays (posters and brochures), bus/train car cards, seat drops, promotions.
- Mail stuffers used in a variety of circumstances where information can be disseminated through the mass mailings of other organizations.

M A R K E T I N G

- Selected mass media such as billboards in congested highway corridors, targeted radio advertising, and the outside of transit vehicles.
- Prepared display advertisements to be used when free advertising space is available in transit materials, in newsletters and print media.

4.4 Customer Service Support

- Order forms, user guides and employee brochures for companies' use.
- Flyers and user guides for use by transit operators at sales outlets and for ticket purchases by mail.
- Form letters, etc. to be used by operations and fulfillment staffs for customer complaints, lost shipments, etc.

4.5 Marketing to Transit

- Presentations to public and private transit operators.
- Literature/materials geared to transit operators.
- Working papers and proposals on unified fare policies and other cooperative ventures.

The program components are arrayed in Section 6, Staging of the Marketing Program.

5. Marketing Program Work Plan

Implementation will be achieved by means of a work plan that integrates three elements: (1) Staff work, (2) non-cash services committed by participating transit operators, and (3) consultant services obtained competitively for certain tasks, or parts of tasks.

The work plan is designed to apply the non-cash contributions by operators in the most rational and useful way. Each year the work plan will be structured with the input of participating operators.

In concept, the work plan will be organized for each year's activities, somewhat like a critical path plan. A simplified example of several tasks follows:

YEAR 1

Activities Planned	Staff Function	Operator Task	Consultant Task
Task:			
Poster.			
1. Identify types.	■		
2. Create concept.			■
3. Prepare art.		■	■
4. Print.		■	
Task:			
Presentation Video.			
1. Define purpose.	■	■	
2. Create concept.		■	■
3. Produce video.			■
4. Copy for distribution.		■	
Task:			
Transit Seat Drop.			
1. Define message.*	■	■	
2. Create design.		■	■
3. Prepare art.		■	
4. Print.*		■	

* All operators.

(A complete work plan for each marketing activity will be prepared for Policy Committee review prior to program inauguration.)

6. Program Goals & Objectives

As has been mentioned, Delaware Valley Commuter Benefit Plan will bring together key transit proponents in a growing alliance serving the strategically vital interest of cooperation between public and private sectors. Several important relationships will be strengthened considerable through DVCBP: (1) Transit-Transit, (2) Transit-Business, (3) Transit-Commuter, (4) Business-Employee, and (5) Transit-Environment.

The DVCBP marketing program will be designed to serve this larger aim by meeting the five overall goals and objectives displayed below.

The structure of the DVCBP marketing program will address these relationships, all of which come into play in the unique marketing environment of DVCBP. DVCBP marketing will also focus considerable attention on the consumer, or user of DVCBP: (1) the employer, who plays the pivotal role in implementing DVCBP and (2) the employee, who may, or may not currently ride transit. The public marketing message will largely be directed at both groups and conveyed to each through the various channels available (mentioned under Feedback from Employer Roundtable and described in Section 4 and the table of program activities in Section 7).

6.1 Strengthen the transit-transit alliance.

Objectives:

- Capture positive public image for each transit operator through joint marketing of DVCBP.
- Promote cooperation among participating transit operators through system integration and other joint ventures.
- Expand network of transit operators and affiliated organizations to achieve complete tri-state coverage of DVCBP.

6.2 Cement the Transit-Business Alliance.

Objectives

- Offer unique, low cost employee benefit that benefits transit and business.
- Advance labor market access with innovative funding device.
- Meets many types of recruitment-related issues for

M A R K E T I N G

employers in both urban and suburban environments.

6.3 Enhance the Transit-Commuter Relationship

Objectives

- Implement DVCBP to reduce the cost of commuting for employees.
- Create equitable benefit that offsets free parking and other benefits provided on a limited basis to some workers.
- Facilitate region-wide travel through a seamless tri-state transit system.

6.4 Add Dimension to Business-Employee Relationship.

Objectives:

- Offers employers the ability to assist their employees with a more complete range of transportation benefits.
- Provides business with the opportunity to support transit without paying a tax.
- Relieve congestion in suburban areas by promoting employer transit subsidies paid directly to employees.

6.5 Support the Transit-Environment Connection

Objectives:

- Promote greater use of transit to affect regional modal splits in favor of transit.
- Create opportunity for business to reduce congestion and, its by-product, pollution.
- Establish linkages among organizations advocating cleaner air.

These goals and objectives will be reflected in the marketing messages to be developed for DVCBP.

7. Staging of DVCBP Implementation

A multiple year campaign will be required to achieve the five goals and objectives described in Section 6. A three-year conceptional plan is shown to stage the implementation tasks, thus maximizing the full market potential that exists for DVCBP. The marketing program addresses advertising, promotion, public relations, sales, costumer service, program monitoring, and program expansion. Each year, specific marketing activities for each goal area will be scheduled in cooperation with participating transit operators.

During the first year of the program, all five goals will be addressed with a number of activities and tasks. The work to achieve these strategic goals will continue in the following two years, albeit with different activities and tasks. It will be an ongoing challenge to pursue the enrollment of additional companies while continuing to cement the cooperative relationships between multiple transit operators, the entire business community and the commuting public.

The following table shows all goals and the corresponding activities and tasks envisioned to be carried out over the course of the three years.

A sixth section has been added to monitor program results.

1. Strengthen the transit-transit alliance.

Activities:

1. Market DVCBP to public and private transit systems in Pennsylvania, New Jersey and Delaware.
2. Develop DVCBP service contracts with participating transit operators.
3. Management procedures for participating operators.
4. Develop and implement proposal to create a single fare mechanism.
5. Implement joint marketing program for tri-state area.

Tasks:

- Prepare benefits analysis for targeted operators.
- Correspondence and presentations to transit operators.
- Negotiate contracts for ongoing DVCBP program and analyze market area (employers). Set up banking/ fulfillment process.
- Analyze transit market relationships and identify fare strategies.
- Meet with transit operators and test receptivity to proposal.
- Identify pilot area and implement unified fare instrument. Integrate with DVCBP.
- Facilitate among transit operators and carry out joint marketing for DVCBP according to annual work plans.

2. Cement the Transit-Business Alliance.

Activities:

1. Market to employment/training agencies and to benefits/tax consultants and brokers.
2. Develop specific proposals for agencies to implement DVCBP.
3. Conduct general awareness campaign about these aspects of DVCBP to employers.

Tasks:

- Correspondence and sales meetings/ presentations.
- Contracts with agencies.
- Stimulate commuter awareness for this market segment.
- Informational materials and other support; follow-up sales. Staff assistance to participants

3. Enhance the Transit-Commuter Relationship

Activities:

1. General awareness campaign to employees and employers.
2. Public relations activities.
3. Sales presentations to employers requesting information.
4. Direct marketing through business associations, employee training agencies and major employers.
5. Customer service.

Tasks:

Define target area. Publicity; media events; press conferences; press briefings and releases; solicit complimentary communications; support from allied organizations; etc.

Create employer/employee/operator informational materials and sales meetings; direct mailings to target areas; follow-up sales. Work with applicable associations.

Marketing through transit agency channels to stimulate commuter awareness.

Create materials and provide staff assistance to companies implementing DVCBP and commuters using DVCBP.

4. Add Dimension to Business-Employee Relationship.

Activities:

1. Promote DVCBP in TMA areas, as well as areas with high congestion where transit could play a greater role in work commutation.
2. Develop DVCBP service contracts with participating TMAs and implement with suburban employers.
3. Provide support services.
4. Monitor results.

Tasks:

Prepare benefits analysis for targeted operators.

Correspondence and presentations to transit operators.

Negotiate contracts for ongoing DVCBP program and analyze market area (employers). Set up banking/ fulfillment process.

5. Support the Transit-Environment Connection

Activities:

1. Consolidate linkages to environmental/energy agencies and groups and obtain their assistance in advancing DVCBP.
2. Raise awareness that DVCBP meets clean air objectives.
3. Encourage and facilitate the use of transit through commuter information programs.

Tasks:

- Use all channels possible such as presentations, articles, workshops and personal contacts.
- Incorporate clean air messages in literature about DVCBP.
- Provide assistance to commuters through specific outreach efforts to be determined through market analysis and with operators.

