The original documents are located in Box 17, folder "12/31/74 S3341 Travel Expenses Amendments Act of 1974 (vetoed)" of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.

Exact duplicates within this folder were not digitized.

Pocket Veto
(Eff midnight 12/31/74)
Memo of Disapproval
Issued 1/6/75
(Dated 12/31/74)

THE WHITE HOUSE

WASHINGTON

ACTION

January 3, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: KEN COLE

SUBJECT: Memorandum of Disapproval
S. 3341 - Travel Expenses
Amendments Act of 1974

Attached for your signature is a memorandum of disapproval relating to your decision of December 31, 1974, pocket vetoing S. 3341.

OMB, Phil Areeda and Max Friedersdorf recommend approval of the memorandum which has been cleared by Paul Theis.

RECOMMENDATION

That you sign the memorandum of disapproval (Tab A).

ACTION

THE WHITE HOUSE

WASHINGTON

Last Day: December 31

December 28, 1974

MEMORANDUM FOR: THE PRESIDENT

FROM: KEN COLE

SUBJECT: Enrolled Bill S. 3341 - Travel Expenses Amendments Act of 1974

Attached for your consideration is S. 3341, sponsored by Senator Metcalf, which raises the statutory per diem allowance and mileage rates for civilian Government employees and others traveling on official business, but also contains a rider making these rates applicable for authorized travel of certain disabled veterans in connection with their treatment.

Paul O'Neill (OMB) recommends approval and in his enrolled bill report (Tab A) he sets forth the relevant considerations in balancing the strong desire for increasing the civilian Government travel allowances against the Administration's displeasure with the rider.

The Administration strongly objected to the provision for veterans--added in the Senate--because there are significant differences in the situations of disabled veteran beneficiaries and Federal employees who travel on the Government's business. Veterans Administration is strongly opposed to this beneficiary provision and feels it may well lead to a similar provision in the future with respect to mileage and per diem rates for non-service connected disabled veterans.

RECOMMENDATIONS

On balance, OMB, Max Friedersdorf and Phil Areeda concur that in light of the strong present need to adjust civilian travel allowances, as well as the compromises your Administration was able to obtain on other items, that you should sign the legislation.

While Veterans Administration defers on whether the desirable aspects of the bill outweigh its undesirable aspects, they believe the beneficiary provision standing alone would warrant Presidential veto and so recommend.

DECISION

S. 3341

Sign (Tab B) _____ Pocket Veto AR 7.
(Prepare memorandum of disapproval)

OMB
Areeda
Cole
Friedersdorf
GSA
CSC
DOD
Agriculture
Treasury
Justice

Veterans Administration

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

DEC 26 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3341 - Travel Expenses Amendments Act of 1974
Sponsor - Sen. Metcalf (D) Montana

Last Day for Action

December 31, 1974 - Tuesday

Purpose

Raises the statutory per diem allowance and mileage rates for civilian Government employees and others traveling on official business; contains a rider making these rates applicable also for authorized travel of certain disabled veterans in connection with their treatment.

Agency Recommendations

Office of Management and Budget	Approval
General Services Administration	Approval
Civil Service Commission	Approval
Department of Defense	Approval
Department of Agriculture	Approval
Department of the Treasury	Approval
Department of Justice	No objection
Veterans Administration	Disapproval

Discussion

Under present law, civilian employees of the Federal Government (and experts and consultants employed intermittently) are eligible for a per diem allowance of up to $25 per day while traveling on official business, in lieu of reimbursement for actual expenses. Current law also prescribes limits on mileage rates paid for the use of privately owned vehicles while on official business. The maximum rate system in current law allows agency heads to reimburse travelers for reasonable expenses up to the maximum established by statute.

Present rates for per diem and mileage have been inadequate for some time. Consequently, many Federal employees who are required to travel in connection with their work have suffered considerable out-of-pocket expenses in recent years. The Administration proposed last June, and S. 3341 would raise, these amounts to reflect more closely the increased cost of travel.

