Proposed Changes in Transportation and Parking Policies for Federal Employees

JESSIE STRAUSS

The purpose of this study is to provide background on the issues involved in transportation program policies, particularly parking policies, for federal employees, and to recommend a program that addresses problems in the current policy. Major problems caused by high vehicle use are congestion, air pollution, and petroleum fuel consumption. Several additional problems are inherent in the current transportation policy for federal agencies. Research has demonstrated that charging for parking is the most effective transportation demand management (TDM) strategy. The federal government, however, provides free parking for almost all of its employees. The author recommends a policy of charging market rates for parking and using the proceeds to support comprehensive TDM programs. Title 40 presently discourages agencies from charging for parking, and Title 5 prohibits using specific TDM strategies at federal agencies. Minor changes to these titles are needed to implement the recommended policy.

The purpose of this study is to provide background on the issues involved in transportation program policies, particularly parking policies, for federal employees, to recommend a program that addresses problems in the present policy, and to outline changes needed for implementation of the program.

This paper summarizes major problems caused by heavy vehicle use and recommends using transportation demand management (TDM) strategies to alleviate these problems. The paper demonstrates how Titles 40 and 5 of congressional law discourage and prevent federal agencies from implementing full TDM programs and lists some of the issues resulting from these limitations. A more effective parking or transportation program for federal employees is proposed, and required legal changes are detailed.

Use of the automobile has led to far-reaching transportation-related problems: traffic congestion is leading to gridlock during peak hours throughout the country; the automobile is the main cause of critical air pollution problems; even with more fuel-efficient engines, oil consumption for transportation continues to rise.

Building more roads is one solution to congestion, but this solution is extremely expensive and encourages more vehicle use, adding to air pollution and consumption of oil products.

TRANSPORTATION DEMAND MANAGEMENT

TDM is an approach that addresses all three problems. TDM attempts to maximize the movement of people, not vehicles, within the transportation system, thus avoiding more costly expansion of the system. TDM encompasses policies that promote shifts of peak period single-occupant vehicle (SOV) trips to other modes or times, or that promote reduction in peak period travel. Although TDM cannot be expected to solve all transportation-related problems, it has been shown to be effective as a partial solution.

Many different TDM strategies have been used. However, parking pricing is the TDM strategy that most affects employees' mode choice, a conclusion reached by many studies of TDM effectiveness (*1–4*). Willson and Shoup (*5*) found that ending employer-paid parking reduces solo driving by between 18 and 81 percent.

Another important aspect to operating an effective TDM program is offering a wide variety of strategies to meet the needs of a variety of commuters (*1,2,4*) (see also paper in this Record by Williams and Petrait).

Reducing the number of employees who drive to work is no longer simply an option for public and private employers. The Clean Air Act Amendments of 1990 (CAAA) place reliance on the adoption of transportation control measures (TCMs). Among the TCMs identified by law are employer-based transportation management plans, trip reduction ordinances, and programs to provide high-occupancy and shared-ride services (*6*).

Many locations, particularly in areas classified as ozone nonattainment areas, have requirements for decreasing vehicle use. For example, the California Clean Air Act requires areas that cannot achieve state air quality standards by 1997 to adopt TCMs to increase vehicle occupancy to 1.5 by 1999; the Washington State Commute Trip Reduction Law requires major employers to reduce employees' SOV commutes 35 percent between 1992 and 1999; and the Washington, D.C., area must develop a plan to reduce ozone-causing pollution (caused primarily by motor vehicles) by 24 percent by 1999.

Federal agencies are at a disadvantage in meeting trip reduction requirements because federal laws discourage federal agencies from charging for parking, the single most effective TDM strategy. In addition, federal agencies cannot offer a full range of complementary TDM incentives.

LEGAL OBSTACLES

Two congressional acts, Titles 40 and 5, have played a major role in discouraging or prohibiting federal agencies from maximizing the effectiveness of their transportation programs.

Title 40 discourages federal agencies from charging for parking by requiring that parking revenues in excess of actual operating and maintenance costs be returned to the U.S. Treasury as miscellaneous receipts. Although federal agencies

Metro, MS 128, 821 Second Avenue, Seattle, Wash. 98104.

have legal authority to charge for parking (established by President Carter and upheld by the United States Court of Appeals), the agencies have little incentive to institute charges because they cannot keep the funds that are collected. As a result, parking is free to almost all federal employees throughout the United States.

Title 5 prohibits federal employees from receiving supplemental income or benefits unless specifically authorized by law. One strategy prohibited by Title 5 is the Guaranteed Ride Home (GRH) program. GRH programs provide rides for employees in unanticipated situations. These programs eliminate one of the most frequently cited reasons for driving alone: the fear that employees will not have access to a vehicle if an emergency arises. Studies have indicated that employees who rideshare or take public transit, and who have a GRH program in place, believe that the program is an important factor in enabling them to continue using high-occupancy vehicle (HOV) modes. If federal agencies were able to offer this program, the cost would be minimal. Studies involving private companies in Denver, Colorado, and Bellevue, Washington, found the cost of GRH programs per employee per year was 10 and 8 cents, respectively.