6. Monitor results of DVCBP implementation to test program direction and effectiveness.

Activities:

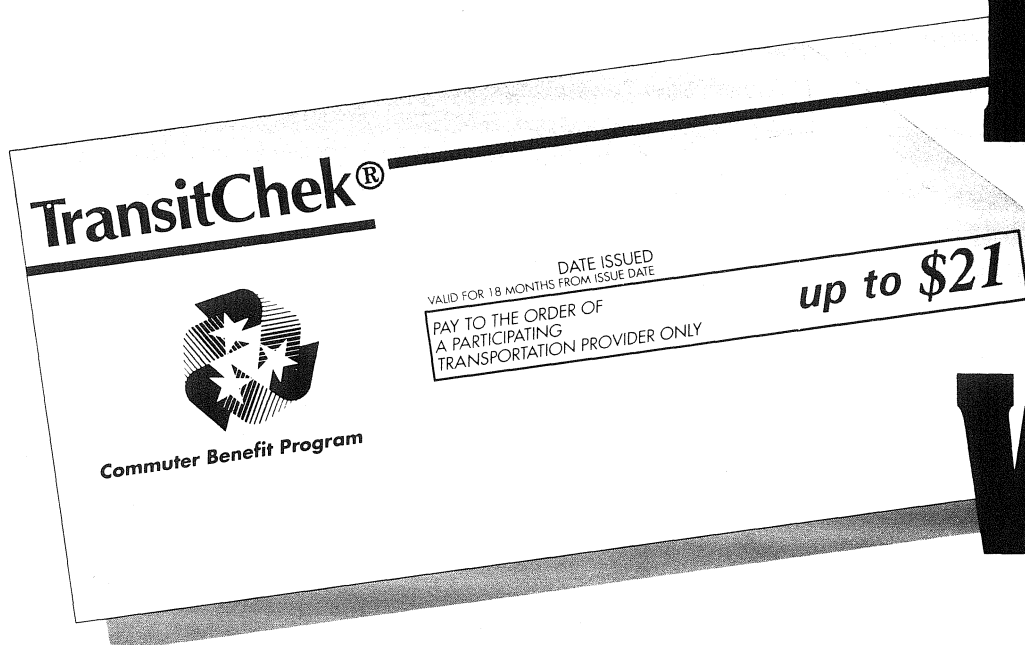
1. Evaluate sales; the types of problems encountered; etc.
2. Survey users of DVCBP to determine gain in ridership for each participating transit system.
3. Make program adjustments as required.

Tasks:

- Analyze sales reports from fulfillment processor. Track costumer calls/ inquiries/ complaints. Respond as required.
- Pre- and post-survey participating employers to determine new transit riders gained.
- Refine work program.

Appendix III

THE SMART MOVE BETWEEN HOME AND WORK



COMMUTER BENEFIT PROGRAM

Get Your Employees on Board • TransitChek® Order Form

Date: _____

Your First Order...

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

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 for convenience and lower processing fee per TransitChek.

TransitCheks are available in \$21, \$15 and \$7 denominations. You must use separate order forms if you are ordering more than one denomination.

Please print clearly and retain a copy for your records.

Your Shipping & Billing Information...

Please provide a street address. Deliveries cannot be made to P.O. boxes.

Company name _____

Contact name _____

Title _____

Street address _____

City _____

State _____

Zip _____

Telephone (very important) _____

Ext _____

Follow these simple steps...

Select the TransitChek denomination:

(\$7, \$15, or \$21) A \$ _____

Total TransitCheks in this order:

Calculate the number of TransitCheks needed:

number of _____ number of _____
employees _____ x months _____ = B _____

Circle the processing fee per TransitChek:

Example: If you order 36 TransitCheks your fee is \$.60 per voucher.

12 to 35	\$.75	101 to 600	\$.45
36 to 100	\$.60	601 or more	\$.30

C \$ _____

Add the processing fee to the TransitChek denomination:

A\$ _____ + C\$ _____ = D \$ _____

Calculate the total cost of your TransitChek order:

D\$ _____ x B _____ = E \$ _____

Add packing and shipping charge: F \$ 10.00

Optional express delivery (\$15.00): G \$ _____

TOTAL ORDER COST \$ _____

Please add (E), (F) and (G).

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.

For Office Use Only

Control # _____

Batch # _____

Date _____

☐ Check \$ _____

☐ Order Form ☐ Invoice

Commuter
Benefit
Program



Reminders & Future Orders...

We'll send an invoice to remind you to re-order before you run out of checks. Please check the appropriate box below.

We expect to need more checks in:

☐ 3 months ☐ 6 months ☐ 12 months

Payment...

Only paid orders are shipped. For fastest service, enclose a check payable to "Commuter Benefit Program." Mail completed order form to COMMUTER BENEFIT PROGRAM, c/o First State Marketing Corp., 451 Lakeview St., Lake Lillian, MN 56253. (Use the envelope provided.)

☐ Payment is enclosed. ☐ Send Invoice.

Employee Brochures...

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

Delivery Information...

Your order will be received within 2 to 3 weeks. The optional express delivery (G) reduces shipment time by about 1 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

Thank you for your order.

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES



BUSINESS REPLY MAIL

FIRST CLASS MAIL PERMIT NO 29894 PHILADELPHIA, PA

Postage will be paid by addressee

DELAWARE VALLEY REGIONAL PLANNING COMMISSION

THE BOURSE BUILDING

21 S. FIFTH ST.

PHILADELPHIA, PA 19106-9961



THE COMMUTER BENEFIT PROGRAM

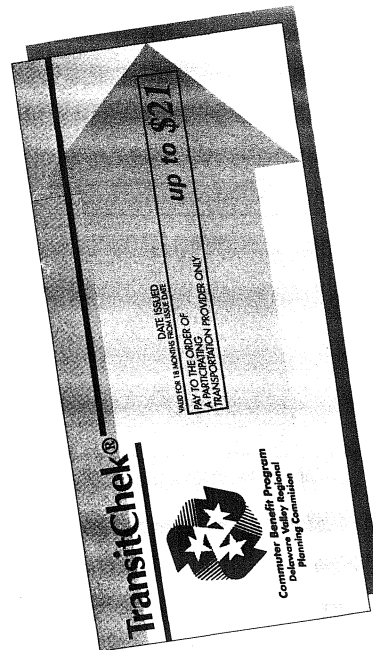
The Delaware Valley Regional Planning Commission (DVRPC), in partnership with transportation operators and the Pennsylvania, New Jersey and Delaware state departments of transportation, has undertaken the development and implementation of the Commuter Benefit Program in the tri-state area. The Program ushers in an innovative benefit for commuters, employers, and transportation operators, while making important contributions to the environment and quality of life. It enables employers to provide their employees with a tax - free public transportation subsidy of up to \$21 per month. Many cities and regions across the country are offering similar employer transit programs.

Participating area transit operators include:
SEPTA; NJ TRANSIT; PATCO;
AMTRAK; CAPITOL AREA TRANSIT,
CAPITOL TRAILWAYS; BIEBER
TOURWAYS; AND ALL OPERATORS
IN DELAWARE.



Commuter Benefit Program
C/O DVRPC
The Bourse Building
21 South Fifth Street
Philadelphia, PA 19106
1-800-355-5000

THE SMART MOVE BETWEEN HOME AND WORK



COMMUTER BENEFIT PROGRAM



THE CHALLENGE

Commuting costs are high and public transit is underused and underfunded. Highway-user taxes are soaring, as automobile travel chokes highways and lungs, and the environment is further threatened. At the same time employers are on the lookout for new, motivating, low-cost employee benefits, while employees respond positively to the rare tax-free perk. These seemingly unrelated observations have something in common... a creative, new program that contributes a real solution to the problems noted, while making both employees and employers winners.



THE SMART MOVE

The Commuter Benefit Program is the Smart Move. A little-known provision of the 1984 Tax Reform Act enables employers to give their employees a tax-free fringe benefit. A voucher called a TransitChek® is applied by commuters to their purchase of tokens, passes or tickets from most transportation providers in the tri-state area of Pennsylvania, New Jersey and Delaware.



MAKING THE SMART MOVE

The routine is simple. Employers buy TransitCheks in bulk through the Delaware Valley Regional Planning Commission, organizers of the program. (Several voucher denominations are available and there is a small processing fee per TransitChek.) They then distribute TransitCheks to their employees through their regular benefit programs - as bonuses, or incentives, or on any other basis consistent with employee policies. The only rule to observe is that the IRS limits the monthly amount to \$21 per month

or \$252 per year. Employers get to write off this expense. If that total is exceeded, then the full amount will be counted as taxable income to the employee.



SMART? IT'S BRILLIANT

A successful Commuter Benefit Program, supported fully by employers and commuters, will make a major, positive contribution to the quality of life and to employer/employee relationships...

Here are some of the reasons why it's brilliant:

- a new human resource tool is available for recruitment/retention of employees
- employees are encouraged to use public transportation
- traffic congestion is eased with fewer cars on our roadways
- air pollution and other harmful environmental effects are reduced
- transit operators get a tremendous boost in ridership
- government entities have more incentive to support public transportation
- employees enjoy a new, non-taxable fringe benefit that helps cut their living costs
- **employers benefit from all of the above plus they get to write it off their taxes.**



HOW TO MAKE THE SMART MOVE

Ask for more information on the Commuter Benefit Program by calling 1-800-355-5000, or completing and mailing the attached business reply card. We'll be happy to meet with you or your human resources/employee benefits people to introduce them to the Smart Move for your company.

We Want more information on the Commuter Benefit Program. Please...

- ☐ Call us at _____ and ask for _____ or _____
- ☐ Send a complete employer information folder to: _____

Name: _____

Title: _____

Company: _____

Address: _____

Phone: _____

Questions Most Often Asked About The Commuter Benefit Program

How can I receive TransitCheks?

TransitCheks are only available through employers who provide Commuter Benefits to their employees. Each employer may have a different approach in providing the benefit; some may give a monthly TransitChek, others may offer Commuter Benefits as part of incentive or recruitment programs.

Are TransitCheks taxed?

No. TransitCheks are tax-free to employees. Federal law currently permits employers to provide \$15 per month (\$180 per year) towards the cost of their employees' public transportation. No local taxes are collected on the TransitCheks received.

How can TransitCheks be redeemed?

Use TransitCheks like cash when purchasing tickets, tokens or passes at the tri-state transportation locations listed in this pamphlet. You can redeem up to three TransitCheks per transaction. See additional instructions on the back of TransitCheks.

Can TransitCheks be redeemed for cash?