Major Provisions of the Enrolled Bill

The following describes the major provisions of S. 3341 compared with the Administration proposal.

Per diem allowances.--The enrolled bill would

-- increase the per diem allowance for travel in the continental United States from the present rate of not to exceed $25 to a maximum of $35. The Administration bill had proposed $30 as the new maximum, and GSA indicates in its views letter that this is the rate it intends to prescribe.

-- increase the maximum reimbursement to employees who are authorized to travel on an actual expense basis within the continental U.S. from $40 to $50 per day due to unusual circumstances and authorize such reimbursement when the travel is to designated "high rate geographical areas," essentially as proposed by the Administration. The "high rate" concept for travel to major cities would be employed when Government workers travel to certain cities designated by GSA, where expenses for meals and lodging are considerably above those in other cities or the national average.

-- increase from $18 to $21 per day ($23 in the Administration proposal) the maximum actual expense reimbursement for foreign travel authorized to be paid, in addition to the per diem established for the particular area.

-- authorize comparable increases in per diem for Senators and Senate committee staff, and, for the first time, authorize a Senator's personal staff to be reimbursed for official travel on the same basis as committee staff, with certain restrictions regarding travel within 120 days of any primary or general election.

As passed by the Senate, S. 3341 would have set a fixed per diem allowance rate rather than continuing the long-standing statutory concept of maximum rates. The Administration strongly opposed that feature of the Senate bill, and it was deleted by the conferees.

The enrolled bill does, however, provide that GSA must by regulation "state the specific rate of the per diem allowance." This provision gave rise to concern as to whether it would preclude GSA from continuing the "lodging plus allowances for meals" system of establishing per diem rates, and from administratively prescribing a maximum lower than the statutory $35.

In its attached views letter on the enrolled bill, GSA states:

> "Originally, the term 'specific rate' raised some question and concern with respect to its meaning and application. To strengthen the legislative history and avoid ambiguity of the term 'specific rate,' Congressman Buchanan and Senator Percy each introduced the desired clarifying statements which are part of the legislative history."

GSA also reports that it has had informal discussions with representatives of the General Counsel's office of the General Accounting Office, and has been advised that there is adequate basis for GSA to continue to implement the "lodgings plus" concept for uniform application by all Federal agencies.

Justice, in its attached views letter on S. 3341, concurs that the bill would permit GSA to set the per diem rate at less than $35 and to prescribe a "lodgings plus" rate.

Mileage rates.--S. 3341 would establish a minimum-maximum concept for mileage allowances paid to Federal employees when they are authorized to use privately-owned vehicles on official business as more advantageous to the Government. The present rates and the new minimums and maximums provided under S. 3341 are shown in the following table.

	Present rates	Range allowable under S. 3341
Automobile	12¢ per mile	15-20¢ per mile
Motorcycle	8¢ per mile	8-11¢ per mile
Airplane	12¢ per mile	18-24¢ per mile

The bill would provide a new procedure under which mileage rate adjustments could be made administratively within the allowable range, based on periodic cost studies by GSA, in consultation with GAO, DOT, DOD, and representatives of employee organizations.

Rates below the minimum would be permitted only if a private vehicle is used when a Government vehicle is readily available. GSA indicates that it will work with the agencies to determine if additional Government vehicles are required for the most cost-effective conduct of Government operations.

The Administration strongly opposed the minimum rate concept for mileage allowances, which was originally incorporated in the Senate-passed version of S. 3341. As GSA notes, the provisions of the enrolled bill in this respect represent a compromise between the two Houses.

VA provision.--S. 3341 contains a provision added by the Senate which--effective July 1, 1975--would make the per diem and mileage rates for Government employees also applicable to reimbursements by VA for authorized travel of veterans with service-connected disabilities in connection with their treatment, counseling, vocational rehabilitation, or other care. Under current law, these VA mileage and per diem payments may be fixed administratively, and have been set at lower rates than those applicable to civilian Government employees.