Another benefit that Title 5 prohibited federal agencies from offering until recently was a transit subsidy. The passage of the Mikulski Amendment (Pub. L. 101-509, U.S.C. 629) in 1991 made it possible for nonmilitary federal agencies to offer transit subsidies. However, unless renewed, the legislation will expire in December 1993, and federal agencies will no longer be allowed to provide transit subsidies.

ISSUES ARISING FROM LEGALITIES

Several issues for federal agencies result from the legal restrictions mentioned. Federal agencies should be taking a leadership role in TDM, and particularly in parking pricing, the TDM strategy most likely to cause a reduction in SOVs. However, at present almost all federal employees who park at federal facilities park at minimal or no cost to themselves.

States, local governments, and private businesses, balking at the requirements of CAAA, are less likely to be cooperative when federal agencies themselves are not using some of the most effective TDM tools. However, as long as parking fees must be returned to the U.S. Treasury, federal agencies are not likely to charge employees for parking.

Another problem is that the cost of providing free parking to federal employees is astronomical, certainly somewhere in the billions of dollars annually. For the Washington, D.C., area alone, the cost is about $971,000 a day (*7*), or almost a quarter of a billion dollars a year. The ironic result of this federal expenditure is that it encourages a behavior that the federal government would like to discourage: driving a car to work alone.

Equity is also a problem. By providing free parking to employees, the federal government is providing substantial subsidies for employees who drive to work. For example, in the vicinity of the Nassif Building in Washington, D.C., where the U.S. Department of Transportation (DOT) headquarters is located, the average cost for parking at a private parking garage is $153 a month. However, DOT employees are charged between $10 and $21 a month. In essence, this is a subsidy of between $132 and $143 per month for people who drive to work. On the other hand, the benefit for employees who ride transit is $60 a month, and, unless the Mikulski Amendment is extended, this benefit will fall to $0 after 1993. Clearly, the free parking benefit to employees who drive is much greater than the transit benefit to those who use public transportation.

Yet another problem is recruitment and retention of federal employees, which is made more difficult by the inability of employees to reach work places quickly, economically, and comfortably. The worker who has to sit in long traffic delays is likely to have lower morale and less physical energy than one who arrives at work by transit, vanpool, or carpool. The expense to the employee in time and money will increase as congestion grows, an expense that potential employees will consider before accepting a position. When competing for quality employees, the federal government will need to ensure safe, efficient, and cost-effective access to government facilities.

PROPOSED FEDERAL TRANSPORTATION PROGRAM

A program is needed that will address the issues of federal leadership, parking expenses, inequity that favors drivers, and employee recruitment and retention, as well as congestion, pollution, and energy issues.

The proposed federal transportation program calls for federal agencies to begin to charge the full market rate for parking. The money collected at each agency site, beyond that needed to operate and maintain parking facilities, would go into a fund that would encourage alternative commute modes. These funds would be used to increase HOV incentives instead of to cover the expenses of TDM programs already offered. The goal of the proposed plan is to open commute options that will make employees' commute trips more convenient and less expensive.

Decisions about which incentives should be included in a transportation program should be determined by the conditions at each site. There is no one mix of strategies that may be prescribed for all federal agencies. Each site has a unique work environment and unique labor force characteristics, factors that should be taken into consideration in selecting appropriate incentives.

There are many advantages to the proposed program: administrative costs would be the only additional cost to federal agencies. The extra funds collected in parking fees would be used to finance new elements of the TDM program. The proposal enables federal agencies to serve as models to private industry and to local and state governments. The program punishes SOVs and rewards those who use alternative modes. Most important, the proposed program incorporates the single most effective TDM strategy: charging the market rate for parking. Private and public employers are hesitant to initiate parking charges, and having the federal government take a leadership role in this strategy is much needed.

It would appear that unions would favor the proposed program. The decline in benefits (loss of free parking) would be accompanied by many benefits to a large number of employees at lower grades. In general, the loss of free parking would not affect employees at lower grades. This is because, under Federal Property Management Regulations, at sites where parking is scarce (usually where parking has a market value),

heads of agencies may park at government facilities, but other employees may park only if they rideshare.

Federal agencies, by making it easier and more economical for employees to get to work, would have less difficulty recruiting and retaining employees. In some cases, agencies might want to provide more TDM incentives than could be covered by parking fees, but the legal changes that will be suggested would enable the agencies to use the best TDM tools for their particular situations.

Studies indicate that the proposed program would decrease congestion. Shoup and Willson (*3*) studied five sites where employers who had been offering employees free parking began to charge for parking. These studies revealed an average difference of 19 automobiles per 100 employees before and after parking charged were implemented. A decrease in automobile use implies less air pollution and oil usage.

