Title: Transition to Sustainable Urban Mobility – The Role of Mandatory Employer Traffic Mitigation Programs – One Jurisdiction’s Initial Experience

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Background

In November 2002, the County Council of Montgomery County, Maryland, USA, passed legislation, commonly referred to as Bill 32-02, that requires companies with 25 or more full- or part-time employees to prepare and implement Traffic Mitigation Plans (TMPs). The legislation applies only to employers located in one of the County’s four Transportation Management Districts (TMDs). The Traffic Mitigation Plans are intended to help area-wide efforts to reduce traffic and reliance on single occupancy vehicles.

Montgomery County, Maryland, is located in the Washington DC metropolitan area and has a population of approximately 900,000. Montgomery County has long been recognized as a leader in terms of its transportation demand and growth management programs. Nonetheless, the region is a “severe non-attainment area” for air quality and one of the nation’s most highly traffic-congested areas.

This paper will examine how the County, working in conjunction with the business community, took a critical step in moving from an environment that relied upon voluntary employer programs to mandatory programs. The paper focuses on the implementation of Bill 32-02 in the North Bethesda Transportation Management District (NBTMD), one of the County’s four TMDs. The response from the business community during the first year of implementation of Bill 32-02 has been for the most part positive.

Bill 32-02 – Impetus and Legal Framework

Bill 32-02 is significant because for the first time employers in Montgomery County were required to implement Transportation Demand Management (TDM) programs. In the past, employer participation in TDM programs was voluntary.
While employer participation had previously been voluntary, for many years the County has required developers of new commercial and residential projects to take actions to mitigate the traffic impacts of their projects. As a result of the County’s Adequate Public Facilities Ordinance and other regulations, developers are often required to enter into binding legal agreements to mitigate the traffic impacts of their developments. These agreements include specific performance measures and in some cases require developers to post performance bonds to insure that required programs are implemented.

In the voluntary environment, prior to the implementation of Bill 32-02, employers were encouraged to participate in TDM programs through a variety of incentive and recognition programs. While many employers did offer commute option programs to their employees, there was growing recognition on the part of County leaders that greater participation of employers in TDM programs could have a positive impact on traffic and air quality concerns in both the County and region.

As a result, recommendations were included in County land use and master plans as well as growth management studies, that employers located in the County’s TMDs should be required to implement TDM programs. In 2002, the County Council acted on these recommendations by enacting the legislation that has become known as Bill 32-02.

Bill 32-02 is being implemented in two phases. In 2003, businesses with 50 or more employees were required to file and begin implementing TMPs. In 2004, businesses with 25 to 49 employees will be required to file and implement plans. The County’s Department of Public Works and Transportation is responsible for overseeing implementation of the legislation. The legislation does not apply to federal government agencies, several of which have offices in the County. County government agencies with offices in the TMD areas are required to submit plans.
TMDs and TMPs

The Transportation Management Districts that the County has established in its major suburban activity centers have played a pivotal role in implementing Bill 32-02. Even before the enactment of Bill 32-02, the staff of the TMDs had worked with employers and employees to promote adoption of transit benefit programs by employers and to inform employees about their commuting options. The TMDs’ Advisory Committees, which include employer representatives and representatives of area chambers of commerce, also provided important guidance to the County as the legislation that resulted in Bill 32-02 was developed. The staff of the TMDs has worked closely with the County’s Department of Public Works and Transportation not only as the legislation was being developed, but on an on-going basis through each stage of the implementation process.

The fact that implementation of Bill 32-02 has proceeded as smoothly as it has is the result of several factors. First, recognition by many in the business community that additional steps need to be taken to address area traffic concerns. Second, that businesses had an opportunity for input as the legislation was being developed. Third, that companies are offered free assistance by the TMDs in developing and implementing their plans.

Bill 32-02 – What is Required of Employers

Bill 32-02 identifies eight strategies that must be included in each company’s TMP.