No. They can only be used to buy transit or train tickets, tokens, or passes - **no change will be given**. For the best value, apply TransitChek to the purchase of fares of \$15 or more.

How long are TransitCheks valid?

Employees have plenty of time to redeem TransitCheks. The date of issue and the length of time TransitCheks are valid are printed on the face of each TransitChek right above the amount.

Who administers the Commuter Benefit Program?

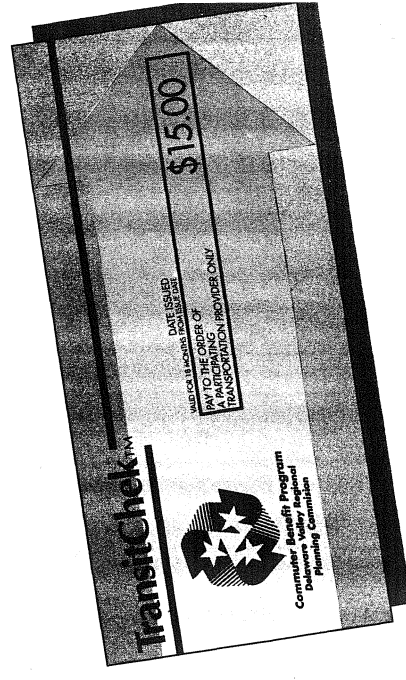
The Commuter Benefit Program is made possible through the public transportation systems and departments of transportation in Pennsylvania, Delaware and New Jersey. The Delaware Valley Regional Planning Commission administers the program, conducts marketing to tri-state employers with the assistance of all participants, and provides customer service to employers. Please direct all questions to your employer.



Commuter Benefit Program

HOW TO MAKE

THE SMART MOVE BETWEEN HOME AND WORK



COMMUTER BENEFIT PROGRAM

TransitChek - Better Than Cash

Your employer has made The Smart Move Between Home and Work by joining the tri-state Commuter Benefit Program. Now it's up to you to make The Smart Move.

Your TransitChekSM is worth \$15. It is as good as cash. In fact, it's better than cash because it's non-taxable income. It will reduce your monthly commuting expenses, whether you ride the subway, elevated line, bus, Hi-Speedline, train or streetcar.

The TransitChek can be redeemed only at selling or ticket agents where you normally buy your weekly or monthly commuter transit or rail passes or train tickets or tokens. Simply present your \$15 TransitChek to the agent as partial or full payment for your purchase. TransitCheks cannot be redeemed for cash, nor can change be given.

There are over 150 public transportation sales locations throughout the tri-state area of Pennsylvania, Delaware and New Jersey where you can redeem your TransitChek. But you must go to one that is part of the transportation system you will be using to commute.

Here's where TransitCheks can be redeemed:



If you ride SEPTA

(Southeastern Pennsylvania Transportation Authority)
Call SEPTA Telephone Information (215-580-7800) for transit schedules, or Customer Service (215-580-7852) for additional locations and the hours of these locations:

- 15th Street Sales Office, Suburban Station Concourse, Philadelphia, PA 19107 (across from Post Office);
- Broad & Olney Sales Office, Broad & Olney Underground, Philadelphia, PA 19120;
- 69th Street Sales Office, 69th Street Terminal, Philadelphia, PA 19139;
- All regional rail stations where tokens and/or tickets are sold by agents.

To receive tickets or passes by mail, call SEPTA's Pass-By-Mail Program at (215) 580-6500 for more information.



If you ride NJ TRANSIT

Call NJ TRANSIT Customer Service (within New Jersey

1-800-582-5946 and in Pennsylvania 215-569-3752) for transit schedules and the hours of the following locations:

Atlantic City; Camden; Cape May; Fort Dix; Hammonton; Maple Shade; Moorestown; Ocean City; Pennsville; Philadelphia; Sicklerville; Trenton; Villas; Vineland; Willingboro; Washington Township; Wildwood.

Redeem your TransitCheks by mail through the NJ TRANSIT MAIL-FARE program. In New Jersey call 1-800-648-0215; out of state call (201) 378-6403 to order your monthly bus passes.



If you ride PATCO

(Hi-Speedline of the Port Authority Transit Corporation)
Redeem TransitCheks at all manual sales locations (for Ten-ride and Two-ride tickets) and through the Mail Order Sales Plan (for any type of ticket). For PATCO Customer Service and schedule information call 609-772-6900; 215-922-4600.

Locations: Camden Broadway; Ferry Avenue; Westmont; Collingswood; Haddonfield; Woodcrest; Ashland; Lindenwold.



If you ride transit in Delaware

Redeem TransitCheks at all transit locations of: DART (Delaware Administration for Regional Transit in New Castle County); CDT (Central Delaware Transit, Kent County); DAST (Transportation for the Elderly & Disabled).

In addition, TransitCheks may also be redeemed at Delaware banks only where transit passes are sold. For more information call the Delaware Commuter Services Administration, 1-800-892-7000 or 302-577-6380 or DART, 302-655-3381.



If you ride AMTRAK

Redeem TransitCheks for multi-ride commuter tickets (only W110, W210 and M146) for travel between the following locations:

Philadelphia, 30th & Market Streets, PA 19104; Harrisburg, 4th & Chestnut Streets, PA 17101; Wilmington, Martin Luther King Blvd. & French Street, PA 19801; Trenton, 72 South Clinton Avenue, NJ 08609. In addition, redeem your TransitCheks at the following stations:

Ardmore; Coatesville; Downingtown; Elizabethtown; Lancaster; Malvern; North Philadelphia; Paoli. (Hours of operation vary)

If you need more information call AMTRAK (1-800-USA-RAIL).



If you ride CAT (Capitol Area Transit)

For information and transit schedules, call 717-238-8304.

Locations: CAT Main Office, 901 North Cameron, Harrisburg, PA 17105 (open between 7 a.m. and 4 p.m. weekdays); Atrium at Strawberry Square, Harrisburg, (open the last three business days of the month); Transfer Center, Market Square, Harrisburg, (hours vary).



If you ride Capital Trailways

For schedules and fares, call 717-232-4251.
For additional information, call 717-233-7673.

Locations: Annville; Harrisburg; Hershey; Hummelstown; King of Prussia; Lancaster; Lebanon; Myerstown; Palmyra; Philadelphia; Pottstown; Pottsville; Reading; York.



If you ride Carl R. Bieber Tourways

For information and schedules, call 215-683-7333.
Locations: Allentown; Bethlehem; Coopersburg; Quakertown; Sellersville; Philadelphia; Reading; Wescosville.

Other transportation providers may redeem TransitCheks in the future and additional redemption locations may be available to commuters to cash in their TransitCheks. Participating employers will receive updated information about new sales locations that accept TransitCheks from the Commuter Benefit Program.

Please direct any questions about sales locations and schedules to the individual transportation provider.

THE SMART MOVE BETWEEN HOME AND WORK



COMMUTER BENEFIT PROGRAM

A little-known provision of the Deficit Reduction Act of 1984 enables employers to offer a special fringe benefit that can be applied to all employees who use transit to commute to work.

Under a special rule for transit passes, employers may give employees a transit pass of a discount not exceeding \$21 a month and the value of that subsidy may be excluded from the employee's gross income. The provision is found in paragraph 1.132-6 of the Internal Revenue Code.

The basis for this rule is that the transit subsidy is considered a de minimis fringe benefit — of such small value as to make accounting for it unreasonable or administratively impractical. The de minimis rule puts such transit passes in the same category as free coffee and use of the company copying machine.

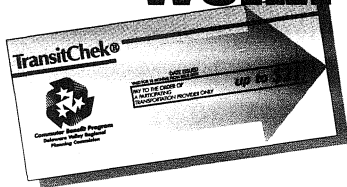
The provision also applies to the provision of up to \$21 in any type of fare instrument or vouchers such as TransitCheks that enables an individual to travel on the transit system.

Temporary regulations implementing the 1984 law were published in the Federal Register on December 23, 1985. Final regulations, published January 16, 1992 (Federal Register 26 CFR Part 1), increased the \$15 benefit to \$21 per month, as a cost-of-living adjustment. The IRS also says that, if you give your employees a transit benefit worth more than \$21 a month, the entire amount must be included in gross income as a **taxable** fringe benefit.

In addition, employers may account for the cost of TransitChek as a normal business expense. Employers should ask for the "Smart Kit" to estimate benefits and consult their accountants for more information on the specific impact of a TransitChek program on their business.

Environmental/Energy Benefits

THE SMART MOVE BETWEEN HOME AND WORK



COMMUTER BENEFIT PROGRAM

Air Quality Requirements

On November 15th, President Bush signed into law the CLEAN AIR ACT AMENDMENTS of 1990. The new amendments address the need to improve the nation's air quality. The tri-state region - Pennsylvania, Delaware and New Jersey - is classified as a "severe nonattainment area" for the federal air quality standards for ozone. Motor vehicles account for almost half of emissions of volatile organic compounds (VOC) which cause violations of the surface ozone standard. Within four years of enactment, **employers of 100 or more persons must adopt programs to increase the auto occupancy rate by at least 25% above regional average for work-related travel in peak periods.** Failure to attain standards reductions in nonattainment areas can trigger certain sanctions.

