



DEPUTY SECRETARY OF DEFENSE

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13 OCT 2000

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF  
UNDER SECRETARIES OF DEFENSE  
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING  
ASSISTANT SECRETARIES OF DEFENSE  
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE  
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DIRECTOR, OPERATIONAL TEST AND EVALUATION  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Department of Defense Transportation Incentive Program

The purpose of this memorandum is to revise the Department's policy on transportation incentives to conform to Executive Order 13150 of April 21, 2000 (Attachment 1). Under the Executive Order, President Clinton has directed Federal agencies to establish, by October 1, 2000, transportation fringe benefit programs in order to reduce Federal employees' contribution to traffic congestion and air pollution, and to expand their commuting alternatives. The Department of Defense strongly encourages commuting by mass transportation to reduce traffic congestion and improve air quality, and fully supports the President's Initiative.

The Executive Order differentiates between employees working inside the National Capital Region (NCR) and those outside the NCR with respect to the kind of transportation incentives that must be offered by Federal agencies. However, as the largest Federal employer in many metropolitan areas around the Nation, we believe that the Department of Defense (DoD) should be a model employer and take appropriate action necessary to reduce the traffic congestion and air pollution that affect so many areas. We are also concerned that all DoD personnel be treated equitably. Therefore, we will offer the same incentive to all DoD personnel regardless of location inside or outside the NCR. Accordingly, Components will offer transportation incentives as indicated below and in Attachment 2. Transportation incentive programs will apply equally to all civilian employees and Military Service members, including nonappropriated fund (NAF) employees. Members of Reserve Components serving on active duty also are eligible for the incentive.

**National Capital Region:** DoD Component installations and activities in the NCR must implement, by October 1, 2000, a "transit pass transportation fringe" benefit for members/employees utilizing mass transit or van pools as defined in Attachment 2. Under this program, in addition to their current compensation, Components must provide personnel vouchers or

similar items that may be exchanged only for transit passes in amounts that do not exceed personal commuting costs, up to the maximum allowed by the Internal Revenue Code (IRC) (currently \$65/month; \$100/month and indexed beginning January 2002). The Director, Washington Headquarters Services, will administer the program for civilian employees and Military Service members in the NCR. Parking costs will not be used in establishing commuter costs.

**Outside the National Capital Region:** DoD Component installations and activities outside the NCR must offer personnel a transportation incentive program identical to the program offered to personnel inside the NCR except where vouchers are not readily available as addressed in Attachment 2. If vouchers are not readily available for the employing DoD Component to provide to its members/employees, the DoD Component shall implement a cash reimbursement arrangement to reimburse its members/employees for expenses incurred or paid by them for transportation via mass transit or van pools as defined in Attachment 2. The reimbursement must be made under a bona fide reimbursement arrangement, which meets the rules of Internal Revenue Service regulations or other Internal Revenue Service guidance as addressed in references b. and d. of Attachment 2. In DoD, qualified and participating civilian employees and Military Service members shall be reimbursed by the Component after submitting a completed Standard Form 1164 (SF-1164), "Claim for Reimbursement for Expenditures on Official Business." The SF-1164 should clearly indicate that reimbursement is being requested under the transportation incentive program and the period for which reimbursement is being requested. Parking costs will not be used in establishing commuter costs. Each DoD Component shall be responsible for developing a comprehensive program for providing transportation incentives to civilian employees and Military Service members outside of the NCR. Components should implement their programs outside the NCR as expeditiously as possible.

Attachment 2 provides additional guidance for implementing the DoD transportation incentive program. Please assure that those responsible for implementing the program in your Component receive this memorandum and the attachments. Organizations responsible for transportation programs or facilities and parking management normally should have responsibility for administration of each Component's transportation incentive program.

Many of you have labor relations obligations that you must satisfy. To facilitate the accomplishment of these obligations, we recommend that you inform your unions about the transportation fringe benefits program as quickly as possible and be prepared to discuss any issues that arise. At the Department level, we have informed the eight national unions having consultation rights review about our implementation of the Order.



Rudy de Leon

Attachments:  
As stated