The Administration objected strongly to the VA provision in the enrolled bill on the basis that there are significant differences in the situations of VA disabled beneficiaries and Federal employees who travel on the Government's business. Generally a short span of time is involved in VA-beneficiary travel to a VA facility, while Government employees may be in travel status for days or weeks. Their per diem is designed to pay for their necessary living expenses during this period, including those of lodging and meals.

VA states in its views letter that it believes this provision standing alone would warrant a Presidential veto.

Cost

Because of the large number of variables involved, it is difficult to make a precise cost estimate for S. 3341. However, under the $30 maximum per diem rate GSA intends to establish administratively, GSA estimates that added outlays for the per diem and mileage provisions of the enrolled bill could reach roughly $35 million annually. In addition, VA estimates that the feature of S. 3341 relating to veterans will add costs of approximately $25 million annually. In total, therefore, S. 3341, if enacted, would require additional outlays in the range of $60 million.

Section 10 of the enrolled bill would require that any increases incurred in fiscal year 1975 be absorbed by the departments and agencies, and would specifically prohibit any additional appropriations for the current fiscal year to pay for such increases. This bill, together with the 90 percent limitation on travel expenses for the remainder of fiscal 1975 (Section 205 of H.R. 16900, the enrolled Supplemental Appropriations Act), will severely restrict travel of Government personnel for the remainder of this fiscal year.

Recommendations

GSA strongly urges approval of the enrolled bill. Its views letter states:

> "The need for corrective legislation on per diem and mileage allowances is obvious and great. Any further delay in relieving the financial sacrifice of the many dedicated employees who must travel away from home in the performance of their duties would be unconscionable. We understand that there is some concern about this bill regarding its budgetary impact. However, if it is not signed, we are not sure that we can negotiate anything as reasonable in the next Congress. We are concerned that if this bill is not signed that subsequent action by the Congress can be undesirable and, possibly, more costly."

VA, as indicated above, is strongly opposed to the bill's provision tying beneficiary rates for service-disabled veterans to the Government employee rates. The VA letter further states:

> "While we defer to the General Services Administration and other affected agencies as to whether the desirable aspects of the act outweigh its undesirable aspects, we are inclined to recommend Presidential disapproval because of its interference with administrative discretion in fixing rates of mileage for automobile travel, and because of the requirement that the increased costs be absorbed."

Treasury, Defense, and Agriculture--typical agencies with respect to employee travel--all recommend approval.

****

We concur with VA's opposition to its beneficiary provision in the enrolled bill. It is undesirable on its merits, and may well lead to a similar provision in the future with respect to mileage and per diem rates for non-service-connected disabled veterans.

In view of the desirability of adjusting the per diem and mileage rates for Government employees, however, and the compromises the Administration was able to obtain in working with the conferees on this legislation, we do not believe your disapproval of S. 3341 is warranted.

Paul H. Dean

Acting Director

Enclosures

(edit - PT) January 3, 1975

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from S. 3341, the "Travel Expenses Amendments Act of 1974."

This bill would raise the maximum per diem allowance and mileage rates for civilian Government employees traveling on official business. I endorse this proposal. Unfortunately, a provision was added to the bill which would establish a rigid system of mileage reimbursement to the disabled veteran -- with no discretionary authority for payment of a lesser amount where justified when the veteran was authorized to travel for treatment.

This provision assumes that there are great similarities in the travel situations of Veterans Administration beneficiaries and Federal employees who are away from home on Government business. This is not the case, however. Generally, a short span of time and distance is involved in VA beneficiary travel to a facility for vocational rehabilitation, counseling and health care, while Government employees may be traveling for days or weeks at a time. The employee per diem is designed to pay for necessary living expenses during this period, including those of lodging and meals.

Under this bill, Government employees using their privately owned vehicles may be reimbursed at the minimum 15¢ per mile, or at a rate comparable to the cost to the Government if the employee used a Government-owned vehicle. This flexibility would be continued for Government

employee travel under the bill passed by the Congress. However, such management flexibility would not be applicable to travel of VA beneficiaries. The result would be the required payment of unwarranted mileage rates that would add an estimated $25 million a year to the VA budget.