The COMMUTER BENEFIT PROGRAM is one method of reducing single-occupant, work-related travel by car and increase the use of public transportation. By giving employees a subsidy dedicated to public transportation, employers will be able to make an important contribution toward the goals of the CLEAN AIR ACT AMENDMENTS. The specific requirements for employers have not yet been released by the Environmental Protection Agency (EPA). But, certainly, the COMMUTER BENEFIT PROGRAM will be an important step toward compliance and a way to help improve our environment and quality of life.

Consider the Facts

Although motor vehicles emit much less pollution than those of 25 years ago, the growth in vehicle miles of travel during this period has partially canceled the gains from motor vehicle controls.

For example:

- Number of registered U.S. motor vehicles (1988): 183 million
- Number of vehicles per licensed driver (1987): 1.03
- U.S. proportion of world's vehicles (1987): 35%
- U.S. proportion of world's vehicle mileage: 50%
- U.S. proportion of world's population: 5%
- Change in U.S. transportation oil consumption (1973-88): +195

(over)

Public Transportation Helps

Consider the consequences of our driving habits:

- Percent U.S. carbon dioxide emissions from transportation: 30%
- Carbon dioxide released by burning one gallon of gas: 20 pounds
- Ozone-depleting chlorofluorocarbons (CFCs) used for automobile air conditioning (1986): 120 million pounds

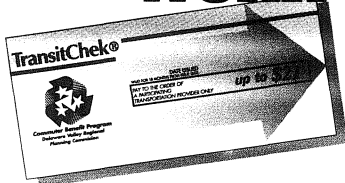
And here's the commuter picture:

- Proportion of U.S. driving which is work-related: 30%
- Average vehicle occupancy for commuting: 1.1 persons/car
- Proportion of commuting trips made by single-occupant cars: 64%
- Proportion of commuting trips made by public transportation: 6%
- Energy saved commuting by bus or rail instead of driving alone: 70%

Clearly, any effort to reduce commuting trips by car and increase the use of public transportation will have a beneficial effect on the environment, energy consumption and costs.

Questions and Answers

THE SMART MOVE BETWEEN HOME AND WORK



COMMUTER BENEFIT PROGRAM

Q. What is the Commuter Benefit Program?

- A.** The Commuter Benefit Program provides a means for employers to assist employees with their transit commuting costs. Under federal law, currently employers can give their employees up to a \$21 monthly, tax-free contribution to the cost of transit tokens, tickets or passes.

Q. What is the TransitChek®?

- A.** TransitChek is a secure bank check in different denominations which allows employers to conveniently provide this new commuter benefit. The TransitChek concept was developed based on recommendations by employers.

Q. What is the purpose of TransitChek?

- A.** TransitChek was developed as a means to reduce traffic congestion by encouraging greater use of public transportation. The use of thousands of single-occupant automobiles by commuters each day causes severe congestion, interfering with the movement of goods and services and contributing to the region's air pollution problems. The promotion of public transportation by employers through TransitChek provides a strong incentive to use public transportation and helps reduce congestion.

Q. How can employers use TransitChek?

- A.** TransitChek is flexible and easy to use for employers of any size or industry. It can be used as a fringe benefit, or as an incentive or bonus. It can also be used to assist employees moving to a new location or to introduce new employees to public transportation. Firms may provide TransitCheks to selected groups of employees such as clerical staff. Firms will also find TransitChek useful for recruiting new employees.

Q. How can employees use TransitChek?

- A.** TransitChek is simple to use. Employees can redeem TransitCheks for any type of fare or any type of transportation service at designated transit locations and through the mail. TransitCheks cannot be exchanged for cash and are only good for the purchase of fares in advance of boarding the transportation vehicle.

Q. What transportation operators are participating in the program?

- A.** TransitChek is a cooperative effort with Pennsylvania, New Jersey and Delaware public and private transportation operators. TransitCheks are accepted throughout all areas served by transit.

(over)

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. It's a fully deductible business expense. A \$21 TransitChek can cost a business as little as \$14 after taxes, but have a pretax value to the employee in excess of \$30.

Q. How can companies get TransitChek?

- A.** Companies throughout the tri-state area may purchase TransitCheks directly from a local agency that coordinates the program. They may be ordered in any quantity 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 with the shipments.

Q. How do companies distribute TransitChek?

- A.** TransitCheks can be distributed to employees in any way convenient to the company. Some firms distribute TransitCheks monthly, some provide three TransitCheks per quarter, and some distribute them semi-annually.

Companies can distribute TransitCheks using the same procedures or personnel that handle the distribution of paychecks. Some can provide TransitCheks through personnel departments, and some may rely on credit unions or other over-the-counter procedures. Call your TransitChek agency for more ideas, or how to tailor a program to the company's requirements.

THE SMART MOVE BETWEEN HOME AND WORK



COMMUTER BENEFIT PROGRAM

The New Fringe Benefit

The TransitChek® Commuter Benefit Program is an exciting innovation in employee benefits programs that employers can now offer to their employees. It is unique because it establishes a role for the private sector in the work-related transportation of its work force. At the same time, participation in the Commuter Benefit Program signals that commuting by transit is an important component of a vital regional economy. The program is implemented through employer-provided transit discount vouchers called TransitCheks. They are accepted by virtually all public and private transit operators.

Employers already provide extensive benefits to their employees from health care plans to insurance, from day-care to retirement plans. So why are some firms taking a close look at an additional benefit? The answer is simple. The quality of the twice-daily commute affects the productivity and well-being of every single employee.

While commuter benefits are a relatively new addition to an employer's arsenal of employee fringe benefits and perks, they can be a growing factor in the mix. Not only do they provide a direct, tax-free financial benefit, but also, in our increasingly environmental and conservation-aware world, commuter benefits can serve important society and community objectives.

The TransitChek Commuter Benefit Program can add more flexibility to an employer's total benefits package. Within the TransitChek program, itself, there are a number of alternatives available to employers.

TransitCheks can be provided to all or some employees as:

- An across-the-board employee fringe benefit
- An attendance incentive or reward
- A holiday or performance bonus
- Relocation assistance to acquaint employees with transit options
- A recruiting tool for specific types of jobs
- An offset for parking or other automobile benefits provided to other employees
- An environmentally friendly effort by the employer because it promotes mass transit

How To Do It

Companies now utilizing the Commuter Benefit Program report that the program is easy to administer and is very well received by employees.

(over)

Larger companies seem more likely to provide the subsidy on a monthly basis and some offer it to all full-time employees. One offers a partial subsidy (e.g. employee purchases two through payroll, company buys one).

Administration methods vary depending on the number of employees affected, the size of the organization, full or partial subsidy, etc. Most either distribute the TransitCheks with the paycheck or have a central pick-up place for employees. One company mails it to the home

The company pays for the TransitChek "up front" regardless of when they are cashed in by employees. Employers purchase this benefit at an unusually low cost. There is a small fee for processing and handling/shipping. It is a true public service for the private sector, because each TransitChek costs substantially more. The participating transit operators cover the additional overhead and administrative costs for the program.

In summary, TransitCheks are a:

- Tax-efficient form of compensation for employees, with no payroll and social security taxes
- Fringe benefit that offers maximum flexibility to the employer due to administrative ease and security
- Way of expanding their fringe benefits package with a low cost, but useful benefit
- Program not limited to a single transit operator, but throughout all systems
- Opportunity for employers to join with other employers in a program that supports public transportation, the environment and the community

For employees, TransitCheks offer a number of important benefits:

- Tax-free pay raise - employer subsidy means more take-home pay
- A benefit that addresses public transportation - a neglected area of attention for employee benefits
- Helpful in a public transportation environment where fares are raised frequently
- Strong incentive to give public transportation a try
- Immediate benefit - accepted by all major transit systems
- Easy to redeem - most locations where tickets, passes, tokens are sold; works even when fares are purchased by mail
- Builds morale

Appendix IV

COMMUTER BENEFIT PROGRAM -- 1991 SALES SUMMARY

	New Employers	Total Orders	Number T'Cheks	\$7 Orders T'Cheks	\$15 Orders T'Cheks	\$21 Orders T'Cheks	Total Orders \$
June	6	6	657		6		10,237.75
July	7	7	1,092		7		16,880.90
August	2	2	162		2		436.50
September	2	4	470		4		7,342.30
October	6	8	664		8		9,467.00
November	4	10	1,284		10		19,936.00
December	9	11	412		11		6,552.15
	36	48	4,741		48		70,852.60

TRANSITCHEK STATISTICS FOR 1991 (7 months)

Average number of new employers per month

5.14

Average number of total employers ordering per month

6.8

Average number of TransitCheks sold per month

677

Average TransitCheks sales per month

\$10,121.80

QUARTERLY COMPARISONS -- 1991

	Total New Firms	Total Orders	Total T'Cheks	\$7 T' Cheks	\$15 T' Cheks	\$21 T' Cheks	Total \$ for Quarter	Average \$ per Month
1st Quarter	-	-	-		-	-	-	-
2nd Quarter	6	6	657		6		10,237.75	10,237.75
3rd Quarter	11	13	1,724		13		24,659.70	8,219.90
4th Quarter	19	29	2,360		29		35,955.15	11,985.05
	36	48	4,741		48		70,852.60	

