

SID SMITH: Well, thank you. It is really a pleasure to be here. Actually this is a repeat for me. I was with the CTAA meeting—convention down in New Orleans last year. It is nice to be invited back. I don't know whether that means I did a good job or enough time has elapsed that you have forgotten, but it is an honor to be invited back. It is my pleasure. Don, Robert, you know when I was walking up here somebody out there handed me a note. I read it coming up here. It said, "Hurry up, lunch is next." We are under the gun, guys. They know what they want, and it is lunch. But we will move quickly.

She told you a little bit about my history. For thirty years I ran an international trade association. I think it was the Marine Corp experience that got me through that. So, when I retired from that eight years ago I started the obligatory consulting firm. I think it is required now of everybody that retires. I still work with trade associations and other types of organizations, and for-profit companies around the country. I have a stable of clients nationally, regionally, and locally, and locally, in Charlotte, one of those is the Charlotte Area Hotel Association. In fact, they asked me when I retired to please come in and get the association started. I knew all the general managers anyway, having been in Charlotte all those years, and they said, "We want representation." So, we got the association started along those lines, but almost immediately the first thing that happened was they said, remember this was back in the days of full employment, we couldn't find enough workers, people would change jobs for 50 cents an hour, hotels have turnover anyway, and they said, "We need HR help, so let's get some programs going there." Well, I am going use the acronym CATS a lot – C A T S - Charlotte Area Transit System, CATS. I know they have been wanting to use that an acronym for years, but 16 years ago when we got the NFL Carolina Panthers franchise, that is when they jumped on the use of the CATS as an acronym, except after last Sunday's game I think everybody's out there repainting the buses trying to get CATS off of it.

[Anyway, one of the first things we did was set up a program. CATS offers external ticket contractors a discount if they will sell a certain minimum amount of bus passes each month. You have to maintain a minimum monthly sales of \$10,000 or more to get the maximum discount, which is 30% off the face value of those tickets. That was the program that we put into place with CATS. We did it through the hotel association because not one single one of these hotels was big enough on their own to get that discount. We got a lot of big employers in Charlotte. We have Duke Energy, Bank of America, Wachovia, Wells Fargo, others, but no hotel, even with 1,000, 1,200 employees, could sell that minimum amount each month, so we did it collectively. We have one account that sells well over that. We sell about \$25,000 of retail each month in tickets, which we

then give to the hotels and they do one of two things: They either resell them to their employees at that 30% discount, or, in a few cases, the hotels provide it to their employees as part of their employment with them. It is hugely popular.

A couple of benefits, and I am not going to steal what Robert is going to talk about. He is going to be talking about benefits and employee retention, but I just can't not touch on it briefly as I go by. We give or sell these to the employee, but what is happening is the hotel employees are not only buying or getting passes for themselves, they are buying passes at the 30% discount for all their family members. Their employees are coming in there once a month and buying 5 or 6 passes for everybody in their family and they love it. And it's a great benefit because, you know, not only the employee, but the family member, you can use these discounted bus passes 24 hours a day, 7 days a week, 365 days a year. It never ends. I mean, you have that benefit available to you all the time and it has sure helped to reduce our turnover, something Robert is going to talk a little bit more about. Part of the unique thing is turnover, the employee, the young lady or the young man working at the hotel, might come home one day and say, "I am thinking about changing jobs." His family looks him in the eye and says, "Oh no you're not because we won't get our bus passes that way." So, the benefit goes throughout the whole family.

It certainly helped us in recruitment too, even today. It is a benefit. Does your hotel offer bus passes? We are getting employees coming through the door asking the HR Department, "We have heard about this. Is your hotel one of the participants or not?" So, it is great and it has also been a lot of savings on, of course, the cost of parking. Parking in Charlotte, like most metropolitan areas and downtown areas, is up to \$125, \$140, \$160 a month. Well, you multiply that times 12 and that is a pretty doggone big savings for the employee. But, the hotel's employers are finding out something too. "Wait a minute. If I can get my employees out of my parking deck, I've got 200 or 300 parking spaces that now I can sell for \$150 a month." So, the employer is saying, "Hey, I can make money off this deal if I can get my employees out of my parking deck I will rent those to businesses around town."

And of course you've also got the added advantage of the federal tax credits. But, we are just now coming to that. I think a lot of those tax credits are passed and programs are passed, "This is going to be the primary incentive." It's not for us. I mean we are just now learning about it, figuring it out, and then the hotels are taking a look at it and a few signing up. But, it was the employee benefit was the primary initiative. The federal tax credits and the others—that's just like icing on the cake, but it wasn't the primary driving factor at all.

So, how do we promote this? Well, like everybody we have a newsletter. Ours is Internet based. We put information about the bus pass program in there. We have our website. We have all the information about our hotel program up on the website. It is charlotteareahotels.com, [charlotteareahotels](http://charlotteareahotels.com), plural, .com if anybody is interested. It is up there.

We also went to CATS and we didn't do this, but CATS did it at our suggestion. I said, "Why don't you make up a poster about one of the size of some of these that Jim's doing over here that says—make it generic, it doesn't have to do it with hotels, use it with every one of your ETC accounts—that says, "Do you get your discounted bus pass programs? Are you buying discounted bus passes? If so, see your HR Director." I said once you get that printed up, oh by the way, would you convert it to Spanish too? So, we have one poster in English and Spanish. We handed it out for free. CATS paid for it. It helped get a lot of people signed up for it. And then, of course, the monthly materials that we provide for people to place their orders.

So, some of the services. How we do it. Being an association, one of the things we provide is service. We deliver for the hotels. We are the ones, our staff goes down to the CATS Department, we do the reconciliation, we get next month's passes, we bring them back, we divvy them up among the hotels, we then deliver them to the HR Departments in the hotels. ~~so~~ They don't have to leave their office to get their materials. And they mail back any returns for credits or anything else. Other services that we are providing and/or with CATS. CATS has recently gone to Google maps. Now I know all of you in here know a whole lot more about Google planner, trip planner, whatever it is, but now CATS has gone to that. Every single route in the Charlotte area transit system is set up through Google trips and you can go on their website, ridetransit.com or ridetransit.org for Charlotte, and go to the Google maps and it will tell you that you can log in where you are, what address you want to go to, and it will give you the route, it will give you the price, it will give you the best thing you can do, so we have now made that available to all of our employers so they can help their employees figure out how to get to the right place at the right time. Lastly, we have put the American Public Transportation Association's cost calculator, a link to it, up on our website, so that they can take their employees and say, "Log in here and you can calculate exactly how much you will save by switching over to using public transportation rather than your own car."

And lastly, a couple of our hotels that are located right on transportation lines, whether it's a bus line or light rail, are beginning to have available passes for their hotel guests to use. The hotel guest comes in and says, "What is there to do in town?" "Well, if you go here, but oh, by

the way, here is a one week good pass and it is on us, ~~so~~ bring it back if you would like, but if you forget it, it is ok.”

So if you are here representing the employees, I tell you, this is—if you are a company or a business, you have got to start getting into these kinds of programs. And if you are here representing transportation departments and agencies, as I know most of you are, I would recommend that you get more aggressive in going out and finding these groups that you can coalesce with. Just take out your yellow pages, look under the “A’s” and look under “associations” and start calling and saying, “Can we help you get a program set up.” I think you will generate a lot of interest and a lot of business. I appreciate your time and I hope you will ask us a lot of questions.