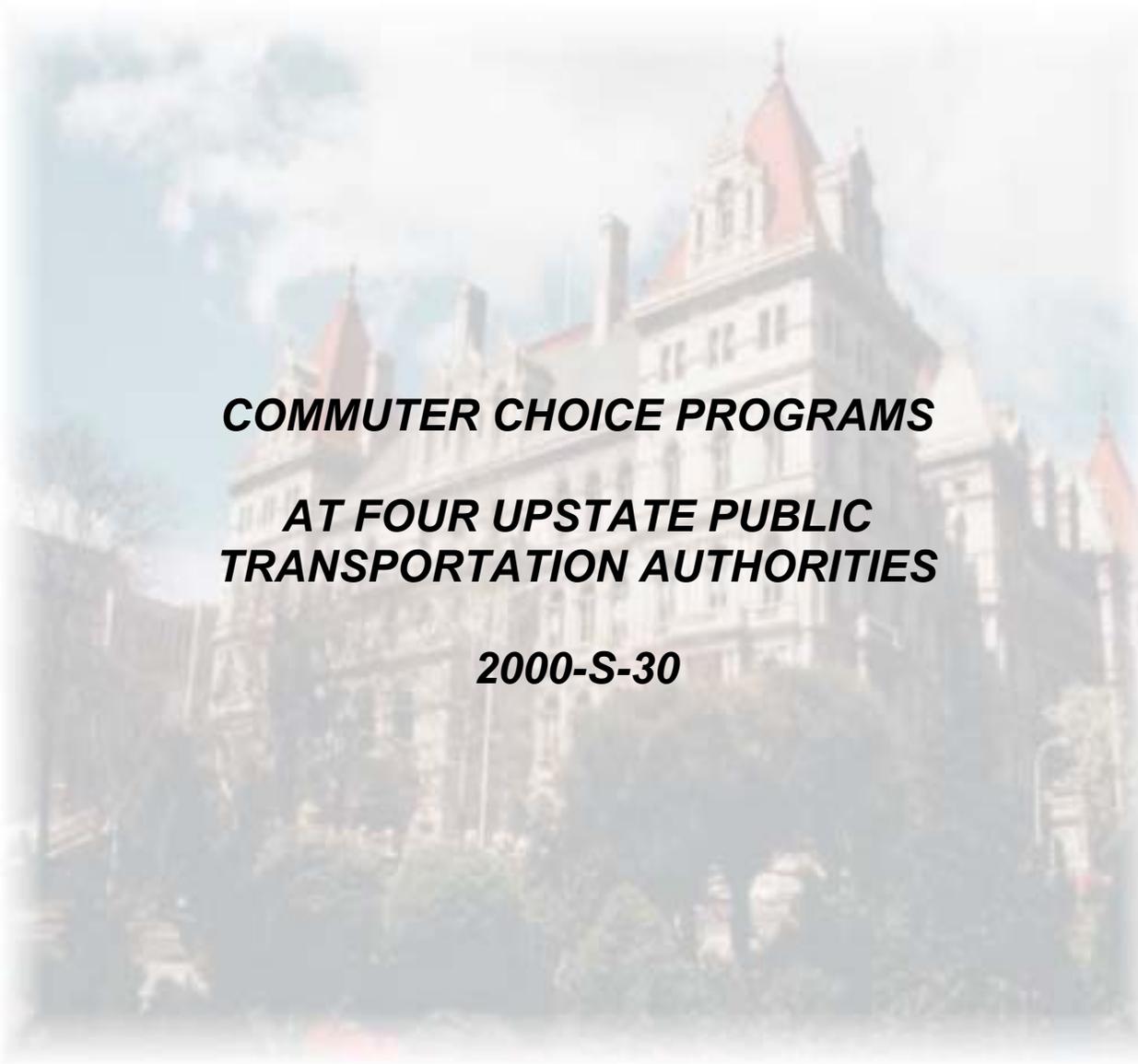


# ***NEW YORK STATE OFFICE OF THE STATE COMPTROLLER***

---

**H. Carl McCall  
STATE COMPTROLLER**



***COMMUTER CHOICE PROGRAMS  
AT FOUR UPSTATE PUBLIC  
TRANSPORTATION AUTHORITIES***

***2000-S-30***

---

**DIVISION OF MANAGEMENT AUDIT AND  
STATE FINANCIAL SERVICES**

OSC Management Audit reports can be accessed via the OSC Web Page:

<http://www.osc.state.ny.us>

If you wish your name to be deleted from our mailing list or if your address has

changed,

contact the Management Audit Group at (518) 474-3271

or at the

Office of the State Comptroller

110 State Street

11<sup>th</sup> Floor

Albany, NY 12236



**H. Carl McCall**  
**STATE COMPTROLLER**

**Report 2000-S-30**

Mr. David Stackrow  
Chairman  
Capital District Transportation Authority  
110 Watervliet Avenue  
Albany, NY 12206

Mr. Vincent A. Cook  
Chairman  
Central New York Regional  
Transportation Authority  
200 Cortland Avenue  
Syracuse, NY 13205-0820

Mr. William Nojay  
Chairman  
Rochester-Genesee Regional  
Transportation Authority  
1372 East Main Street  
P. O. Box 90629  
Rochester, NY 14609

Mr. Luiz F. Kahl  
Chairman  
Niagara Frontier Transportation  
Authority  
181 Ellicott Street  
Buffalo, NY 14203

Gentlemen:

The following is our audit report on the effectiveness of Commuter Choice Programs at the Capital District Transportation Authority, the Central New York Regional Transportation Authority, the Rochester-Genesee Regional Transportation Authority and the Niagara Frontier Transportation Authority.

This audit was performed pursuant to the State Comptroller's authority as set forth in Article X, Section 5 of the State Constitution. Major contributors to this audit report are listed in Appendix A.

*Office of the State Comptroller*  
*Division of Management Audit*  
*and State Financial Services*

December 17, 2002

**Division of Management Audit and State Financial Services**

110 STATE STREET ♦ ALBANY, NEW YORK 12236  
123 WILLIAM STREET ♦ NEW YORK, NEW YORK 10038

---

---

## **EXECUTIVE SUMMARY**

### **COMMUTER CHOICE PROGRAMS AT FOUR UPSTATE PUBLIC TRANSPORTATION AUTHORITIES**

---

---

#### **SCOPE OF AUDIT**

To reduce air pollution, traffic congestion and energy use, the United States Congress established tax incentives providing employers and employees, who participate in programs that promote the use of mass transit, ways to get tax savings in association with commuting to work. These tax incentives, defined as qualified transportation fringe benefits and commonly referred to as Commuter Choice Programs (Programs), are intended to reduce employee commuting costs and the incidence of employees driving single-occupancy vehicles to work. First introduced in 1984, the fringe benefits employees receive can now equal up to \$100 per month for mass transit passes or up to \$180 per month for eligible parking. Employers who pay fringe benefits receive an equivalent deduction from their business income taxes. Employees receive the fringe benefit free of all taxes.