Some problems may also be anticipated with the proposed program. Whereas unions are likely to favor the changes, management probably would not; those most frequently receiving free parking privileges are executives. Another problem is that the program does not change anything in areas where there is no market value of parking.

A few legal changes need to be made in order to implement the proposed program. A change is urgently needed in Title 40, which requires that parking revenues in excess of actual operating costs be returned to the U.S. Treasury as miscellaneous receipts. Placing such revenues in a transportation fund at each federal site would provide agencies with motivation to charge the market rate for parking and would provide funds to counteract the cost of TDM strategies in the proposed transportation program.

The portions of Title 40 Section 490 that specifically apply read as follows:

> (j) . . . The Administrator is authorized and directed to charge anyone furnished . . . space . . . at rates to be determined by the Administrator. Such rates and charges shall approximate commercial charges for comparable space . . .
> (k) . . . Moneys derived by such executive agency from such fees shall be credited to the appropriation or fund initially charged for providing the service, except that amounts which are in excess of actual operating and maintenance costs of providing the service shall be credited to miscellaneous receipts unless otherwise authorized by law.

Although subsection (j) specifies that the rates for space (which includes parking) shall approximate commercial charges for comparable space, administrators have seldom set market rates for parking. Subsection (j) should be amended by a clause that directs the Administrator to set parking fees for SOVs at the full market value of the immediate surrounding area.

The clause "unless otherwise authorized by law" in Section (k) leaves open the opportunity to authorize that "the amounts in excess of actual operating and maintenance costs for parking shall go into a special transportation fund at each federal agency site. This transportation fund shall be used to support high occupancy vehicle use, walking, and biking."

A change is also needed in Title 5 Section 5536, which states, "An employee or a member of a uniformed service whose pay or allowance is fixed by statute or regulation may not receive additional pay or allowance for the disbursement of public money or for any other service or duty, unless specifically authorized by law and the appropriation therefor specifically states that it is for the additional pay or allowance." A change in Title 5 can make it possible for federal agencies to provide transportation subsidies and GRH programs.

The Mikulski Amendment enables federal agencies (excluding the military) to provide transit subsidies, a TDM strategy prohibited by Title 5. The Mikulski Amendment is limited to the use of public transportation, and therefore does not permit funds to be used for carpool riders or GRH programs. As noted previously, the provisions of this amendment will expire December 31, 1993.

Specific legislative authorization is needed to extend the Mikulski Amendment indefinitely, to extend its provisions to military personnel, and to permit employees to receive pay for agency-sponsored programs that encourage all alternative commute modes.

SUMMARY AND RECOMMENDATIONS FOR FURTHER STUDY

The current parking policy for federal agencies is restricted by provisions in Titles 5 and 40 of U.S. congressional acts. These restrictions are inequitable and are costly to federal agencies. They prevent federal agencies from taking a leadership role in addressing traffic congestion, air pollution, and excessive fuel consumption. The restrictions also make it difficult for federal agencies to recruit and retain employees.

Suggested changes in these titles would require federal agencies to charge the full market rate for parking and to offer TDM programs that encourage HOV use. Federal agencies could then serve as models in addressing the problems caused by high vehicle use.

More data are needed on parking policies, parking availability, and mode splits at federal agencies nationwide. No nationwide analysis has yet been done of the cost of providing federal employees with parking. A study should be conducted of the relationship of parking fees and mode choice for employees in upper income brackets, the employees who would be most affected by the changes in parking policy.

REFERENCES

1. COMSIS Corporation. *Evaluation of Travel Demand Management Measures to Relieve Congestion.* Report FHWA-SA-90-005, FHWA, U.S Department of Transportation, Feb. 1990.
2. E. Ferguson. Transportation Demand Management: Planning, Development, and Implementation. *APA Journal*, Vol. 442, Autumn 1990.
3. D. C. Shoup and R. W. Willson. Commuting, Congestion, and Pollution: The Employer-Paid Parking Connection. Paper prepared for Congestion Pricing Symposium, Arlington, Virginia, June 10–12, 1992.
4. K. Bhatt and T. Higgins. *An Assessment of Travel Demand Management Approaches at Suburban Activity Centers.* K.T. Analytics, Inc., NITS PB89-231856, DOT-T-92-06, July 1989.
5. R. W. Willson and D. Shoup. Parking Subsidies and Travel Choices: Assessing the Evidence. *Transportation* 17, 1990.
6. R. E. Huhnke. Paper presented at NAM-VECC 90 Motor Vehicle Emissions Control Conference, Dec. 1990.
7. *Commuter Parking Cost Study.* Metropolitan Washington Council of Governments and National Capital Region Transportation Planning Board, Washington, D.C., April 1991.

Publication of this paper sponsored by Committee on Transportation System Management.