COMMUTER BENEFIT PROGRAM -- 1992 SALES SUMMARY

	New Employers	Total Orders	Number T'Cheks	\$7 Orders T'Cheks	\$15 Orders T'Cheks	\$21 Orders T'Cheks	Total Orders \$
January	3	8	1,001		7	1	16,613.05
February	5	13	825		11	2	15,381.90
March	10	17	1,910	2	9	6	30,978.45
April	6	17	971	1	11	5	16,775.20
May	5	12	1,020		7	5	17,049.00
June	4	16	1,165		14	2	18,541.90
July	2	15	1,236	1	9	6	18,961.20
August	6	19	1,965	1	10	8	34,058.15
September	4	19	1,852		10	9	33,797.50
	45	136	11,945	5	88	44	202,156.35

TRANSITCHEK STATISTICS FOR 1992 (9 months)

Average number of new employers per month 5
 Average number of total employers ordering per month 15.1
 Average number of TransitCheks sold per month 1,327.22
 Average TransitCheks sales per month \$22,461.82

Average percent of denominations sold:
 \$7 = 3.6%
 \$15 = 64.2%
 \$21 = 32.2%

Change from first to last month:
 \$7 increase of 5%
 \$15 decrease of 34%
 \$21 increase of 34%

QUARTERLY COMPARISONS -- 1992

	Total New Firms	Total Orders	Total T'Cheks	\$7 T' Cheks	\$15 T' Cheks	\$21 T' Cheks	Total \$ for Quarter	Average \$ per Month
1st Quarter	18	38	3,736	2	27	9	62,973.40	20,991.13
2nd Quarter	15	45	3,156	1	32	12	52,366.10	17,455.13
3rd Quarter	12	53	5,053	2	29	23	86,816.85	28,816.85
4th Quarter								
	45	136	11,945	5	88	44	202,156.35	

ANNUAL TOTALS -- 1991 & 1992

	Total New Firms	Total Orders	Total T'Cheks	\$7 T' Cheks	\$15 T' Cheks	\$21 T' Cheks	Total \$ for Year	Average \$ per Month
1991 (7 months)	36	48	4,741	-	48	-	70,852.60	10,121.80
1992 (9 months)	45	136	11,945	5	88	44	202,156.35	22,461.81
1993								
1994								
	81	184	16,686	5	136	44	273,008.95	17,063.06

TRANSITCHEK STATISTICS FOR 1991 & 1992 (16 months)

Average number of new employers per month	5.06
Average number of total employers ordering per month	11.5
Average number of TransitCheks sold per month	1,042.88
Average TransitCheks sales per month	\$17,063.06

1992 TransitCheck Sales Summary

Local	Name of Company/Agency	Notes	Order No.	Cod	FR	Frequency	Order Date	Order Amt.	# of TransChecks	Change (+/-)	TC Amt.	Amount 1992	Annualized *
Phila	R. Burkhardt D.D.S.	N		1	6	6 Months	01/16/92	\$199.00	12	0	15	\$199.00	\$398.00
Phila	Alexander & Alexander	RO	1st	1	3	3 Months	01/13/92	\$277.00	16	-16	15	\$277.00	
Phila	Alexander & Alexander	RO	2nd	1	3	3 Months	01/21/92	\$514.00	32	16	15	\$514.00	
Phila	Abrams Cherwony & Associates	RO	1st	1	3	3 Months	01/24/92	\$199.00	12	0	15	\$199.00	
Phila	Keystone State Life Insurance	RO	1st	1	6	6 Months	01/13/92	\$2,451.10	158	0	15	\$2,451.10	
Phila	Fannie Mae	RO	1st	1	3	3 Months	01/10/92	\$2,342.50	150	-225	15	\$2,342.50	
Phila	Provident Mutual Life Ins. Co.	N		1	3	3 Months	01/30/92	\$6,952.50	450	0	15	\$6,952.50	\$27,810.00
Phila	US FTA	N		1	12	12 Months	01/22/92	\$3,677.95	171	0	21	\$3,677.95	\$3,677.95
	SUBTOTAL for JANUARY	3(8)						\$16,613.05	1001	-225	1@21	\$16,613.05	\$31,885.95
Phila	Segal & Segal	N		1	3	3 Months	02/03/92	\$388.00	24	0	15	\$388.00	\$1,552.00
Phila	Sullivan Payne Company	RO	1st	1	3	3 Months	02/03/92	\$992.80	63	3	15	\$992.80	
Phila	US Securities & Exchange Co.	N		1	8	8 Months	02/10/92	\$6,959.80	324	0	21	\$6,959.80	\$10,439.70
Phila	Mundle & Associates, Inc.	N		1	12	12 Months	02/04/92	\$1,008.40	64	0	15	\$1,008.40	\$1,008.40
Phila	American Board of Int. Med.	RO	1st	1	3	3 Months	02/07/92	\$1,515.00	101	0	15	\$1,515.00	
Phila	Baumann & Deseve	RO	1st	1	6	6 Months	02/07/92	\$917.20	42	-18	15	\$917.20	
NJ	R. Louis Gallagher, PC	RO	1st	1	12	12 Months	02/10/92	\$199.00	12	0	15	\$199.00	
Phila	Leonard Tillery & Davison	RO	1st	1	3	3 Months	02/13/92	\$624.25	39	6	15	\$624.25	
Phila	Sterling Embossing Inc.	N		1	6	6 Months	02/18/92	\$199.00	12	0	15	\$199.00	\$398.00
Phila	John Waite DDS	RO	1st	1	12	12 Months	02/12/92	\$199.00	12	0	15	\$199.00	
Phila	Insurance Placement Facility	RO	1st	1	3	3 Months	02/18/92	\$324.25	20	4	15	\$324.25	
Phila	US Interstate Commerce Comm.	N		1	3	3 Months	02/26/92	\$1,046.80	48	0	21	\$1,046.80	\$4,187.20
Phila	Golin/Harris Communication	RO	1st	1	3	3 months	02/28/92	\$1,008.40	64	12	15	\$1,008.40	
	SUBTOTAL for FEBRUARY	5(13)						\$15,381.90	825	7	2@21	\$15,381.90	\$17,585.30
Phila	William Penn Foundation	N		1	3	3 Months	03/02/92	\$1,306.00	60	0	21	\$1,306.00	\$5,224.00
Phila	Alexander & Alexander	RO	3rd	1	3	3 Months	03/02/92	\$3,718.00	240	208	15	\$3,718.00	
Phila	Fed. Med. & Concl Serv.	N		1	6	6 Months	03/09/92	\$271.00	12	0	21	\$271.00	\$542.00
Phila	DVRPC	RO	1st	1	3	3 Months	03/09/92	\$2,698.30	174	-18	15	\$2,698.30	
Phila	Lloyd Leith & Sawin, Inc.	N		1	6	6 Months	03/09/92	\$787.60	36	0	21	\$787.60	\$1,575.20
Phila	Hahnemann Anesthesia Assoc., Ltd	N		1	3	3 Months	03/09/92	\$401.50	18	0	21	\$401.50	\$1,606.00
Phila	William Fuhrmeister Ins. Co.	N		1	1	6 Months	03/12/92	\$262.00	16	0	15	\$262.00	\$3,144.00
Phila	A&B Silk Screen Printing Co.	N		1	3	3 Months	03/12/92	\$482.50	30	0	15	\$482.50	\$1,930.00
Phila	Latex Foam Cushioning Co.	N		1	12	12 Months	03/12/92	\$196.00	24	0	7	\$196.00	\$196.00
Phila	Hellyer Schweider & Co., Inc.	N		1	3	3 Months	03/12/92	\$262.00	16	0	15	\$262.00	\$1,048.00
Phila	Langsfeld, Krantz, Kaminsky Assoc.	N		1	12	12 Months	03/12/92	\$445.00	20	0	21	\$445.00	\$445.00
Phila	Center City District	RO	1st	1	6	6 Months	03/17/92	\$9,205.30	601	0	15	\$9,205.30	
Phila	Bennet Bricklin & Saltzburg	RO	1st	1	3	3 Months	03/17/92	\$255.75	33	33	7	\$255.75	
Phila	Bennet Bricklin & Saltzburg	RO	2nd	1	3	3 Months	03/17/92	\$3,217.50	150	0	21	\$3,217.50	
Phila	Alexander & Alexander	RO	4th	1	3	3 Months	03/27/92	\$293.50	18	2	15	\$293.50	
Phila	KSL Enterprises	N		1	3	3 Months	03/30/92	\$214.00	12	0	15	\$214.00	\$856.00
Phila	Provident Mutual Life Insurance	RO	1st	1	3	3 Months	03/30/92	\$6,962.50	450	0	15	\$6,962.50	
	SUBTOTAL for MARCH	10(17)						\$30,978.45	1910	225	2@7,5@21	\$30,978.45	\$16,566.20

NOTES:

N = New Order RO = Reorder

EX = Exchange

SYMBOLS: * Based on 1992 Sales

1992 TransitChek Sales Summary

Local	Name of Company/Agency	Notes	Order No.	Cod	FR	Frequency	Order Date	Order Amt.	# of TransCheks	Change (+/-)	TC Amt.	Amount 1992	Annualized *
Phila	FCB/Lewis Gilman & Kynett, Inc.	N		1	3	3 Months	04/02/92	\$5,030.80	324	0	15	\$5,030.80	\$20,123.20
Phila	Cooper Hospital/UMC **	EX		1	3	3 Months	04/02/92	\$4.50	-	0	7	\$4.50	
Phila	Pardee Resources Co.	N		1	3	3 Months	04/03/92	\$1,003.60	46	0	21	\$1,003.60	\$4,014.40
Phila	Sullivan Payne Co.	RO	2nd	1	3	3 Months	04/06/92	\$1,910.80	88	25	21	\$1,910.80	
Phila	Quick Courier Service	RO	2nd	1	3	3 Months	04/06/92	\$634.00	40	0	15	\$634.00	
Phila	Alexander & Alexander	RO	5th	1	3	3 Months	04/06/92	\$712.00	45	-195	15	\$712.00	
Phila	Fannie Mae	RO	2nd	1	3	3 Months	04/07/92	\$2,342.50	150	0	15	\$2,342.50	
Phila	Central Phila. Development Corp.	N		1	3	3 Months	04/14/92	\$271.00	12	0	21	\$271.00	\$1,084.00
Phila	D'Angelo & Eurrell	N		1	12	12 Months	04/16/92	\$271.00	12	0	21	\$271.00	\$271.00
Phila	Greater Phila. Chamber of Comm.	N		1	3	3 Months	04/20/92	\$199.00	12	0	15	\$199.00	\$796.00
Phila	Alexander & Alexander	RO	5th	1	3	3 Months	04/20/92	\$571.60	36	4	15	\$571.60	
Phila	Federal Highway Administration	N		1	6	6 Months	04/20/92	\$1,954.00	90	0	21	\$1,954.00	\$3,908.00
Phila	Leonard, Tillery & Davison	RO	2nd	1	3	3 Months	04/20/92	\$618.40	39	0	15	\$618.40	
Phila	Abrams Cherwon & Associates	RO	2nd	1	3	3 Months	04/23/92	\$199.00	12	0	15	\$199.00	
Phila	Edward B. Shils PhD	RO	1st	1	3	3 Months	04/24/92	\$514.00	32	0	15	\$514.00	
Phila	John T. Waite DDS	RO	2nd	1	12	12 Months	04/27/92	\$199.00	12	0	15	\$199.00	
Phila	Insurance Placement Fac. of Pa.	RO	1st	1	3	3 Months	04/27/92	\$340.00	21	1	15	\$340.00	
	SUBTOTAL for APRIL	6(17)						\$16,775.20	971	-165	1@7.5@21	\$16,775.20	\$30,196.60
Phila	Segal & Segal	RO	1st	1	3	3 Months	05/04/92	\$388.00	24	0	15	\$388.00	
Phila	Hahnemann Anesthesia	RO	1st	1	3	3 Months	05/11/92	\$401.50	18	0	21	\$401.50	
Phila	Fertility Testing Lab	N		1	3	3 Months	05/15/92	\$271.00	12	0	15	\$271.00	\$1,084.00
Phila	Golin/Harris Communications	RO	1st	1	3	3 Months	05/18/92	\$946.00	60	-4	15	\$946.00	
Phila	William Penn Foundation	RO	1st	1	3	3 Months	05/18/92	\$1,306.00	60	0	21	\$1,306.00	
Phila	Clinton Endocrine Lab, Inc.	N		1	3	3 Months	05/18/92	\$271.00	12	0	21	\$271.00	\$1,084.00
Phila	Phila. Fertility Institute	N		1	3	3 Months	05/18/92	\$1,046.80	48	0	21	\$1,046.80	\$4,187.20
Phila	U.S. Interstate Commerce Comm.	RO	1st	1	3	3 Months	05/18/92	\$787.60	36	-12	21	\$787.60	
Phila	Dr. Bruce B. Zappan	RO	1st	1	6	6 Months	05/21/92	\$199.00	12	0	15	\$199.00	
NJ	General Electric-Camden	N		1	3	3 Months	05/26/92	\$3,486.25	225	0	15	\$3,486.25	\$13,945.00
Phila	DVRPC	RO	2nd	1	3	3 Months	05/26/92	\$3,300.85	213	39	15	\$3,300.85	
Phila	Electronic Data Systems	N		1	3	3 Months	05/26/92	\$4,645.00	300	0	15	\$4,645.00	\$18,580.00
	SUBTOTAL for MAY	5(12)						\$17,049.00	1020	23	5@21	\$17,049.00	\$38,880.20

NOTES:

N = New Order RO = Reorder

SYMBOLS: * Based on 1992 Sales

EX = Exchange ** Remaining Balance: Total order \$1574.50, See December

Location	Name of Company/Agency	1st Order Date	1st Order Amt	# TransChks	Frequency	2nd Order Date	2nd Order Amt	# TransChks	Amount 1991	Annual 1992
Phila	Keystone Life Insurance Company	06/10/91	\$2,441.00	158	6 Months				\$2,441.00	\$4,882.00
Phila	Fannie Mae	06/11/91	\$5,818.75	375	3 Months	10/18/91	\$2,342.50	150	\$8,161.25	\$16,322.50
Phila	Bauman & Deseve	06/18/91	\$946.00	60	6 Months +				\$946.00	\$1,892.00
Phila	Edward Steinberg CPA	06/20/91	\$199.00	12	12 Months =				\$199.00	\$199.00
Phila	Milton & Wolfman Associates	06/21/91	\$199.00	12	12 Months				\$199.00	\$199.00
Phila	Quick Courier Service	06/24/91	\$634.00	40	3 Months	09/19/91	\$634.00	40	\$1,268.00	\$2,536.00
Phila	Phila Commission on Human Relation	07/03/91	\$2,327.50	150	3 Months =				\$2,327.50	\$9,310.00
Phila	Center City District	07/03/91	\$9,205.55	601	6 Months				\$9,205.55	\$18,411.10
Phila	Catarac & Eye Care Service	07/03/91	\$388.00	24	6 Months				\$388.00	\$776.00
Phila	Abrams & Cherwony	07/03/91	\$199.00	12	3 Months	11/21/91	\$214.00	12	\$413.00	\$796.00
Phila	DVRPC	07/05/91	\$2,976.40	192	3 Months	09/09/91	\$2,698.30	174	\$5,674.70	\$11,349.40
Phila	Peruto & Peruto	07/05/91	\$199.00	12	6 Months				\$199.00	\$398.00
Phila	American Board of Internal Medicine	07/10/91	\$1,585.45	101	3 Months	11/12/91	\$1,585.45	101	\$3,170.90	\$6,341.80
Phila	Bennett Bricklin & Saltzburg	08/05/91	\$2,327.50	150	3 Months	10/21/91	\$2,327.50	150	\$4,655.00	\$9,310.00
NJ	R. Louis Gallagher	08/12/91	\$199.00	12	12 Months				\$199.00	\$199.00
Phila	Alexander & Alexander (*)	09/13/91	\$3,733.00	240	3 Months	11/12/91	\$3,718.00	240	\$7,451.00	\$14,932.00
Phila	Insurance Placement Facility	09/19/91	\$277.00	16	3 Months	11/18/91	\$277.00	16	\$554.00	\$1,108.00
Phila	Simon Miller Sales	10/07/91	\$1,008.40	64	6 Months				\$1,008.40	\$2,016.80
Phila	Harris & Drutt	10/15/91	\$262.00	16	12 Months				\$262.00	\$262.00
Phila	Paths Prism	10/17/91	\$388.00	24	6 Months +				\$388.00	\$776.00
Phila	Alexander & Alexander (*)	10/18/91	\$514.00	32	3 Months	12/13/91	\$712.00	45	\$1,226.00	\$2,452.00
Phila	Sullivan Payne Company	10/28/91	\$946.00	60	3 Months				\$946.00	\$3,784.00
Phila	U. S. Federal Prison System	10/28/91	\$1,678.60	168	3 Months				\$1,678.60	\$6,714.40
Phila	U. S. Federal Prison System *	11/13/91	\$214.00	12	3 Months				\$214.00	\$856.00
Phila	Larry McGargal	10/10/91	Canceled **						\$0.00	\$0.00
DE	Living Letters Studio	11/01/91	\$199.00	12	3 Months				\$199.00	\$796.00
Phila	Edward B. Shils	11/18/91	\$514.00	32	6 Months				\$514.00	\$1,028.00
Phila	Swenson & Associates	11/25/91	\$561.25	35	3 Months				\$561.25	\$2,245.00
Phila	National Board of Medical Examiners	11/25/91	\$9,955.00	650	12 Months				\$9,955.00	\$9,955.00
NJ	Cooper Hospital	12/13/91	\$1,570.00	100	3 Months				\$1,570.00	\$6,280.00
Phila	John D. Waite DDS	12/13/91	\$199.00	12	3 Months				\$199.00	\$796.00
Phila	Institute for Coop-in Environment	12/16/91	\$293.50	18	12 Months				\$293.50	\$293.50
Phila	Leonard Tilling & Davison	12/16/91	\$529.75	33	3 Months				\$529.75	\$2,119.00
Phila	Golin/Harris Communications, Inc.	12/16/91	\$821.20	52	3 Months				\$821.20	\$3,284.80
Phila	Dr. Bruce Zappan	12/20/91	\$199.00	12	6 Months				\$199.00	\$398.00
Phila	Citizen Coalition for Energy Eff.	12/23/91	\$340.00	21	3 Months				\$340.00	\$1,360.00
Phila	West Philadelphia Electric Company	12/23/91	\$1,055.20	67	6 Months				\$1,055.20	\$2,110.40
Phila	Tri-County Regional Planning Comm.	12/26/91	\$199.00	12	3 Months				\$199.00	\$796.00
Phila	Quick Courier Service (@)					12/27/91	\$634.00	40	\$634.00	\$0.00
Phila	DVRPC (@)					11/22/91	\$2,698.30	174	\$2,698.30	\$0.00
TOTAL									\$55,102.05	\$55,102.05
									3599	1142
									\$72,943.10	\$147,284.70

* Ordered Add. Checks for 1st Dis.