While certain Federal agencies are required to offer these fringe benefits to their employees, no Federal or New York State law requires other employers in the public or private sectors to offer these benefits. Thus, employers provide such benefits on a voluntary basis. Four upstate New York Public Transportation Authorities (the Capital District Transportation Authority, the Central New York Regional Transportation Authority, the Rochester-Genesee Regional Transportation Authority and the Niagara Frontier Transportation Authority) have all encouraged employers to enroll in Programs whereby their employees can either receive mass transit passes as a fringe benefit or buy them on a pre-tax basis. In September 2001, these Authorities' records showed that 222 employers and 5,384 employees were participating in the Programs. Authorities receive no State funds to implement these Programs.

For the period January 1, 1998 through September 30, 2001, we addressed the following questions about the effectiveness of Authorities' Commuter Choice Programs:

- Do Commuter Choice Programs increase ridership?
- Do the Authorities use performance measures to track Program progress?
- Are Authorities effectively marketing their Programs?

---

---

## **AUDIT OBSERVATIONS AND CONCLUSIONS**

**W**hile there have been modest increases in ridership at all the Authorities during our audit period, Authorities do not know how much their Programs have contributed to the increase. Authorities have not set ridership goals for their Programs, developed methods to measure Program-related increases or collected data about changes in employees' use of mass transit as a result of their Programs. We also found the Authorities need to enhance their efforts to market their Programs with employers.

To determine the extent to which Programs encourage the use of mass transit, the Authorities should track Program-related increases in ridership. Authorities should also set specific, measurable goals for their Programs and establish performance measures to help gauge their progress in meeting the goals. We found the Authorities do not track Program-related increases in ridership, set specific Program goals and performance measures or collect complete and reliable data needed to assess the Program's impact. For example, Authorities do not track the number of employees who participate in their Programs, or determine whether their Programs change commuting practices by attracting new riders, encouraging more trips on mass transit, or influencing riders to continue using mass transit. We recommend the Authorities establish performance targets and develop procedures for collecting reliable Program-related data that will be used to quantify the Programs' impact on ridership. (See pp. 9-18)

We concluded that Authorities should enhance the marketing of their Programs. After mailing brochures about their Programs to employers, Authorities do not follow up with employers to actively solicit their enrollment. Further, Authorities do not document which employers have received materials and why some employers reject the Program. Our own survey of 549 non-enrolled employers in the counties where the Authorities are located found that 61 of 86 respondents had not heard of the Authorities' Programs. We recommend that Authorities do regular follow up with employers who are prospective enrollees, and that they record the contacts made. Authorities should also document, and work to address, employers' stated reasons for rejecting enrollment in their Programs. (See pp. 21-27)

---

---

## **COMMENTS OF AUTHORITIES OFFICIALS**

**A** draft copy of this report was provided to officials at each of the four Authorities for their review and comment. The comments from the Capital District Transportation Authority, the Central New York Regional Transportation Authority, and the Niagara Frontier Transportation Authority have been considered in preparing this final report, and are included as Appendix B. The Rochester-Genesee Regional Transportation Authority chose not respond to the draft report.

# CONTENTS

---

## ***Introduction***

---

Background	1
Audit Scope, Objectives and Methodology	5
Comments of Authorities Officials to Audit	6

## ***Performance Measurement***

---

Performance Measurement by Authorities	10
Ridership Reports	10
Program Enrollment and Sales Data	11
Buffalo Authority Survey	13
Survey of Enrolled Employers	14
Performance Measurement By Other Entities	15
Recommendations	18

## ***Marketing Efforts***

---

Marketing Methods Used	21
Documentation of Marketing Efforts	23
Survey of Local Employers	24
Recommendations	27

## ***Exhibit A***

---

Response to Survey of Enrolled Employers

## ***Exhibit B***

---

Response to Survey of Non-Enrolled Employers

## ***Appendix A***

---

Major Contributors to This Report

## ***Appendix B***

---

Response of Authorities Officials

---

# INTRODUCTION

---

## Background

In an effort to reduce air pollution, traffic congestion and energy use, the United States Congress has established tax incentives giving employers and employees ways to get tax savings in association with commuting to work. These provisions are contained in Section 132(f) of the Internal Revenue Code. These tax incentives are defined as qualified transportation fringe benefits (fringe benefits) and commonly referred to as Commuter Choice Programs (Programs). These fringe benefits are intended to reduce employee commuting costs and the incidence of single-occupancy vehicles. According to the Federal Environmental Protection Agency, this reduction in vehicle miles traveled will in turn improve air quality, reduce traffic congestion and conserve energy. These fringe benefits can also help mass transit providers compete with free or low-cost parking for commuters. This in turn can result in increased ridership and fare revenue.

Fringe benefits were introduced with the Deficit Reduction Act of 1984, which created a tax-free non-cash fringe benefit for employees that could not exceed \$15 per month. The Comprehensive National Energy Policy Act of 1992 allowed employers to offer tax-free fringe benefits to employees in addition to compensation with a maximum value of \$60 per month for mass transit passes (transit benefits) and \$155 per month for eligible parking (parking benefits), subject to inflation. Eligible parking is parking at or near the place of employment or in an area from which the employee can commute using public or private (e.g., vanpool) mass transportation. The Taxpayer Relief Act of 1997 allowed parking benefits to be provided in lieu of (rather than in addition to) compensation. The Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), enacted in October 1998, increased the maximum value for transit benefits and eligible parking benefits paid in lieu of compensation to \$65 and \$175 per month, respectively, subject to an inflation adjustment and allowed employers to also provide transit benefits in lieu of compensation. Beginning January 1, 2002, employers were allowed to give their employees up to \$100 per month in transit benefits and up to \$180 per month for eligible parking. Employers pay for the fringe benefit and receive an equivalent

deduction from their business income taxes. Employees receive the fringe benefit free of all income, Social Security and Medicare taxes.

Rather than provide employees with transit and parking benefits, employers permit employees to set aside, on a monthly basis, the same amounts of pre-tax income to pay for transit, eligible vanpool, and eligible parking. Employees save on income, Social Security and Medicare taxes on the amount of the fringe benefit they purchase, because that amount is no longer treated or reported as taxable salary. Employers' payroll costs are reduced, as payroll taxes do not apply to the amount set aside, which is regarded as a benefit. According to a brochure published by the Niagara Frontier Transportation Authority, using pre-tax dollars to buy a monthly bus pass can save employees up to 30 percent, depending on their tax bracket, off the regular cost of the bus pass.

TEA-21 also allows employers to provide a parking cash out program, whereby employees may choose to forego employer-provided parking and receive either the taxable cash value of the parking or a tax-free transit or eligible vanpool benefit of up to \$100 per month. The employer transfers its expenditure for the parking space, assuming it is leased, to a direct payment to the employee and incurs payroll tax only on the cash value provided. The additional compensation allows the employee to finance other commuting modes that are not considered fringe benefits, such as walking, bicycling, or carpooling. Reducing employee demand for parking can free up parking spaces for customers, reduce the demand for parking or permit space that can be used for other purposes.

