

PD/A Registry
76-3588

MEMORANDUM FOR: Deputy Director for Administration

FROM : F. W. M. Janney
Director of Personnel

SUBJECT : Non-Profit Transportation Association

REFERENCE : Memo to DDA from Chairman, ADMAG
dtd 23 Jun 76, re same subject

1. Referent memorandum proposed two possible ways to form a non-profit transportation association utilizing vans driven by volunteer employees. The first involved purchase of the vehicle by the driver through low interest-rate Credit Union loans. The second envisioned the leasing of vans by the newly formed association with the "backing" of the Employee Activity Association. We assume "backing" would mean that EAA would be financially responsible if the transportation association were unable to fulfill the terms of the lease. Listed below are pertinent comments provided by the Credit Union and the Employee Activity Association.

2. Credit Union:

a. The ADMAG proposes that the Credit Union offer a preferential vehicle loan rate, under strict controls, to members in order to encourage car pooling.

b. The Federal Credit Union Act and the rules and regulations place limitation on the amounts, maturities, repayment terms and security required for loans. The Board of Directors may establish more restrictive loan limitations than those established by law and regulations; however, loans made to members must be for provident and productive purposes and must be approved. The role of the Credit Committee is to provide loans that will be helpful to members. Within the limitations prescribed by applicable law and regulations, the Board can adjust from time to time the interest rates on loans, the rate of interest refund, the maximum maturities, and terms of payment or amortization of loans to members and the maximum amount that may be loaned with and without security to any member:

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c. If the limits set meet the applicable law and regulations, then it appears that the Board of Directors could legally grant loans such as suggested in the ADMAG memorandum; however, the Board must consider all the members in making its policy decisions since any cost would be borne by all. The Board should determine that the interest rate conforms to the Credit Union's overall financial objectives and that shareholders and borrowers are treated equally.

d. A precedent was set by the Board of Directors on 28 June 1972 with the passing of Resolution 72-25. The resolution established a special loan program at a preferred rate of 4 percent for members who suffered losses of real or personal property in the floods of June 1972.

e. The controls proposed by ADMAG would be hard to monitor and time consuming. For instance, requirements would include signed proof of daily and acceptable door-to-door transportation from at least six employees and revalidation of eligibility every three months. Also, non-compliance would result in reversion to a higher interest rate. This could require the full-time services of an individual to check on compliance and keep track of this particular kind of loan. The responsibility to control the program is passed to the Credit Union. What started out as a government-wide policy and an Agency problem could become a Credit Union administration headache with the cost being absorbed by all members.

f. The ADMAG suggestion assumes that the "preferred" interest rate will encourage people to apply for loans to purchase cars for pooling. At the present time, the Credit Union already has loans available to all members at a rate which is very competitive and, in most instances, lower than rates at banks. The difference in interest costs to the member between the suggested "preferred" rate, matching the current dividend level of 6.5 percent, and our regular auto loan rate of 9 percent would be about \$117 per year (on a \$7,000 van loaned for 48 months) or less than \$10 per month. This is not a significant difference and, in our opinion, not enough of a difference to encourage people to comply with the suggested controls. Also, the preferred rate matching the current dividend level would mean that the Credit Union and all of its members would have to assume any costs of administration above and beyond the 6.5 percent return.

3. Employee Activity Association:

a. The EAA is a non-profit organization with limited financial resources. It has recently had considerable expense related to the move and renovation of the EAA Store. There has also been discussion in recent months of the possibility that EAA will have to further absorb the salary expense of its personnel and reimburse the Agency for space that it occupies. With this impact on EAA's net worth, it is questionable whether EAA has the financial capability to qualify as the "backer" of van leases.

b. The Employee Activity Association's participation in this venture could be questionable from another aspect, i.e., its charter. The charter provides for a broad range of endeavors. It does, however, seem to direct that these activities be for the welfare of its membership. This could possibly be overcome by requiring all participants to be EAA members, but such an action would tend to make the whole operation an EAA endeavor. While the EAA staff could assist with initial organization, polling of interest and publicity, it has neither the personnel nor the facilities to take on the full-time administration of an activity as complex as the non-profit transportation association. Furthermore, it does not appear feasible to consider staffing such an activity with volunteers as envisioned in this proposal.

c. As a point of interest, the idea of van pooling was submitted as an employee suggestion one year ago and was declined. (A copy of Suggestion #76-16 is attached.)

