

Commuter Choice Programs Improve Transportation Options for Employees and Generate Business Benefits

Driving alone to work is a major contributor to traffic congestion, poor air quality, and other environmental problems. Until recently, federal tax laws encouraged employers in the U.S. to provide free parking to employees as their only commuter benefit. Recent changes to tax laws have expanded the commuter benefit options available. An employer may now offer tax-free transit or van-pool benefits, or allow employees to reserve income on a pre-tax basis to pay for commuting costs. An employer may also offer the choice between a free parking space or additional taxable income. By creating incentives for alternatives to driving, options are more equitable, environmentally conscious, and community friendly. They also are good for business: saving money, increasing employee job satisfaction, and helping attract and retain employees.

To promote commuter benefits and other options like telecommuting, the U.S. Environmental Protection Agency and U.S. Department of Transportation launched a national *Commuter Choice Leadership Initiative* to challenge and reward employers providing a high level of commuter benefits.

A *Commuter Choice* Employer with 1,000 employees can take 175 cars off the road, resulting in an annual savings

of nearly 44,000 gallons of gasoline and reducing global warming emissions by 420 metric tons. The same employer can also save participating employees \$13,000 in taxes and \$160,000 in gasoline, parking, and vehicle costs each year.

Commuter Choice benefits have the potential to measurably affect vehicle travel in urban areas, but the range of impact depends on the number of employers adopting benefit programs. Unfortunately, one of the key obstacles to encouraging greater adoption of *Commuter Choice* is a limited understanding of employer motivations and the obstacles faced by businesses in implementing these programs. ICF Consulting is examining these obstacles in a study for the Transit Cooperative Research Program (part of the U.S. National Academy of Sciences) that is helping to shed light on this research gap.

ICF Consulting is developing and promoting the *Commuter Choice* program and is the first employer in the District of Columbia to join the *Commuter Choice Leadership Initiative*. For details on qualifying as a *Commuter Choice* Employer, please visit www.epa.gov/otaq/transp/comchoic/ccweb.htm