On April 21, 2000, President Clinton issued Executive Order 13150, which required that all Federal employees in the National Capital Region receive transit benefits equal to their commuting costs, not to exceed the maximum amount allowed by the law. In addition, the Executive Order required that all Federal employees outside the National Capital Region be allowed to reduce their pre-tax income by the maximum amount allowable for transit or vanpool expenses no later than October 1, 2000. The Executive Order also created a Nationwide Pilot Program (Pilot), in which all employees of the Departments of Transportation and Energy and the Environmental Protection Agency nationwide would receive the maximum allowable transit benefit equal to their commuting costs. This Pilot began

October 1, 2000 and will last for three years. Upon completion, the Pilot will be analyzed to ascertain, among other things, if it reduced single-occupancy vehicle travel and local area traffic congestion. Results will help determine whether the transit benefits will be offered to other Federal employees nationwide.

While Federal agencies in the National Capital Region are required to offer these transit benefits to their employees, neither the Federal nor New York State governments have required other employers in the public or private sectors to offer these benefits. Thus, these employers provide transit benefits on a voluntary basis. In the 2000-01 New York State budget, Governor Pataki proposed a new transit initiative to reduce commuting costs for State employees and to stimulate ridership for transit systems. The initiative allows State employees to use up to \$65 of their pre-tax monthly income to pay for transit or mass transportation expenses. A committee is evaluating the provision of qualified transportation fringe benefits to State employees, but no proposal has been developed.

Even though employers are not required to offer transit benefits to their employees, the Capital District Transportation Authority (Albany), the Central New York Regional Transportation Authority (Syracuse), the Rochester-Genesee Regional Transportation Authority (Rochester), and the Niagara Frontier Transportation Authority (Buffalo) have all encouraged employers in their service areas to enroll in the Programs, whereby their employees can receive transit benefits as a fringe benefit or as a pre-tax payroll deduction. Enrolled employers simply purchase the Authority's regular fare media, generally monthly bus passes, and distribute these bus passes to their employees. The employees use these bus passes to pay their bus fare.

Each of these Authorities provides fixed route public bus service and paratransit bus service within its service area. The Buffalo authority also provides light rail service within downtown Buffalo. These Authorities market their own Programs, which were established during the 1990s under the following names: Albany's Swiper Corporate (April 1994); Syracuse's Fare Deal (April 1996); Rochester's Employer Support (April 1995); and Buffalo's Greenback Plan (April 2000). Prior to implementing the Greenback Plan, Buffalo accepted *CommuterChecks*,<sup>®</sup> which are checks issued to employers by a private company for the purchase of fare media for use on the Authority's buses and

light rail. *CommuterCheks*,® are still in use, according to Buffalo officials, but on a limited basis in the Buffalo area. Records provided by the Authorities, show that in September 2001, 222 employers were enrolled in the Programs, and 5,384 employees were participating. None of the Authorities has received any technical assistance or funding from any State agency to implement their Programs.

It is important to note that the employees participating in these Programs may not receive transit benefits as defined by the tax law. For example, an employee in Albany's Program who purchases discounted bus passes through his or her employer, but who does not receive the passes as a fringe benefit or purchase them with pre-tax payroll deductions, does not receive the benefits established by the tax law. Nevertheless, the employee pays less for transportation, and the employer can still achieve the transit benefit goals by moving commuting employees from single-occupancy vehicles to mass transit. In addition, certain local social services districts (districts) purchase mass transit passes for their clients to use in Welfare-to-Work programs. These clients are employed or attend training/education classes to prepare them for work. Thus, they are commuting by mass transit, which the Programs promote, and increasing bus ridership, which the Authorities want to achieve. However, neither they nor the districts are receiving transit benefits as defined in the tax law.

According to published employment data, the areas served by the four Authorities had a total of about 1,931,700 payroll jobs in September 2001: 464,200 in Albany; 356,900 in Syracuse; 553,000 in Rochester; and 557,600 in Buffalo. Data is not available to identify the size of the market for these Authorities' Programs. However, the market for the Programs is likely to be considerably less than the job market for a variety of reasons, including a worksite's inaccessibility by available transit service, employees' need to use their cars to perform work duties, and work hours that do not coincide with transit schedules. However, even if only 96,585 (5 percent of 1,931,700 jobs) employees in these areas are likely Program participants, the market for these Programs is far from saturated, since only 5,384 employees were participating in September 2001.

---

---

## ***Audit Scope, Objectives and Methodology***

**W**e audited Albany's Swiper Corporate Program, Syracuse's Fare Deal Program, Rochester's Employer Support Program, and Buffalo's Greenback Plan for the period January 1, 1998 through September 30, 2001. The objectives of our performance audit were to determine whether these Programs increased ridership, whether the Authorities use performance measures to track Program progress, and whether the Authorities effectively market their Programs.

To accomplish our objectives, we interviewed officials at the four Authorities, reviewed Program enrollment data and Program sales reports and reviewed passenger ridership statistical reports. We also contacted officials from the Federal Transit Administration, the U. S. General Accounting Office (GAO), the U. S. General Services Administration, the U. S. Office of Inspector General, the New York Public Transit Association, and the New York State Departments of Transportation and Environmental Conservation. Further, we contacted 11 public transit providers in other states, 5 transportation-planning organizations, and 3 Commuter Choice administrators to determine how they evaluate their Commuter Choice Programs. We reviewed various studies prepared by four public transit providers in other states, one transportation planning organization, two Commuter Choice administrators, the GAO, and the U.S. Office of Inspector General to identify the methodology used to measure program results and to identify the reported studies' findings. We sent a questionnaire to the 213 employers enrolled in the Authorities' Programs in September 2000 to find out how they provide transportation fringe benefits and if they maintain data on whether employees receiving these benefits have increased their use of mass transit as a result. We also contacted 40 employers who received marketing information but did not enroll to determine their reasons for not enrolling.

We conducted our audit in accordance with generally accepted government auditing standards. Such standards require that we plan and perform our audit to adequately assess those operations of the Authorities that are within our scope. Further, these standards require that we understand the Authorities' internal control structure and compliance with those laws, rules and regulations that are relevant to our audit scope. An audit includes examining on a test basis evidence supporting

transactions in the accounting and operating records and applying such other procedures we consider necessary in the circumstances. An audit also includes assessing the estimates, decisions and judgments made by management. We believe our audit provides a reasonable basis for our findings, conclusions and recommendations.

We use a risk-based approach to select activities for audit. We therefore focus our efforts on those activities we have identified as having the greatest potential for needing improvement. Consequently, by design, we use finite audit resources to identify where and how improvements can be made. We devote little audit effort to reviewing operations that may be relatively efficient and effective. As a result, we prepare our audit reports on "an exception basis." This audit report, therefore, highlights those areas needing improvement and does not address activities that may be functioning properly.

---

### ***Comments of Authorities Officials to Audit***

A draft copy of this report was provided to officials at each of the four authorities for their review and comment. The comments from the Capital District Transportation Authority, the Central New York Regional Transportation Authority, and the Niagara Frontier Transportation Authority have been considered in preparing this final report, and are included as Appendix B. The Rochester-Genesee Regional Transportation Authority chose not respond to the draft report.