4. We commend ADMAG for the creativity demonstrated in their car pooling proposal, but we do not believe we can concur, for the reasons specified above.

[Redacted Signature]

F. W. M. Janney

STATINTL

Attachment

TO: Executive Secretary
Suggestion Awards Committee

SUGGESTION NO.
76-16

SUSPENSE DATE

INSTRUCTIONS: Please complete this form in detail to guide the Suggestion Awards Committee in making a final determination of the merits of this suggestion. Retain third copy.

1. ACTION RECOMMENDED ADOPT DECLINE OTHER (Specify):

2. REASONS FOR RECOMMENDATION (If more space is needed, use plain paper)

Reference suggestion for vanpooling was referred to the representatives of EEA, who after due consideration have determined it is not a feasible project for that organization. Beyond the problems of funds and liabilities involved with the initiation and operation of vanpools, EEA would require additional personnel to handle the administration associated with such a venture. Further, it is questionable whether such an undertaking is within the purpose of EEA as stated in its Articles of Incorporation.

3. TANGIBLE FIRST-YEAR SAVINGS (Man-hours, material, equipment, etc.)

4. INTANGIBLE BENEFITS (See guide on reverse side of third copy)

5. WHAT OTHER OFFICES, DIVISIONS, ETC. MIGHT ALSO USE THIS IDEA?

25X1A

DATE

19 August 1975

(Type name and title)

Chief, Review Staff - Office of Personnel

FORM 2-70

244b

USE PREVIOUS EDITIONS

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(43)

SUBJECT: (Optional)			
FROM: EXECUTIVE SECRETARY SUGGESTION AND ACHIEVEMENT AWARDS COMMITTEE 6-E-54, HEADQUARTERS		EXTENSION 7394	NO. 76-16 DATE 15 July 1975
TO: (Officer designation, room number, and building) 25X1A	DATE		OFFICER'S INITIALS
	RECEIVED	FORWARDED	
1. [REDACTED] 1236 Ames Building		7/17	B
2. c/LSD			Seen
3. c/P+PS 1236, Ames		8/6	J
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10. EXECUTIVE SECRETARY SUGGESTION AND ACHIEVEMENT AWARDS COMMITTEE 6-E-54, HEADQUARTERS		8/7/75	JW
11.			
12.			
13.			
14.			
15.			

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

For evaluation, please.

25X1A [REDACTED]

1 to 2
I would appreciate comments on the attached. Depending on your assessment I would propose refer it to the EAA. B

3 to 10 --

Joe,

Apparently the successful operation of van pooling is in a "club" environment. As the suggestor points out, it is not legal to use federally owned vehicles for employee home-to-work transportation; therefore OL could not take any official position on the suggestion.

Since it is a "club" concept, the Employee Activity Association might want to explore its possibilities.

25X1A [REDACTED]

OL 5 3604

VAN POOLING PROPOSAL--SUGGESTION

In an age when traffic congestion and inadequate, expensive parking facilities are a fact, energy conservation and pollution control a must, and public transportation unavailable to many employees, it is obvious that creative solutions must be applied to transportation problems.

Van pooling is a relatively new and experimental para-transit system which can be used effectively to transport workers to and from work. It is ideally suited for employer sites with more than 1,000 employees.

In the typical commuter van program, the vans are purchased or leased by the employer and operated on a non-profit basis. The vans transport between 8 and 12 employees each, on trips between their homes and place of work. The employees who commute in the vans cover the depreciation and operating costs by paying monthly fares. The initial van purchase costs are assumed by the employer and are recovered from passenger fares.

Administrative, supervisory, and capital costs are usually considered the responsibility of the employer. The employer's costs are then compensated for by the reduction in parking facilities required, and by more intangible items.

Since it is presently illegal to use federal vehicles on home-to-work trips, the vans could be leased or bought by the agency's credit union. The TVA in Knoxville began a vanpool program as a joint effort with their credit union in 1974. It operates 36 vans and is currently planning to expand its program to over 100 vans. It operates completely on a break-even basis, with no federal money involved, except for some minor administrative expenses. Legislation has passed the House Commerce Committee and is currently pending on the floor which would clear the way for vanpool

programs to be established directly under government direction. But we need not wait for Congress to act before doing something positive on our own.