** Due to Unavail. \$21 TransChks

+ Assumption

= Payment Received 8/5/91

= = Payment Received 8/27/91

(@) Third Order

(*) Individual branches of one Firm

Appendix V

DELAWARE VALLEY TRANSIT CHECK
REVENUES & EXPENDITURES

DELAWARE VALLEY TRANSIT CHECK SUMMARY OF PROPOSED REVENUES FOR FYs 1991, 1992 AND 1993

	FY'91		FY'92*		FY'93*	
	CASH	NON-CASH	TOTAL**	CASH	NON-CASH	TOTAL
SEPTA	70,000	15,000	85,000	77,000*	20,000	97,000
NJT	25,000	10,000	35,000	27,500*	15,000	42,500
PATCO	25,000	10,000	35,000	27,500*	15,000	42,500
AMTRAK	-	5,000	5,000	5,500*	10,000	15,500
PENNDOT	20,000	5,000	25,000	20,000	-	20,000
NJDOT	10,000	2,500	12,500	10,000	-	10,000
DART	11,000	5,000	16,000	16,500*	10,000	26,500
MISC.***	10,000	-	10,000	15,000	-	15,000
TOTAL \$	171,000	52,500	223,500	198,000	70,000	269,000
				219,500****	55,000	274,500

* 10% INCREASE OF CASH ESTIMATED FOR TRANSIT OPERATORS PARTICIPATING IN THE FY'91 AND FY'92 PROGRAMS

** BROADLY BASED ON 1988 RIDERSHIP ESTIMATES -- TO BE REFINED BY OPERATORS IF NECESSARY

*** MISCELLANEOUS SOURCES OF FUNDING INCLUDE: EMPLOYER ASSOCIATIONS/SERVICE ORGANIZATIONS FOR EMPLOYMENT TRAINING,
PRIVATE OPERATORS, GRANTS/PROPOSALS, AND INTERNAL REVENUES

**** THE DVTG PROGRAM WILL ENJOY A STABLE FUNDING LEVEL BY THE THIRD YEAR OF OPERATION.
(2)

DELAWARE VALLEY TRANSIT CHECK SUMMARY OF PROPOSED EXPENDITURES FOR FISCAL YEAR 1991

TOTAL ESTIMATED BUDGET: \$221,000 = \$171,000 CASH and \$52,500 NON-CASH SERVICES

1. PROGRAM ADMINISTRATION ■ DVRPC

BUDGET: \$8,000 CASH

TASKS:

- CONTRACTS
- GRANTS
- WORK PROGRAM & BUDGET CONTROL

2. PROGRAM OPERATIONS ■ DVRPC

**BUDGET:\$45,500 CASH
\$12,500 NON-CASH**

TASKS:

- EMPLOYER SALES MEETINGS
- CUSTOMER SERVICE TO COMPANIES & EMPLOYEES
- COORDINATION WITH PRIVATE SECTOR ORGANIZATIONS
- PROGRAM TASKS (i.e.PROGRAM EXPANSION)
- POLICY COMMITTEE PROCESS
- INTERFACE WITH FULFILLMENT PROCESSOR
- COORDINATION WITH OPERATORS
- PROGRAM MONITORING

3. PROGRAM FULFILLMENT ■ CONSULTANT

BUDGET:\$25,000 CASH

TASKS:

- FILLING ORDERS
- BILLING
- FINANCIAL MONITORING
- USAGE REPORTS
- CUSTOMER COMMUNICATIONS

4. MARKETING

& ADVERTISING ■ CONSULTANT

**BUDGET:\$92,500 CASH
\$40,000 NON-CASH**

TASKS:

- MARKET ANALYSIS
- PROMOTIONAL DESIGN: DIRECT MAIL, ADVERTISING,
POSTERS, BROCHURES, FOLDERS, STATIONARY,
ORDER FORMS
- PUBLIC RELATIONS CAMPAIGN
- PROMOTIONAL CAMPAIGN TO IMPLEMENT PROGRAM
TARGETED TO EMPLOYERS AND EMPLOYEES
- PRESENTATIONS TO EMPLOYERS AND BUSINESS GROUPS
- PROMOTION TO EMPLOYEES AND ASSOCIATIONS

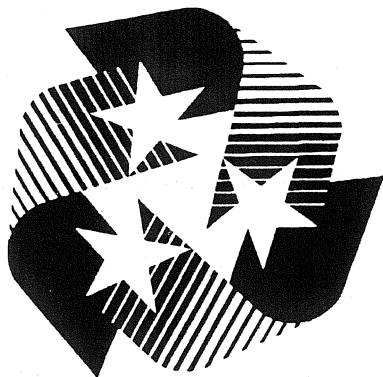
DISTRIBUTION OF REVENUE BY PROGRAM AREA

	<u>CASH</u>	<u>NON-CASH</u>
CONSULTANT: MARKETING & FULFILLMENT	\$117,500	\$ 40,000
DVRPC: ADMINISTRATION & OPERATIONS	\$ 53,500	\$ 12,500
TOTAL:	\$171,000	\$ 52,500

DELAWARE VALLEY TRANSIT CHECK FISCAL YEARS 1991, 1992 AND 1993

<u>Participants</u>	<u>Initial Response to Funding Level</u>	<u>Response to Multi- Year Participation</u>
SEPTA	YES	YES 3 YEARS
NJTRANSIT	YES	YES ONGOING
PATCO	YES	YES 3 YEARS
AMTRAK	YES	YES UNSPECIFIED
PENNDOT	YES	YES 3 YEARS
NJDOT	YES	YES UNSPECIFIED
DART	YES	YES 5 YEARS

Appendix VI



THE SMART KIT:

A Guide to Bringing TransitChek® to Your Company

The Smart Kit has been prepared for your use in estimating the costs, as well as the range of benefits & savings of implementing the Commuter Benefit Program.

With this kit you cannot estimate the total tax savings as a result of your company's tax write-off of the costs; an additional accounting analysis is, therefore, recommended.

Your comments on The Smart Kit would be helpful.

Contact Rita Dommermuth, Marketing
Manager

215-592-1800 or 800-355-5000

DVRPC, The Bourse Bldg., 21 South 5th St., Philadelphia, PA 19106
April 1992

The Smart Kit: A Guide to Bringing TransitChek® to Your Company

Commuting costs are an ever-greater concern for your employees, and they play a significant role in their job satisfaction.

When you use TransitChek, you offer your employees a benefit that's of real value to them, day in and day out. At the same time, you reduce the tax burden on your employees and on your company.

But there's another benefit to the program as well. Every dollar invested in the program helps strengthen our region's mass transit systems. That reduces air pollution, conserves energy and eases overcrowding on our highways. What's more, investing in mass transit is good for everyone's business: a recent study found that investments in mass transit yields a ninefold return to our local economy.

This kit will help you determine whether TransitChek is right for your company. The enclosed materials will help you:

- o Determine who within your company will use the benefit
- o Estimate the costs of the program
- o Estimate the tax savings to employees
- o Estimate the tax savings to the company
- o Customize the program for your company

If you'd like our assistance in designing a plan or determining program costs and benefits, simply give us a call at 215-592-1800 or 1-800-355-5000. We'll be happy to work with you by telephone or set up an appointment to meet with you.

DESIGNING A PROGRAM TO MEET YOUR NEEDS

The step-by-step instructions that follow will help you design a TransitChek program for your company.

For planning purposes, we recommend that you start with two assumptions:

1. You will offer the program to any employee who uses mass transit.
2. You will offer the maximum benefit of \$21 per month.

These two assumptions yield the largest tax savings for your company and employees, and reduce administrative costs relative to the value of the program. Of course, it also requires the largest outlay from your company. After completing the estimate, we'll show you ways you can tailor your TransitChek benefit to match your employees' commuting practices and your company's budget.

STEP 1: FIND OUT WHAT YOUR EMPLOYEES THINK ABOUT THE PROGRAM

To find out whether TransitChek is a benefit that your employees will use and value, begin with an employee survey. You can use the survey form enclosed in this kit or design your own.

Tabulate the results below:

No. of interested employees: _____

No. of employees who commute: _____

Systems used:

System	No. of employees
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

No. of employees who would consider commuting if the benefit were offered: _____

SAMPLE EMPLOYEE SURVEY FORM

Adapt this memorandum to survey your employees' commuting habits.

MEMORANDUM

Date:

From:

To: All Employees

Subject: Commuter Habits

We're interested in getting some information from you on how you get to work. This information will be used to evaluate potential new programs at (name of company).

Please return this questionnaire to _____ by _____.

Thank you for your cooperation.