The three Authorities that did respond indicated that they accept the findings and will implement the recommendations in the report. Capital District Transportation Authority officials added that their Program has been successful and has been recognized with marketing awards and community support. They also indicated that the audit recommendations will assist them to continue to improve the services they offer customers. The responses from Central New York Regional Transportation Authority and the Niagara Frontier Transportation Authority contained similar comments.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Chairmen of the Capital District Transportation Authority, the Central New York Regional Transportation Authority, the Rochester-Genesee Regional Transportation Authority and the Niagara Frontier

Transportation Authority shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.



---

## PERFORMANCE MEASUREMENT

---

The use of formal performance measures is an important tool to help managers assess their programs' progress towards achieving stated goals and objectives. The comparison of actual performance with measurable performance objectives can also function as an important tool of accountability when such data is communicated to elected officials and the public. To determine the extent to which the Authorities' Programs are effective in encouraging the use of mass transit, the Authorities should establish formal performance measures to assess the extent to which Programs have increased ridership. However, we found that Authorities have not established specific measurable goals for their Programs, or developed methods to measure any Program-related increases in ridership. In addition, three of the four Authorities do not collect data on whether employees participating in the Programs have increased their use of public transit as a result. Instead, the Authorities tend to view the Programs as just another way to increase, or at least retain, ridership. As a result, Authorities do not know the extent to which transit benefits encourage employees to use mass transit in upstate areas.

To assess the Programs' impact, we mailed questionnaires to all 213 employers enrolled in the Programs in September 2000 and received 104 employer responses. The responses received from the 49 employers who maintained Program data showed the Program had a modest impact on commuting practices. We also reviewed the results of Buffalo's January 2001 survey of participating employees, as well as the surveys other entities conducted of employers and employees enrolled in Commuter Choice Programs. Buffalo's survey showed that 17 percent of respondents were new riders, and other entities' surveys showed ridership increases ranging from 11 to 36 percent. Thus, we conclude the upstate Programs have potential for increasing ridership, and we encourage the Authorities to develop methods to measure this increase.

---

---

## ***Performance Measurement by Authorities***

All the Authorities have established objectives for their Programs that are generally aimed at attracting new riders and retaining existing riders. Rochester and Buffalo have established specific, measurable goals related to these objectives. Rochester's goal is to increase employer participation in the Program by 10 percent each year, a goal it exceeded in the last two years; Buffalo's goal was to increase the sale of full fare passes by 3 to 5 percent in 2000, a goal which it exceeded by selling 9 percent more full fare passes in 2000 than in the prior year. However, none of the Authorities have established specific ridership growth goals for the Program, and only Buffalo surveyed Program participants (enrolled employees) to determine increased ridership.

Employers' participation in these Programs is voluntary. Further, the Authorities were not required to develop specific goals for the Programs, to collect data from enrolled employers and participating employees about the Program's impact on their commute to work, or to measure and report how effective the Programs have been at increasing ridership. Authorities' management also stated that, since the Programs are only a small part of their overall efforts to increase ridership, it is difficult to isolate and quantify their impact.

We examined the data that Authorities did have available to evaluate the Program, including annual ridership reports, Program enrollment and sales data and the results of Buffalo's survey. We also conducted our own survey of all 213 employers enrolled in the Programs in September 2000. However, the information we obtained from these sources provided only limited ridership and Program participation data that does not answer the key question of whether participating employees are using public transit more now than they were before they received the Program's transportation fringe benefit.

---

---

## ***Ridership Reports***

The Authorities maintain data on the number of passengers that ride their transit systems each year. This data is reported to the New York State Department of Transportation and the Federal Highway Administration. The following table

shows the number of revenue passengers the Authorities reported for the four years ended March 31, 2001:

Authority	Revenue Passengers Fiscal Year Ended 3-31-98	Revenue Passengers Fiscal Year Ended 3-31-99	Revenue Passengers Fiscal Year Ended 3-31-00	Revenue Passengers Fiscal Year Ended 3-31-01	Change from 1998 to 2001	Percent Change from 1998 to 2001
Albany	9,425,000	9,368,084	9,516,345	9,599,226	174,226	1.85
Syracuse	8,016,441	8,486,805	8,077,792	8,264,244	247,803	3.09
Buffalo	23,002,251	23,784,594	25,256,686	23,225,758	223,507	.97
Rochester	12,701,642	11,982,189 (Note 1)	12,346,047	12,929,250	227,608	1.79
Totals	53,145,334	53,621,672	55,196,870	54,018,478	873,144	1.64

**Note 1:** According to Rochester officials, changes in high school start times during the 1997-98 school year account for most of the decline in passengers in this fiscal year.

These reports show modest increases in ridership over the four-year period, but they do not identify what, if any, role the Programs played in this ridership increase. Thus, they are not useful for Program performance measurement.

---

### ***Program Enrollment and Sales Data***

The Authorities maintain data on the number of employers enrolled in their Programs, and with the exception of Syracuse, maintain data on the monthly sales made to employers. However, Syracuse does maintain data about the number of participating employees, which they obtain from employers. We calculated the number of participating employees at the other three Authorities on the basis that the sale of each monthly pass, or its equivalent in weekly passes, equaled one participating employee. The following table shows the number of employers enrolled in the Authorities' Programs in September 2000 and September 2001, and the sales that were made to these employers during August 2000 and September 2001.

Authority and Program	Enrolled Employers in September 2000	Enrolled Employers in September 2001	Participating Employees in September 2000	Participating Employees in September 2001	Value of August 2000 Sales	Value of September 2001 Sales
Albany: Swiper Corporate	68	81	2,074	2,458	\$ 52,765	\$ 82,212
Syracuse: Fare Deal (Note 1)	35	16	168	237	\$ 3,120	\$ 3,923
Rochester: Employer Support (Note 2)	34	41	1,467	1,467	\$ 79,980	\$ 30,000
Buffalo: Greenback Plan	76	84	782	1,222	\$ 36,448	\$ 57,181
<b>Totals</b>	<b>213</b>	<b>222</b>	<b>4,491</b>	<b>5,384</b>	<b>\$172,313</b>	<b>\$173,316</b>

**Note 1:** Syracuse has more sales than are represented by these numbers. This is because Syracuse tracks only credit sales to employers, and does not have a practical way of tracking sales by cash and check.

**Note 2:** The sales data that Rochester provided for September 2001 inappropriately excluded sales for several large employers whom we had included in our September 2000 sales numbers. Therefore, we used the employee participation numbers we had calculated for September 2000 for 2001. This number may, however, be understated, because they now have more employers enrolled in the Program.

However, we found that some of this data was problematic for reliably assessing Program participation and Program growth. For example, not all sales made to employers are necessarily Program-related. During August 2000, 696 of the 1,625 sales for Albany's Program were to labor unions that provided them to their members at a reduced cost. Although these employees purchased the bus passes at a reduced cost, the passes do not represent transit benefits. Transit benefits are provided by employers as fringe benefits or purchased by employees with pre-tax dollars.

Further, employers do not have to be enrolled in the Program to provide transit benefits to their employees. As discussed in the "Marketing Efforts" section of this audit report, our survey of a judgmental sample of 549 non-enrolled employers in the areas served by the four Authorities determined that 9 of the 86 employers that responded provided some form of transit benefits to their employees. However, employers must be enrolled to receive any incentive the Authority offers. For example, in Albany's Program, the employer can purchase monthly bus passes at a 2.5 percent to 7.5 percent discounts.