Usually, fares run approximately \$22.-28. monthly (on a break-even basis), depending upon the distance the van travels. Drivers ride for free, and have use of the vans on weekends and at times when they are not in service. They pay a nominal mileage rate, but do not have to pay for maintenance, insurance, etc. As an incentive to the driver to keep the van full, he is sometimes awarded the fare of the 10, 11, and 12th riders.

The advantages of van pooling for the agency, its employees, and the public, are substantial. Among them are:

ADVANTAGES TO THE AGENCY

1. Reduction in traffic congestion around the agency and in the parking lots during rush hours.
2. Reduction in parking facilities and investment in parking. The 3M Company saved about \$2 million in construction costs because of reduced demand for parking as a direct result of its successful van pooling program. Employers currently provide free parking for 93% of this country's employees. It can cost \$600. per space for surface parking and between \$100. and \$1,000. per space for annual maintenance of each parking spot.
3. More efficient use of land around the agency.
4. Less tardiness among employees.
5. Good public relations for the agency.
6. Availability of extra vehicles for agency use during the day, if needed. If not, they can be rented or leased out to public service or volunteer organizations for nominal fees, which would further help defray the costs of

the program.

7. Better employee morale.

ADVANTAGES TO THE RIDERS

1. Lower costs of traveling to work. The average rider can save \$100. per year in gasoline costs alone.
2. Reduced risks and tension while commuting. Generally a more pleasant trip to/from work.
3. Less insurance cost for personal automobile when not driven to work.
4. Reduced mileage on personal automobile and increased mobility for other family members. Reduced need for a second or third car in the family.
5. Greater reliability than family car or car pools.

ADVANTAGES TO THE COORDINATOR-DRIVER

1. Free ride to work every morning.
2. Personal use of vehicle at minimal cost.
3. Fares from passengers in excess of a minimum number required by the agency can be kept as personal income by the driver

In addition to these advantages, there are substantial benefits to the general public.

1. Reduced congestion on highways.
2. Reduced air and noise pollution.
3. Reduced energy consumption.

In a recent study, it was shown that a national program of van pooling, even if it reached only 25% of the potential market, would save nearly 30 million miles per year in automobile traffic. It could, by itself, cut peak hour air pollution levels 12% and bring most cities within the parameters

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of EPA standards. Finally, it could achieve over 13% of the goal for reduction in crude oil imports set by the Ford Administration.

The agency has a responsibility to do its share to reduce wasteful energy use. Van pooling offers a cheap and rapid means of improving the way workers get to work at the agency. It is practical, efficient, and beneficial to all concerned, and I think we should look into it.

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ADMAG ITEMS

Jul 75 - Feb 76

<u>Period</u>	<u>Items</u>
Jul-Sep 75	
25X1A Chairman-- ██████████	1. Proposal to change term of Chairman from one to three months. Accepted by group as of 1 July 1975.
25X1A Recorder-- ██████████	2. Addressed complaint regarding Agency presentation of Evangeline Hotel to new employees. Memorandum prepared and subject subsequently discussed with D/PERS who promised to review matter.
	3. Discussion of ways to publicize the DDA History and Functions document. Subsequent decision to present at Trends and Highlights.
	4. Address from Messrs. Blake and McMahon on the role of ADMAG. Projects suggested -- attend Trends and Highlights, review Employee Perceptions memo, call in Office Directors for briefings and review prior ADMAG projects for new ideas.
	5. Discussion of the memorandum on the DDA Management Conference and its possible long-range effects.
25X1A	6. Selection of attendee to the July MAG meeting - ██████████
25X1A	7. Presentation to the DDA of a paper on the Role of ADMAG - ██████████
	8. Proposal to consider Agency sponsorship of a car-pooling technique utilizing a non-profit association and vans. Tabled for future discussion.
	9. Consultation with MAG regarding their presentation to a Senior Seminar - Role of ADMAG.
	10. Discussion to ask Deputy Office Directors to address ADMAG.

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Approved For Release 2000/05/16 : CIA-RDP81-00261R000700010043-1

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Items

25. Suggestion for Telephone Index of employee services information, starting with Office of Medical Services -- [REDACTED].

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26. Decision to poll various sub-career groups and request briefings as to activities. [REDACTED] to present at Feb MAG meeting.

27. Discussion of approaches to a new study of the fitness report system. On agenda for 3 Mar meeting.

28. A study of past ADMAG topics for presentation to the current group. A look at previous ideas which might be re-considered at this time. On agenda for 3 March meeting -- [REDACTED]

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