EMPLOYEE NAME: _____

1. Do you take public transportation to work? _____ YES _____ NO

2. If YES, please check which of the following public transportation providers you use:

☐ AMTRAK

☐ CAPITOL TRAILWAYS

☐ NJ TRANSIT

☐ BIEBER TOURWAYS

☐ PATCO

☐ PHIL-CAMDEN FERRY

☐ SEPTA

☐ DART (Delaware)

☐ OTHER: _____

3. If NO, would you consider using public transportation if your fare were discounted?

_____ YES

_____ NO

ADDITIONAL COMMENTS: _____

STEP 2: ESTIMATE PROGRAM COSTS

A. Determine who will participate. Using the survey results, estimate how many employees will participate in the program. Write that number below on line 1:

1. NO. OF PARTICIPATING EMPLOYEES > _____

B. Determine the cost of the vouchers. The following table shows you the cost per year for each employee, at the three benefit levels:

TABLE 1. Annual costs per employee

Program Option	Annual Cost per Employee
\$7 per month	\$84
\$15 per month	\$180
\$21 per month	\$252

Choose the annual cost per employee for the benefit level you will be offering and enter it on line 2:

2. ANNUAL COST PER EMPLOYEE > _____

C. Determine the base cost of the program. To calculate the base cost of the program, multiply line 1 and line 2:

$$\begin{array}{rcl} \text{_____} & \times & \text{_____} \\ \text{no. of participating} & \text{annual cost per employee} & \\ \text{employees (line 1)} & \text{(line 2)} & \end{array} =$$

3. BASE COST > _____

D. Estimate the processing fee. The processing fee depends on the size of your order, as the following chart shows. Larger shipments reduce costs, so for smaller companies it's usually most cost-effective to order a year's supply at once.

To estimate the total processing fee, first calculate how many checks you will need every year:

$$\begin{array}{rcl} \text{_____} & \times & 12 \text{ (months)} \\ \text{no. of employees} & & \\ \text{(line 1)} & & \end{array} =$$

4. NO. OF CHECKS PER YEAR > _____

Now consult the chart on the next page to determine the processing fee:

TABLE 2. Processing fees

Total No. of Checks in Shipment	Processing Fee per Check
601 or more	.30
101 - 600	.45
36 - 100	.60
12 - 35	.75

Multiply the appropriate fee by the number of checks per year (line 4) to determine the processing costs per year:

$$\frac{\text{no. of checks per year}}{\text{(line 4)}} \times \frac{\text{processing fee}}{\text{per check (from Table 2)}} =$$

5. YEARLY PROCESSING COSTS > _____

E. Determine total program costs for your company. To calculate the total costs, add lines 3 and 5:

$$\frac{\text{base cost (line 3)}}{\text{base cost (line 3)}} + \frac{\text{processing costs (line 5)}}{\text{processing costs (line 5)}}$$

6. ANNUAL PROGRAM COST > _____

(Also refer to page 11: "Costs at a Glance")

STEP 3: ESTIMATING PROGRAM BENEFITS

Next, estimate the benefits that will accrue to your employees and your company.

A. Calculate the commuting benefit to the employees. The direct benefit--the cash savings that employees will realize on their commuting expenses--is simply the number of employees multiplied by the annual value of the vouchers. It's the same as the "base cost" on line 3, above.

7. COMMUTING BENEFIT TO EMPLOYEES > _____

B. Calculate the tax savings to employees. The TransitChek benefit isn't subject to payroll taxes. The tax savings depends on each employee's tax bracket and the level of benefit that is offered. The greatest tax savings come when the \$21 benefit is offered and eligibility is open to all employees.

For estimating purposes, assume a 28% tax bracket for all participating employees. The tax savings will be greater than that figure, however, because employees also avoid paying FICA (Social Security and Medicare) taxes on the benefit. The FICA rate is 7.65% for employees earning up to \$55,500. Therefore, the total tax savings rate for employees in 28% bracket with earnings up to \$55,500 is

$$28\% + 7.65\% = 35.65\%$$

To estimate the tax savings to employees, multiply line 7 by 35.65 percent:

$$\frac{\text{Direct benefit (line 7)}}{\quad} \times .3565 =$$

8. TAX SAVINGS TO EMPLOYEES > _____

C. Calculate the tax savings to the company. For each employee, an employer must pay 7.65 percent on earnings up to \$55,500.

Those same dollars provided through the TransitChek program aren't taxable.

To estimate the tax savings for the company, multiply line 7 by 7.65 percent:

$$\frac{\text{Direct benefit (line 7)}}{\quad} \times .0765 =$$

(The tax savings to the employer may actually be greater than this estimate because the program costs can be deducted as a business expense, thereby reducing corporate taxes. These savings--which may be substantial--will depend on factors unique to your company, so they are not included in this analysis. If you wish, you may obtain an estimate of these savings from your accounting department or tax advisor and incorporate them on line 9.)

9. TAX SAVINGS TO EMPLOYER > _____

D. Estimate the total program benefit: To calculate the total program benefit, add lines 7, 8, and 9:

Direct benefit (line 7): _____

+

Employee tax savings (line 8): _____

+

Employer tax savings (line 9): _____

=

10. TOTAL PROGRAM BENEFIT > _____

The actual savings will vary, depending on how many employees fall into various tax brackets. The savings will be greater for employees in higher brackets and lower for those lower brackets.

STEP 4: ESTIMATE THE NET ANNUAL BENEFIT

To estimate the net annual benefit for employees and employer, subtract the program costs (line 6) from the total program benefit:

$$\frac{\text{total program benefit (line 10)}}{\text{total program benefit (line 10)}} - \frac{\text{program costs (line 6)}}{\text{program costs (line 6)}} =$$

11. NET ANNUAL BENEFIT > _____

STEP 5: SUMMARIZE THE RESULTS

This step-by-step approach gives you all the information you need to determine the costs and benefits for implementing the TransitChek commuter benefit at your company. Complete this worksheet to summarize the information at a glance:

1. Benefit level per employee: \$_____/month
2. No. of participants (line 1): _____
3. Commuting benefit to employees (line 7): \$_____
4. Employee tax savings (line 8) \$_____
5. Employer tax savings (line 9): \$_____
6. Annual program benefit (line 10): \$_____
7. Annual program costs (line 6): \$_____
8. NET PROGRAM BENEFIT (line 11): \$_____

TAILORING TRANSIT CHEK TO MEET YOUR NEEDS

To maximize the tax benefits, many companies simply offer each employee the maximum monthly TransitChek benefit of \$21. If you wish, however, you can restrict the program in either of two ways:

- o You can offer a smaller benefit
- o You can restrict eligibility

Offering a smaller benefit

With the TransitChek commuter benefit program, you set the level of the benefit. And unlike other kinds of benefits, you control the cost at all times. You won't be hit with unexpected increases in program costs.

To reduce program costs, you can offer a more modest benefit. (Some companies begin with a smaller benefit and increase it as they gain experience with the program.) TransitChek vouchers are available in three denominations: \$7, \$15 and \$21. The maximum tax-free amount you can offer is \$21 a month.

Restricting eligibility

Some companies, for example, ask employees to certify that they use mass transit before receiving the benefit. (The survey can help you identify who uses mass transit and who doesn't.) Others let employees choose between TransitChek and other benefits.

Or you can limit TransitChek to certain employees, based on income levels, exempt/nonexempt status, job description and so on. Some companies find that TransitChek is an ideal benefit for clerical and support staff who aren't eligible for management-level perks such as a company parking space. In fact, you can tailor the program almost any way you wish, as long as you don't discriminate on the basis of race, sex, religion or disability, or favor highly compensated employees.

To determine program costs and benefits of various options, complete steps 1 through 5, above, inserting the appropriate figures for the level of benefits and number of employees. (We've provided a second copy of the worksheets for your convenience).

Other options

You can customize the program in other ways as well. You can combine it with other transit programs, such as SEPTA's Compass program. Or you can offer it as part of a cafeteria plan. You can offer higher benefit levels (up to the maximum of \$21 per month) to select employees--for example, as part of an incentive plan or employee-recognition program.

Under IRS rules, you cannot require a copayment by employees for the benefit.

If you'd like to explore other ways to implement the TransitChek, just give us a call. We'll be glad to work with you.

Costs at a Glance

Sample costs for the three TransitChek denominations are figured below for each quarter and for the year for 50 participating employees:

Employees in Program	Order Size	Denomination	Base Price*	Quarterly Cost	Annual Cost
50	150 vouchers for 3 months	\$ 21.00	\$ 21.45	3,217.50	12,870.-
50	150 for 3 months	\$ 15.00	\$ 15.45	2,317.50	9,180.-
50	150 for 3 months	\$ 7.00	\$ 7.45	1,117.50	4,470.-

* The base price is figured as follows:

\$.30 per TransitChek when ordering 601 or more.

\$.45 per TransitChek when ordering between 101 and 600.

\$.60 per TransitChek when ordering between 36 and 100.

\$.75 per TransitChek when ordering between 12 and 35.

The minimum number of TransitCheks per shipment is 12.

Add \$10 per order for shipping/handling.

Allow 2 weeks for processing/shipping.

Make your own costs comparisons:

Employees in Program	Order Size	Denomination	Base Price	Quarterly Cost	Annual Cost

RECORD KEEPING AND THE IRS

IRS regulations covering the TransitChek program are found in paragraph 1.132-65 of the Internal Revenue Code. Temporary regulations implementing the provision were published in the Federal Register on December 23, 1985. Final regulations for revised the \$21 limit appeared in the Federal Register on January 16, 1992, Vol. 57, No. 11, Section CFR Part 1.

The tax consequences of the program are straightforward:

- o The benefit is considered a de minimis fringe benefit under IRS rules--of such small value as to make accounting for it unreasonable or administratively impracticable. The de minimis rule puts TransitChek vouchers in the same category as free coffee and use of the company copier.
- o The subsidy does not appear on the employee's pay stub or W-2 form. The employee is not required to show the TransitChek subsidy on his or her federal income tax. The employer deducts the cost of the program as an ordinary business expense.