In Syracuse's Program, enrolled employers receive free monthly bus passes to distribute to newly hired employees. In Rochester, employers must be enrolled in the Authority Program for employees to be eligible to use the Authority's "Guaranteed Ride Home Program."

Thus, the Authorities do not have complete and reliable data for basic Program information because they do not collect data on the number of participating employees. Further, Authorities do not distinguish between Program-related (transit benefits) and non-Program-related sales to enrolled employers. In addition, Authorities do not collect information about changes in employees' commuting practices, such as whether participating employees are new public transit riders, whether they have increased or continued their use of transit because of the Programs, or whether they were existing transit users. Without such data, the Authorities lack the ability to evaluate whether the Programs are achieving their goal of attracting and keeping customers.

Buffalo has begun to collect data on whether participating employees are new riders and, if so, how often they are using the bus. However, Buffalo does not collect data on current riders, such as whether they use public transit more often or remain a transit user because of the Program. Albany and Syracuse officials stated they plan to develop mechanisms to identify increased ridership and commute mode changes in the future.

---

### ***Buffalo Authority Survey***

In January 2001, Buffalo conducted a survey of employees participating in the Program. The surveys, which were distributed by enrolled employers, asked Program participants if they used public transit prior to receiving the monthly transit pass through the Program and how many one-way trips per week they now take on transit. Of the 114 employees who responded, 20 (17.5 percent) said they were new transit riders. These 20 respondents stated they make an average of 9.25 one-way bus trips per week. However, for those respondents who said they used transit before receiving the monthly pass through the Program, the survey did not collect sufficient data to evaluate whether Program participation resulted in their using transit more or in their remaining transit riders. The Niagara

Frontier Transportation Authority allocated money in its 2001 budget to conduct additional research on the Program.

---

## ***Survey of Enrolled Employers***

**D**uring November 2000, we mailed a questionnaire to the 213 employers enrolled in the Authorities' Programs in September 2000. Our objective was to determine how employers provide transit benefits to their employees and whether they maintain data on whether participating employees increased their use of public transit as a result of the benefits. We received responses from 104 employers, who stated that they employed 20,531 full-time and 3,840 part-time employees, 880.5 of whom participate in the Authorities' Programs. By comparison, Authorities' records showed these same employers had 908 participating employees.

Of the 104 employers who responded, 84 are providing bus fare as a fringe benefit or allowing employees to purchase bus fare with pre-tax payroll deductions. These employers are considered to be providing their employees with transit benefits. The remaining 20 employers do not provide transit benefits: 11 employers allow employees to purchase bus fare at the work location; 5 employers provide bus fare to clients and not to employees; and 4 employers stated they are no longer enrolled in the Authorities' Programs. For the 84 employers that offer bus fare as a fringe benefit or allow pre-tax payroll deductions, 77 have employees using the Programs. (Details of employers' responses to our survey are listed, by Authority, in *Exhibit A*.) Of these 77 employers, 49 stated they have data on whether participating employees started to commute by mass transit as a result of the Programs. These 49 employers reported the following information.

- 41 employers stated all participating employees were existing bus riders.
- 5 employers stated most employees were existing bus riders.
- 1 employer stated that, while most participants were existing riders, they had definitely seen an increase in ridership. This employer also stated the Program has helped to recruit employees.

- 1 employer stated that, except for two new riders, it has mostly existing riders participating in the Program.
- 1 employer stated that its two participating employees did not use mass transit before starting in the Program.

However, we do not know whether any of the existing riders increased the number of times they use the bus to commute to work because of the Programs or whether employees have continued to take mass transit because of the Programs.

---

---

### ***Performance Measurement by Other Entities***

To determine the extent to which other entities nationwide have measured the effectiveness of Commuter Choice Programs in increasing the use of mass transit, we contacted a variety of Federal agencies, public transit providers in other states, Commuter Choice administrators and transportation planning organizations. These entities are all located in areas with relatively high population density, which results in more dependence on mass transit than in the areas served by the four Authorities. Therefore, we report on these studies to demonstrate the methodology that can be used to measure performance, and not to compare the entities' Program results with those of the Authorities.

We reviewed the results of nine studies conducted by these entities to identify both the methodology they used to measure program results and the results themselves. All nine studies used a survey of participating employers and/or employees in a Commuter Choice Program with the intent of measuring the extent to which the Commuter Choice Program had increased the use of mass transit. These studies found that the Commuter Choice Program increased employees' use of mass transit from 11 percent to 36 percent. Three of the surveys also indicated that some of this increase was accompanied by a reduction in personal vehicle use. We highlight the results of these studies below:

- The Metropolitan Transportation Commission (San Francisco, 1994 survey)

In 1994, the Commission conducted a survey of employees participating in the San Francisco Bay Area Commuter Check Program. Approximately

1,800 survey cards were completed and returned by employees from 149 employers. The survey concluded that about a third (31 percent) of the employees who receive Commuter Checks increased their use of transit. The survey also concluded that the Program resulted in about 17 million fewer vehicle miles in 1994, avoiding about 61 million tons of pollutants, and generating an estimated \$1.6 million of new transit revenue.

- The Metropolitan Transportation Commission (San Francisco, 1999 survey)

In June 1999, the Commission and Commuter Check Services Corporation sent a survey to approximately 1,350 participating employers, from which they received 482 responses. Thirty-four percent of respondents said their employees increased their use of mass transit after receiving transit benefits. Respondents who measured this increase stated the average increase was about 41 percent. This is the third study.

- Washington Metropolitan Area Transit Authority (Washington, D.C., 1999 survey)

This Authority conducted a 1999 survey of employees participating in their Metropool/Metrochek Program. More than one-third of the respondents indicated that they did not regularly use public transit prior to joining Metrochek, and three-quarters of these new transit riders had previously used their own vehicles to commute to work.

- Metropolitan Atlanta Rapid Transit Authority (Atlanta, 2000 survey)

This Authority conducted a study in September 2000, which concluded that 36.3 percent of the respondents began riding public transportation after their employer offered a discounted fare.

- Regional Transportation District (Denver, Colorado, 1997 survey)

This transportation planning organization's survey of employees who work in the Denver Business District concluded that the number of employees who use mass transit at least once a week increased 21 percent.

- The New York City Transit Center (New York City, 1994 survey)

This organization's 1994 survey of employees using the TransitChek showed that 11 percent the respondents claimed to use mass transit more often because of TransitChek, making 11.6 more trips, on average, per month. As a result of responses received, the Center estimated that TransitChek sales of \$25.1 million in 1994 implied a total of about 1.7 million additional transit trips. The survey also concluded that the program's biggest effect may have been retaining mass transit customers.

- General Accounting Office (Federal, 1993 survey)

In 1993, the GAO surveyed the 59,000 Federal employees eligible to receive mass transit benefits of about \$21 per month, and found that 31 percent of employees accepted these transit benefits. Of the employees who accepted benefits, 21 percent reported changing to mass transit as a result. Sixty of the new transit users had previously driven to work alone.