The eight strategies are --

- designation of an ETC (Employee Transportation Coordinator),
- distribution of commute options information,
- presentations by TMD staff to company employees,
- distribution of information on the region’s Guaranteed Ride Home program,
- distribution of information on transit services for people with disabilities,
- installation of permanent information displays,
- participation in an annual commuter survey (with a goal of 80% participation), and
- filing of an annual performance report with the County.
While there are only eight strategies that businesses must agree to implement, staff of the TMDs work closely with each business to custom tailor their plans to meet the specific needs of their work force and to encourage other measures such as --

- carpool/vanpool matching,
- transit subsidy programs,
- “Ozone Action Day programs” -- air quality alerts,
- bicycle and pedestrian amenities,
- parking management, and
- teleworking, flex time, and compressed work schedules.

**Notification Process and Penalties for Non-Compliance**

Under Bill 32-02, the County is required to notify businesses in writing that they need to comply with the law. Businesses are also contacted by letter and phone by the TMDs. Companies have 90 days after they have been contacted by the County to submit a plan. Businesses that do not submit plans are subject to fines ranging from $50 to $75 (US) per day. To date, the County has not imposed any fines. Rather, the County and the TMDs are working closely with businesses to assist them in submitting plans so that fines need not be imposed.

**Fiscal Impact on the County’s TMDs**

As the legislation was being developed, the impact on the County’s Department of Public Works and Transportation and the TMDs in terms of staffing and program resources was examined. It was determined that the impact would not be insignificant and that at the very least, one additional marketing/outreach assistant would be needed at each of the TMDs.

Budgets were increased to provide two of the County’s four TMDs with additional staff. However, because of a concern about the impact of the legislation on staffing and other resources, a decision was made to phase-in implementation of the legislation over two years.
The legislation has had a significant impact on the County’s and TMDs’ budgets for supplies such as display materials, marketing brochures, and collateral material, routine office supplies, postage, and photocopying.

**Bill 32-02 – The Initial Experience in North Bethesda**

The North Bethesda TMD is one of the County’s four TMDs where Bill 32-02 has been implemented. The TMD was established in 1996. There are over 1,200 employers and more than 75,000 people working in the North Bethesda TMD area. North Bethesda is home to large private companies, such as the Marriott Corporation and Lockheed Martin Corporation, as well as major federal government agencies including the National Institutes of Health, the Department of Health and Human Services, and the Nuclear Regulatory Commission. North Bethesda is also a prominent retail center featuring Bloomingdale’s, Lord & Taylor, Nordstrom, and other fine shops and restaurants. More employees work in North Bethesda than in any other Montgomery County jurisdiction.

While there are over 140 businesses in North Bethesda with more than 100 employees, for the purposes of the law, the number of employees at a company is based on the number of employees on the largest shift. As a result it was determined that 40 companies would not need to submit plans or would not need to submit plans until the second phase of implementation in 2004, because they had fewer than 50 employees on the largest shift. Many of these companies are restaurants or retailers.

**Outreach to Impacted Businesses**

Businesses have 90 days to submit a plan once they are contacted by the County. Companies first receive a letter from the County apprising them of the need to submit a plan and of the plan requirements. The letter includes a sample plan, fact sheet, and other information. That correspondence is followed by a letter from the NBTMD that offers the assistance of the TMD staff, free of charge, to complete their plan. A template that companies can use in preparing the plan is also sent electronically to the companies.

The North Bethesda TMD staff offers to meet with each company to help them develop their plan. In fact, the TMD has found it very useful to have such meetings. Once a
company has met with the TMD staff, they are able to develop more comprehensive plans, which are more carefully tailored to meet their needs and those of their employees. Meetings have been held with 80% of the companies who have submitted plans.

