



**U.S. Department
of Transportation**

Office of the Secretary
of Transportation

1200 New Jersey Avenue SE
Washington DC 20590

JUN 15 2012

Mr. James E. Dyer
Chief Financial Officer
U.S. Nuclear Regulatory Commission
11545 Rockville Pike
Mail Stop T9F4
Rockville, MD 20852

Dear Mr. Dyer:

The Office of Management and Budget (OMB) has designated the Department of Transportation (DOT), Office of the Assistant Secretary for Administration, TRANServe Program, as the Federal entity responsible for the recovery of excess transit benefits accumulating on account for vanpool riders (see attached OMB Letter dated April 27, 2012). The purpose of this letter is to invite you to a meeting of Federal agencies to discuss the return of any excess transit benefits and internal controls to eliminate the accumulation of funds.

As you are aware, consistent with the Federal Employees Clean Air Act, as amended (5 U.S.C. 7905); Executive Order 13150 (2000); and other enabling legislation, many Federal agencies provide employees a tax-free transit benefit subsidy for the actual cost of travel between the employee's residence and place of employment, up to the statutory exclusion amount set forth in the Internal Revenue Code (Code). The tax-excluded limit is \$125 per month as of January 1, 2012.

As transit benefit recipients, Federal employees must ensure that the amount of transit benefit received does not exceed their actual monthly commuting cost. Overestimating transit cost, giving or selling the transit benefit to others, or purchasing fare media from unauthorized sources is prohibited. Also, employees are not permitted to accumulate fare media in excess of their actual monthly commuting costs. Finally, employees who misuse the transit benefit program are subject to appropriate administrative action, including discipline and disqualification from receiving future transit benefit.

Consistent with OMB direction, TRANServe will provide Federal agencies a list of the minimal internal controls that are required in order for the agency to operate a compliant transit benefit program. To achieve this goal, TRANServe would like to review and discuss your agency's policy and internal controls procedures. You are invited to attend a meeting of participating Federal agencies on July 25, 2012 hosted by TRANServe. The meeting will be held at DOT Headquarters Conference Center from 1:00 P.M. to 4:00 P.M. In advance of the meeting, please submit your agency's transit benefit policy and procedures, relevant legal authority(ies), and

funds management guidance as it refers to the return of funds to the program. Information received by June 20, 2012 will be compiled and shared prior to the meeting.

By July 20, please confirm your attendance for the July 25 meeting and include the names and email contact information for each of those attending for your agency. All confirmations and materials can be sent to Angela Chew at Angela.chew@dot.gov or by phone at 202-366-0064. An agenda will follow.

Should you require additional information, please contact my Director, Marie Petrosino-Woolverton, at 202-366-3967 or by email at: marie.petrosino@dot.gov.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Fontenot', with a long horizontal flourish extending to the right.

Brodi Fontenot
Deputy Assistant Secretary for Administration

Attachments: OMB letter April 27, 2012



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE CONTROLLER

APR 27 2012

Mr. Brodi Fontenot
Deputy Assistant Secretary for Administration
Department of Transportation
West Bldg 81-316
1200 New Jersey Ave, SE
Washington, DC 20590

Dear Mr. Fontenot:

The Federal Transit Benefit Program is an important tool to help address urban roadway congestion in the National Capital Region and cities across the Nation. The benefit is designed to subsidize employees' cost for using public transportation to travel between their residence and place of employment.

It is important to preserve the benefits of this program while eliminating the opportunity for waste, fraud and abuse. Federal employees are responsible for certifying that the amount of transit benefit subsidy received does not exceed their actual monthly commuting cost. Overestimating transit cost, giving or selling the transit benefit to others, or purchasing fare media from unauthorized sources is prohibited. Also, excludable qualified transportation fringe benefits are calculated on a monthly basis (26CFR1.132-9); therefore, employees are not permitted to accumulate fare media in excess of their actual monthly commuting costs or to use accumulated fare media (acquired with tax-exempt subsidies) to offset commuting costs in subsequent months. Finally, employees who misuse transit benefits are subject to appropriate administrative action, including discipline and disqualification from the Federal Transit Benefit Program.

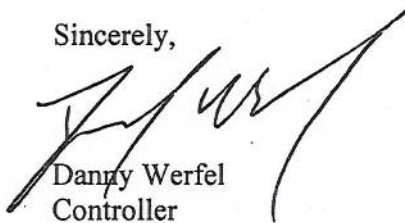
The Office of Management and Budget has been advised that excess transit benefits may be accumulating in the situation where transit benefits are used for vanpool services between the employee's residence and place of employment. The following corrective action is required for any such excess transit benefits that are accumulating on accounts for Federal employees:

- (1) The excess transit benefits must be returned to the Treasury, and
- (2) Federal agencies must strengthen their internal controls to ensure consistent compliance with the provisions of the Federal Transit Benefit Program and with the Internal Revenue Code and the Treasury Regulations.

To facilitate the timely return to the Treasury of excess transit benefits, and to prevent the future accumulation of excess transit benefits, the Office of Management and Budget designates the Department of Transportation, Office of the Assistant Secretary for Administration, as the lead Federal agency to inform commercial vanpool companies of the Federal internal controls that govern the Transit Benefit Program and to assist in the timely return of the Federal funds.

Note that this designation represents managerial direction and does not convey additional legal authority to the Department of Transportation. Pursuant to this direction, we expect the Office of Assistant Secretary for Administration to be responsible for the recovery, to extent practicable, of excess transit benefits provided to van pool riders, including both customers of TransServe and van pool riders received benefits through other channels. As an initial step, the Transportation Department will notify the senior leadership of the relevant Federal agencies of the need for prompt corrective action and provide them a list of the minimal internal controls that are required in order for the agency to operate a compliant program.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Werfel', written over the printed name and title.

Danny Werfel
Controller