- Office of Inspector General (Federal, 1994 audit)

An audit of the Federal Election Commission's Transit Benefit Program in 1994 found that 25 percent of the Program's participants used public transportation as their primary means of commuting as a result of transit benefits.

- Delaware Valley Regional Planning Commission (Regional, 2000 survey)

A Commission-hired consultant surveyed employers and employees participating in the TransitChek program in southeastern Pennsylvania, southern New

Jersey and northern Delaware and found that 35 percent of survey respondents indicated an increase in transit use due to TransitCheks. The survey concluded that 8.5 percent of respondents were new transit users, and 11.1 percent had increased the number of transit trips per week. Survey respondents reported that they increased their total number of trips on transit by 13.7 percent.

As stated earlier, the Authorities need to establish specific measurable goals for their Programs and develop the means of measuring and reporting on how effective the Programs are in achieving these goals. We conclude that a review of the methodology and results of the above surveys could provide useful information for the development of Program performance measures.

### **Recommendations**

To the Albany, Syracuse, Rochester and Buffalo Authorities

1. Establish specific, measurable Program goals that are focused on increasing the number of participating employees and the number of transit commuting trips.
2. Work with one another and with the New York State Department of Transportation to establish common Program goals, to develop consistent Program performance measures, and to share Program best practices that can enhance ridership.

To the Buffalo Authority

3. Continue efforts to measure increased ridership attributable to the Buffalo program. Expand measurement efforts to include the identification of new transit users, a quantification of increased transit use, and a measurement of rider retention.

## **Recommendations (Cont'd)**

To the Albany, Syracuse and Rochester Authorities

4. Develop a formalized performance measurement and reporting system to evaluate Program effectiveness and to focus marketing resources. Consider the studies identified above to develop a mechanism for measuring performance.



# MARKETING EFFORTS

Like any new initiative, Authority Programs must be marketed to promote interest in them and to gain participating employers and employees. However, we found that Authorities send out marketing material and then wait to be contacted rather than follow up with employers to actively solicit their enrollment. Further, Authorities do not document which employers have received materials and why some employers are not responsive. Our own survey of 549 non-enrolled employers in the counties where the Authorities are located found that 61 of 86 respondents had not heard of the Authorities' Programs. Although Authorities' marketing efforts may be hindered by the limited staff numbers and by upstate employers' resistance to offering transportation fringe benefits, we believe Authorities can enhance their marketing - and increase Program enrollment - by doing regular follow-up with employers and improving documentation.

## Marketing Methods Used

The mix of marketing methods used by each of the four Authorities are as follows:

	Albany	Syracuse	Rochester	Buffalo
Mass mailing of brochure	X	X	X	X
Ads in business publications	X	X		X
Ads in newspaper				X
Television ads	Indirect		Indirect	X
Radio ads	Indirect		Indirect	X
Advertising on buses	X	X		X
Presentations to various groups	X			X
Website	X	X	X	X
Billboard				X
Cards in token packs		X		

**Note:** Indirect advertising promotes mass transit in general and does not specifically target employers.

The amount of money and staff time dedicated to marketing the Program, also varied among the Authorities as shown in the following table:

Authority	Program Marketing Costs Other-Than Labor	Number of Staff	Hours Spent Per Month Marketing Program
Albany	\$10,000/year	5	141
Syracuse	Minor printing costs	1	12
Buffalo	\$163,321 through 9/30/01	1	40
Rochester	\$22,495	1	32
Totals		8	225

Officials at these Authorities told us that they have limited staff resources available to market these Programs to employers, and that the Programs are only a part of their overall marketing efforts to encourage people to use the bus. Once Authorities send marketing material to an employer, their staff generally wait to be contacted by the employer. They do not pro-actively contact the employers to promote the Programs or to answer employer questions.

Officials also told us that employers' unwillingness to offer transportation fringe benefits or to allow for pre-tax purchase of bus fare is the most significant of many barriers that makes these Programs difficult to market. They noted that New York State, the largest employer in the Albany area, falls into this category. According to Authority officials, other barriers to marketing the Programs, which relate to mass transit use in general, are as follows:

- Employees prefer to drive their own vehicles than ride the bus. Officials note that motorists often fail to consider the total costs of commuting by car, including fuel, parking, the wear and tear on the automobile, and other costs, such as insurance.
- The upstate region has less traffic congestion and parking is not scarce conditions that make mass transit an attractive alternative to driving in large metropolitan areas.
- Many employers provide free or low-cost parking to employees. In addition, many employers are moving

from the downtown area to the suburbs where free parking is available.

- Riding the bus generally takes longer than driving and may involve using more than one bus.
- Many people have a negative impression of those that ride the bus.

---

## ***Documentation of Marketing Efforts***

**A**uthorities should maintain adequate records of their marketing efforts and the results of those efforts to determine where further promotion should be focused and what types of marketing succeed. However, we found out that none of the four Authorities had complete records of the employers that have been sent marketing material or contacted in any way.

For example, Albany managers told us they did a mass mailing in April 2000 to 1,900 employers whose names appeared on a list purchased from an outside firm. However, the managers could not identify which employers got the brochure or how many of them subsequently enrolled in the Program. Starting May 2000, Albany requires that marketing staff maintain a log of meetings held with interested employers and indicate whether the employer was likely to enroll in the Program. Managers told us they sent out a mass mailing, but they could not tell us when the mailing was done, who received the brochure, how many brochures were mailed, or how many employers expressed an interest in their Program.

Rochester management told us that a mass mailing to 3,672 employers was done in October 1999 using a rented proprietary mailing list. However, because the mailing list was rented, they do not have a list of the employers that received the material. Rochester does maintain a record of employers that expressed an interest in their Program and tracks the contacts that have been made with these employers.

Buffalo did not maintain records of the 102-employer contacts managers state were made during the first three months of promoting their Program. In April 2001, Buffalo started to maintain a spreadsheet of the employers who were sent promotional material, when the material was sent, when the employer responded, when follow-up calls were made, and

when the employer enrolled in the Program. We found these records are generally incomplete with regard to employer responses and follow-up calls. Buffalo staff stated that they have not had enough time to update the records because they spend only part of their time marketing this Program.

Officials at Albany and Syracuse stated that they plan to develop tracking systems for future mass mailings. Syracuse officials also told us they have begun to ask employers why they did not enroll in the Program or why they left the Program. While Rochester has developed a good system to document contacts with employers that have expressed an interest in the Program, their system could be improved by identifying all employers that have been sent promotional material and stating the reasons why employers chose not to enroll in the Program. Likewise, Buffalo has developed a good system to document the employers who were sent promotional material, but it does not always document contacts with employers that respond to the material or chose not to enroll.

---

### ***Survey of Local Employers***

**B**ecause the Authorities did not have complete records of the employers that were sent promotional material, in March 2001 we sent a survey questionnaire to a total of 549 judgmentally selected non-participating employers within the counties where the Authorities are located. These were the largest employers within these four counties, excluding employers we had already contacted and State government employers. The intent of the survey was to determine whether the employers were aware of the Programs, whether the employers already offer transit or parking benefits to their employees, and whether the employers have staff who currently use mass transit to commute to work. We received responses from 86 of these 549 employers, as summarized below. (Details of employers' responses to our survey are listed, by Authority, in Exhibit B.)

