



U.S. Department  
of Transportation  
**Office of the Secretary  
of Transportation**



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## TRANSIT BENEFIT PROGRAM BULLETIN

### TRANServe ELECTRONIC FARE MEDIA – DEBIT CARD

**Bulletin Number:** EFM-2011-02

**Date:** March 18, 2011

**SUBJECT:** Electronic Fare Media – Debit Card Enabling Authorities

**PURPOSE:** To provide information to Customer Agencies on the authorities that enable Transportation Services (TRANServe) to offer an Electronic Fare Media (EFM) – Debit Card through the US Department of Treasury.

**Background:** On July 12, 2010 TRANServe entered into discussions with J.P. Morgan Chase (JPMC), the Financial Agent selected by the U.S. Treasury Department, Financial Management Service (FMS), regarding establishment of an EFM product in the form of the U.S. Debit Card (USDC). TRANServe’s primary goal is to use a single fare media system with extensive internal controls to deliver Transit Benefit Programs to Federal entities in an effective, fiscally responsible manner.

FMS is the primary disburser of payments to individuals and businesses on behalf of Federal agencies, and is responsible for assisting Federal agencies improve cash management processes. Since Federal agencies, unless otherwise authorized<sup>1</sup>, are not legally permitted to utilize a commercial enterprise to hold, collect, and disburse public monies, which are functions required as a component of the TRANServe Program, FMS is able and authorized to provide the necessary services pursuant to 31 U.S.C. §§ 321, 3301-3343 and 12 U.S.C. section 90 and 31 CFR Part 208.

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<sup>1</sup> “In rare cases, a Federal agency may have statutory authority to hold money without depositing it to the U.S. Treasury or into an account at a depository designated by the Department of the Treasury.” Treasury Financial Manual transmittal letter No. 643, March 5, 2008.

TRANServe – FMS Roles and Responsibilities and Privacy Act/Disclosure of Cardholder Information include but are not limited to:

## **VII. Roles and Responsibilities.**

**A. Roles and Responsibilities of FMS.** FMS will select, designate, and manage a financial agent for the purpose of providing TRANServe USDC services, in accordance with applicable laws, policies, and procedures, and in consultation with TRANServe. FMS and/or its designated financial agent will be responsible for the following:

FMS will direct its designated financial agent to collateralize, as necessary and appropriate, any public monies held by the financial agent for the TRANServe USDC program; and

FMS will direct FMS's designated financial agent to establish the TRANServe USDC program and provide TRANServe USDC services in accordance with the terms of this MOU and the agreed upon requirements necessary to implement and operate the program.

In addition, terms and conditions of the MOU and the FMS Financial Agent Agreement (FAA) with JPMC require that Federal laws and regulations with respect to privacy information are adhered to consistent with regulation and procedure. In particular, the U.S. Treasury Department FMS requires JPMC to comply with Office of Management and Budget (OMB) Memorandum M-06-19, "Reporting Incidents Involving Personally Identifiable Information and Incorporating the Cost for Security in Agency Information Technology Investments" dated July 12, 2006, the Treasury Security Manual (TDP 15-71), other OMB Privacy related policy and guidance, as well as the Privacy Act of 1974, which are incorporated in the FAA.

## **IX. Privacy Act/Disclosure of Cardholder Information.**

The parties understand that enrollment information is subject to the Privacy Act of 1974, 5 U.S.C. 552a (the "Privacy Act") and may include confidential financial information. For purposes of this MOU, "enrollment information" means any information about a cardholder that TRANServe provides to FMS or its designated financial agent, including the name, address, social security number, and other personal identifying information related to a cardholder. The parties agree to comply with the provisions of the Privacy Act, and to ensure that any disclosure and/or use of enrollment information will be done in compliance with the Privacy Act, and to ensure that any disclosure and/or use of enrollment information will be done in compliance with the Privacy Act and other laws applicable to the protection of personal and confidential financial information in the USDC program.

**Discussion:**

The framework for TRANServe Program management and oversight operations will occur within the established structure. All other terms and conditions will remain unchanged as identified in the signed governing program documents. However, it may be determined that administrative changes to the agreements may be necessary in order to ensure that the parties have a singular understanding of the EFM operational components.

**Conclusion:**

The TRANServe-FMS MOU incorporates privacy and stewardship of Personally Identifiable Information (PII) and is considered part of the Federal convention as established by law and regulation.



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