To date, 75 of the 100 businesses in the North Bethesda area that have 50 or more employees have submitted their TMPs. Over 15,500 employees work at these 75 companies. While it is too early to measure the impact of Bill 32-02 on average vehicle occupancy or mode split, implementation is already having a very positive impact in many ways, including increased --

- participation in transit benefits programs,
- employer involvement in TDM programs
- participation in the annual commuter surveys,
- requests for carpool and vanpool matches, and
- registrations for ozone action day alerts

**Expanded Transit Benefit Programs**

As a result of working with companies under Bill 32-02, five new companies have started transit subsidy programs. These companies represent 10% of companies that did not previously have a transit benefit program. Six additional companies have requested assistance from the North Bethesda TMD to implement new transit benefits programs.

**Increased Employer Outreach**

There has also been a significant increase in the number of ETCs as a result of businesses implementing plans under Bill 32-02. Because the designation of an ETC is required as part of 32-02, many of the ETCs are also taking more active roles with greater support from their companies.

The number of employer outreach events including transportation fairs and promotions has also increased significantly, as has attendance at these events. Many companies are scheduling these outreach events in conjunction with company benefit fairs, staff meetings, or other events that a large number of employees attend.
Annual Commuter Survey

One of the required elements of a company’s TMP is to participate in the County’s Annual Commuter Survey. The survey includes questions about travel mode, time, distance, home locations, and commuter attitudes. Companies are asked to set as a goal having 80% of their employees complete the survey.

In years past, when the survey was voluntary, the average response rate for companies completing the surveys was 25% with the rate of participation ranging from less than one percent to 67%. During this first year under Bill 32-02, the average rate of response increased to 52%, with participation at individual companies ranging from less than one percent to 97%. The number of people completing the surveys increased by over 370%, from 1,170 to 4,265. The increased number of survey respondents will be useful not only when the responses are examined for evaluation purposes, but in planning new programs and services.

Increased Demand for Ridematch Applications

As part of the survey, individuals are also able to request a carpool/vanpool match, transit information, or other commute options information. Requests for this type of information increased by over 600% from the previous year. These individuals are sent match letters, detailed transit information, and information on other commuter options. Ridematch applications from other, non-survey sources have also increased since the legislation was implemented, compared to the same time period in the previous year. Again, it is too early to determine how many of these individuals have or will change their travel mode, but that information will be gathered in the future through subsequent surveys and follow-up phone calls to these individuals.
Lessons Learned -- Implementation

In conclusion, lessons learned from the first year of implementation of Bill 32-02 include --

- The involvement of business and TMDs as legislation was developed was important.
- Phased-in implementation of legislation over two years has been critical particularly given budget constraints that have limited the resources available for additional staffing and support materials.
- A longer planning period would have been helpful so that administrative procedures and processes, forms, etc. could have been more fully developed prior to time when businesses needed to be contacted.
- The free assistance that TMDs provide to the businesses in preparing their plans has been very important in the development of comprehensive plans tailored to the needs of each company.

Observations – Potential Impacts and Why It Has Been Working

While it is still too early to ascertain the impact of Bill 32-02 on travel mode and auto-occupancy, it does seem that there should be positive, measurable impacts as a result of getting employers more involved in commute option programs for their employees. The increase in the number of companies offering transit subsidies and the significant increase in the number of people requesting match lists and other commute options information is a good indicator that we should see changes in travel behavior as a result of programs implemented or made available to employees in conjunction with 32-02.

Studies conducted by Montgomery County indicate that 30% of employees who participate in transit subsidy programs previously drove alone. Other studies conducted for the Washington DC region indicate that for people who request commute options information, that there is a 32% permanent placement rate, meaning over a third of the people who had signed-up changed their travel mode. Even if the placement rate and transit mode share
for employees at companies under 32-02 is lower than these rates, the impact from 32-02 on travel behavior should still be significant.

Finally, the implementation of Bill 32-02 seems to have proceeded as smoothly as it has because while businesses are being asked to do more than they may have done in the past in terms commute options programs for their employees, they were not required to implement programs that were viewed as costly or overly burdensome from an administrative standpoint.