- 61 of the 86 (71 percent) employers stated they had never heard of the Authority's Program. Of the remaining 25 employers, 24 had received a brochure or a sales call or had otherwise heard about the Programs. One employer did not answer the question.

- 50 of the 86 employers said they currently have employees using mass transit to commute to work, 29 employers said they either did not have a transit stop near their business location or they were not located on a mass transit route, 1 employer said no employees use the bus, and 6 employers did not answer the question.
- 9 of the 86 employers said they already provide mass transit fare as at least a partial fringe benefit or allow employees to deduct transit costs on a pre-tax basis.
- 74 of the 86 employers said they provide parking for all employees and 3 said they provide parking for some of their employees. Further, 72 of these 77 employers said they pay all or part of the cost of parking. Only 8 employers do not provide employee parking. One employer did not answer the question.
- Of the 86 employers, 40 stated that they were interested in receiving additional information about the Authority's Program, 32 of whom also indicated they currently have employees using mass transit to commute to work.

Managers at each Authority should also track the reasons why employers who hear about the Program do not enroll in it so they can adjust the Program, if possible, or refocus their marketing efforts. However, we found the Authorities do not maintain this information. Therefore, we contacted 40 randomly selected employers (10 in each city) that had been sent marketing brochures, but had not subsequently enrolled in the Programs. We found that none of the 40 employers subsidize the cost of bus passes or encourage their employees to use the bus to commute to work. Available parking also appeared to influence employers' interest in the Programs. Of the 40 employers contacted, 31 employers stated that most or all of their employees had access to free parking. Other reasons employers gave for not enrolling are listed below. However, for at least some of these employers, a follow-up call from Authority staff may have been able to answer questions and provide additional information that may have persuaded these employers to enroll in the Programs.

- 12 employers said they had few or no employees interested in the Program; 2 of these employers said the bus did not travel to all their work locations.

- 6 employers said they were still in the decision phase.
- 1 employer was waiting for approval from its insurance carrier.
- 5 employers stated that payroll deductions were too complex.
- 1 employer said the logistics of collecting money and distributing bus passes was not justified based on the number of employees interested.
- 5 employers said they did not have enough information about the Program to make a decision.
- 4 employers did not recall receiving the information and were unaware of the program.
- 1 employer said it had a diverse staff with varied transportation needs.
- 1 employer said a benefit to 4,000 employees would be too costly for the company.
- 1 employer stated that all employees own and use their own vehicles to commute to work.
- 1 employer was concerned about a possible conflict between the Program and a reimbursement program they have in place.
- 1 employer stated that the main reason for not participating was the limited benefit it would provide to a not-for-profit organization.
- 1 employer did not give a reason for not participating.

We believe the Authorities need comprehensive records regarding employer contacts and the results of those contacts to be able to evaluate the effectiveness of both their marketing staff and the marketing methods used. These records should include: a list of the employers that received marketing material and when they received it; a list of those employers that responded to the material; dates of subsequent meetings with interested employers; when the employers enrolled; dates of

follow-up contacts with employers that did not respond to the marketing material; and a description of why employers chose not to enroll in the Program.

### **Recommendations**

To the Albany, Syracuse, Rochester and Buffalo Authorities

5. Require marketing staff to regularly follow up with prospective Program participants.
6. Allocate sufficient staff to maintain complete records of all contacts made with employers, including when employers receive marketing material, when follow-up contacts are made, and whether the employers accept or reject enrollment in the Programs.
7. Document why employers reject the Program and follow up with the employers to identify ways to improve the acceptability of the Programs.

## RESPONSE TO SURVEY OF ENROLLED EMPLOYERS

Authority	Offer As Fringe Benefit			Allow Pre-Tax Payroll Deductions			Sell Fare Media At Work		Provide Only to Clients	No Longer Enrolled In Program	Totals	
	Staff Use	No Staff Use	Number Of Staff Using	Staff Use	No Staff Use	Number of Staff Using	Number of Employers	Number Of Staff Using			Number of Employers	Number of Employers
Albany	10	0	119	4	1	35	8	89	4	0	27	243
Syracuse	6	1	42	1	1	1	2	1	1	3	15	44
Buffalo	4	0	22	44	0	442.5	1	26	0	0	49	490.5
Rochester	5	2	98	3	2	5	0	0	0	1	13	103
<b>Totals</b>	25	3	281	52	4	483.5	11	116	5	4	104	880.5

## RESPONSE TO SURVEY OF NON-ENROLLED EMPLOYERS

Response to Survey	Authority				
	Albany	Syracuse	Buffalo	Rochester	Total
Number of Surveys Mailed	132	142	134	141	549
Number of Responses Received	11	26	25	24	86
Answers to Survey Questions	Albany	Syracuse	Buffalo	Rochester	Total
Received Brochure or Sales Call	1	0	5	3	9
Heard About Program By Other Method	5	1	6	3	15
Did Not Answer Question	0	0	0	1	1
Never Heard of Program	5	25	14	17	61
Have Bus Riders	6	12	17	15	50
No Bus Stop Near Location	2	4	5	2	13
Not Located On Bus Route	2	8	2	4	16
Provides At Least A Partial Fringe Benefit For Mass Transit	0	0	2	0	2
Allows Employees To Use Pre-Tax Deductions for Mass Transit	1	1	2	3	7
Provide Parking for All Employees	8	22	24	20	74
Provide Parking for Some Employees	2	0	0	1	3
Provide Parking for None of the Employees	1	3	1	3	8
Not Answered	0	1	0	0	1
Fully or Partially Subsidize Parking Costs	9	20	24	19	72
Interested In Receiving Information About Program	4	12	12	12	40
Interested In Receiving Information and Have Bus Riders	3	9	9	11	32

---

## MAJOR CONTRIBUTORS TO THIS REPORT

---

Carmen Maldonado

Gerald Tysiak

Thomas A. Nowinski

Wayne Bolton

Michael Tagliafierro

Lisa Dunleavy

Michael Durkin

Nancy Varley



July 10, 2002

**David M Stackrow**  
Chairman  
Telephone  
518.482.1125  
Fax  
518.482.9039

Carmen Maldonado, Audit Director  
Office of the State Comptroller  
Division of Management Audit and State Services  
123 William Street – 21<sup>st</sup> Floor  
New York, New York 10038

Dear Ms. Maldonado:

I am responding to the draft audit report on the effectiveness of Commuter Choice Programs at the four upstate public transportation authorities. We accept the findings of the audit and will implement the recommendations contained in it. In fact, we have already implemented several of the recommendations.

We recently increased the resources dedicated to sales and marketing efforts. We have hired a Transit to Jobs Coordinator who is responsible for corporate outreach and marketing. This was an audit recommendation, and it has worked well for us. We also use the transit to jobs person to improve data collection and program administration as suggested in the audit. We keep active files on businesses interested in the program, businesses that require follow-up and others with whom new contacts must be made. We have stepped up our direct mail efforts, especially their frequency. This too was an audit recommendation.

We plan to survey people who use Swiper cards as part of a corporate program once every 18 months beginning in fall 2002. Although this will give us information about Swiper corporate customers, it is doubtful that we will be able to identify how much more these customers ride buses. We will see what the surveys yield.

We have set annual sales and participation goals, and will work with the New York State Department of Transportation to identify common program goals. We will also consider the program studies highlighted in the audit to identify if they have practicality at CDTA.

Our Corporate Program is successful and it has been recognized with marketing awards and community support. We will continue to improve it and the services we offer customers. The audit recommendations will assist us. We appreciate the effort of your staff. Thank you.

Cordially,

David M. Stackrow  
Chairman

Copy: CDTA Members  
Executive Director  
Director of Marketing and Information

**David M. Stackrow**  
Chairman  
Rensselaer County

**Donald C. MacElroy**  
Vice Chairman  
Saratoga County

**Henry S. DeLegge**  
Secretary  
Schenectady County

**Arthur F. Young, Jr.**  
Treasurer  
Albany County

**Anthony S. Esposito**  
Albany County

**C. Michael Ingersoll**  
Saratoga County

**Joseph Parillo, Jr.**  
Schenectady County

**Wayne L. Pratt**  
Rensselaer County

**Robert P. Roche**  
Albany County

**Dennis J. Fitzgerald**  
Executive Director

**CAPITAL DISTRICT TRANSPORTATION AUTHORITY**  
110 Watervliet Avenue Albany, N.Y. 12206



**THE CENTRAL NEW YORK REGIONAL TRANSPORTATION AUTHORITY**  
200 Cortland Avenue • P.O. Box 820 • Syracuse, New York 13205-0820 • (315) 442-3300

October 7, 2002

*Authority Members*  
Vincent A. Cook, Chairman  
James G. Russell Jr., Vice Chairman  
G. Joseph Chalifoux, Treasurer  
Stanton W. Bryant, Secretary  
Dennis T. Cleary  
Robert E. Colucci, Jr.  
H. J. Hubert  
Vincent A. O'Neil  
Joanne Reddick

Frank Kobliski, Chief Operating Officer  
Steven M. Share, Chief Financial Officer  
Robert C. Sprague, Jr., Chief Administrative Officer

Ms. Carmen Maldonado, Audit Director  
Office of the State Comptroller  
Division of Management Audit & State Services  
123 William St. 21<sup>st</sup> floor  
New York, NY 10038

Dear Ms. Maldonado:

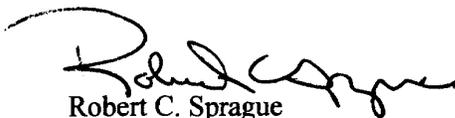
I am responding to the draft audit report on the effectiveness of Commuter Choice Programs at the four upstate public transportation authorities. We accept the findings of the audit and have already started to implement some of the recommendations.

As we discussed during the audit, the program in Syracuse is our "Fare Deal" program and is targeted to our downtown businesses. These businesses subsidize parking for their employees as part of a downtown parking strategy plan. For example, two companies recently received New York State grant dollars to build additional parking facilities as an incentive to remain downtown. We have many other marketing initiatives and are pleased to say are experiencing ridership growth in a declining population market.

The "Fare Deal Program" is being enhanced with the addition of regular advertising in our business press, increased sales efforts and new follow up procedures. We are now surveying companies regarding the program as suggested.

We have also placed an emphasis on record keeping and documentation to track results of our efforts. We feel confident that by following the recommendations presented in the draft audit report, we will continue to enhance our successful marketing efforts.

Sincerely,

  
Robert C. Sprague  
Chief Administrative Officer



Niagara Frontier Transportation Authority  
*Serving the Niagara Region*

181 Ellicott Street  
Buffalo, New York 14203  
www.nfta.com

**Lawrence M. Meckler**

Executive Director  
716-855-7369  
Fax: 716-855-6655

July 17, 2002

Mr. Carmen Maldonado  
Office of the State Comptroller  
Division of Management Audit & State Financial Services  
123 William St. – 21<sup>st</sup> Floor  
New York, NY 10038

**RE: Report 2000-S-30**

Dear Mr. Maldonado:

We have received and read your draft report concerning the effectiveness of Commuter Choice Programs. The Niagara Frontier Transportation Authority appreciates the efforts of the Office of the State Comptroller in assisting us by recommending improvements that we can make in the implementation of our Greenback Plan.

The NFTA is definitely committed to improving the process in which we offer our Greenback Plan so that we can increase the use of public transportation in the region. Please know that I agree with the recommendations made in the audit and that staff is working to implement them in a timely manner.

The following are our responses to your recommendations:

1. Recommendation: Establish specific, measurable program goals that are focused on increasing the number of participating employees and the number of transit commuting trips.

Response: The NFTA-Metro Marketing Department developed measurable program goals in January 2001, to measure the effectiveness of our program in an effort to increase the number of participating employees and the number of transit commuting trips. These goals are included as part of Metro's strategic plan for fiscal year 2003.

2. Recommendation: Work with one another and with the New York State Department of Transportation to establish common program goals, to develop consistent program-performance measures, and to share program best practices that can enhance ridership.
- Response: NFTA-Metro coordinated the creation of a Surface Transportation Peer Review Group that includes among others, Albany, Syracuse, and Rochester Authorities. This is the first such peer review group in the country. We met in April 2002 in Buffalo for a two-day work session to discuss and share common program goals and best practices. We are going to continue to meet in an effort to develop consistent program performance measures and share program best practices to enhance ridership.
3. Recommendation: Continue efforts to measure increased ridership attributable to the Buffalo program. Expand measurement efforts to include the identification of new transit users, a quantification of increased transit use, and a measurement of rider retention.
- Response: The NFTA-Metro Marketing Department is currently expanding its measurement efforts to include the identification of new transit members. As a goal of fiscal year 2003, an application for Greenback users will be developed that will provide information including data on those pass holders that are new riders. In addition, with the use of automatic passenger counters on a portion of our fleet and with implementation of the new fare boxes in the fall of 2002, the department will also be able to quantify increased ridership.
4. Recommendation: Require marketing staff to regularly follow up with prospective program participants.
- Response: The NFTA-Metro Marketing Department has established a system to regularly follow-up with prospective program participants. This will be done on a quarterly basis beginning with the fiscal year 2003.
5. Recommendation: Allocate sufficient staff to maintain complete records of all contacts made with employers, including when employers receive marketing material, when follow up contacts are made, and whether the employers accept or reject enrollment in the program.

January 17, 2002

Page 3

Response: We have hired a Metro Marketing Manager to direct the marketing efforts of Metro. We have also brought on board a Marketing intern to assist in maintaining complete records of all contacts made with employers, including when employers receive marketing material, when follow up contacts are made, and whether the employers accept or reject enrollment in the program.

6. Recommendation: Document why employers reject the program and follow up with the employers to identify ways to improve the acceptability of the program.

Response: Effective with fiscal year 2003, the NFTA-Metro Marketing Department is documenting why employers do not participate in our Greenback Plan by following up with them to identify their concerns and to discuss ways to modify our program so they will be inclined to offer it to their employees.

If you have any comments or questions, please do not hesitate to contact me at 716-855-7369.

Sincerely,



Lawrence M. Meckler  
Executive Director