The Administration will ask the 94th Congress for a new bill to raise the maximum per diem and mileage rates for Federal employees which have been inadequate for some time. Many Federal employees who are required to travel in connection with their work have suffered considerable out-of-pocket expenses in recent years. This should be rectified as soon as possible ~~Our proposal -- similar to the bill proposed to the 93rd Congress -- will remove the ambiguity in S. 3341 with respect to the continued use of the "lodgings plus" method of reimbursement and will continue the maximum rate system in current law. This is a practice which allows travelers to be reimbursed for their reasonable expenses up to the maximum established in statute and also assures more efficient use of tax dollars.~~

THE WHITE HOUSE

January , 1975

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from S. 3341, the "Travel Expenses Amendments Act of 1974."

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This provision assumes that there are great similarities in the travel situations of Veterans Administration beneficiaries and Federal employees who are away from home on Government business. This is not the case, however. Generally, a short span of time and distance is involved in VA beneficiary travel to a facility for vocational rehabilitation, counseling and health care, while Government employees may be traveling for days or weeks at a time. The employee per diem is designed to pay for necessary living expenses during this period, including those of lodging and meals.

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The Administration will ask the 94th Congress for a new bill to raise the maximum per diem and mileage rates for Federal employees which have been inadequate for some time. Many Federal employees who are required to travel in connection with their work have suffered considerable out-of-pocket expenses in recent years. This should be rectified as soon as possible.

Gerald R. Ford

THE WHITE HOUSE,
December 31, 1974

VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420

December 20, 1974

The Honorable
Roy L. Ash
Director, Office of
Management and Budget
Washington, D. C. 20503

Dear Mr. Ash:

This will respond to the request of the Assistant Director for Legislative Reference for the views of the Veterans Administration on the enrolled enactment of S. 3341, 93d Congress, an act "To revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes."

The act would increase the per diem rate for employees traveling on official business within the continental United States from a maximum of $25 to a maximum of $35. Official travel on an actual and necessary expense basis would be increased from $40 to $50 a day for travel within the continental United States and from $18 to $21 a day for travel outside the continental United States, plus the locality per diem rate prescribed for such travel. Mileage expenses for official travel would be increased from 12 to 15 cents a mile for the use of a privately owned automobile and from 12 to 18 cents a mile for the use of a privately owned airplane. The act further provides that the amount paid for expenses of travel or mileage allowance to veterans with service-connected disabilities traveling under the provisions of section 111(a) of title 38, United States Code, would, in no event, be less than the amount paid therefor in the case of employees of the United States traveling on official business.

On October 11, 1974, we submitted identical reports on S. 3341 to the Chairman and ranking majority member of the House Committee on Government Operations, and the three named Senate members of the Committee of Conference who were to consider S. 3341. Although we deferred to the General Services Administration for definitive comments on the then pending legislation as it affects Government employees traveling on official business, we strongly recommended that S. 3341 be amended to delete the section providing that the amount paid for expenses of travel or mileage allowance to veterans with service-connected disabilities traveling under the provisions of section 111(a) of title 38, United States Code, would, in no event, be less than the amount paid therefor in the case of employees of the United States traveling on official business. We also advised the Chairman that your office had informed us that enactment of S. 3341 without deleting the section pertaining to beneficiary travel would not be in accord with the President's program.

The provisions in the bill which fix the mileage allowance for automobile travel by service-connected veterans at 15 cents per mile, with no discretionary authority to pay a lesser amount where justified, as well as that provision which requires the agency to absorb the costs resulting from the new rate increase, will impede the proper accomplishment of our mission. Accordingly, we are still of the belief that section 11 of the bill amending section 111(a) of title 38, United States Code, is highly objectionable and, standing alone, would warrant a Presidential veto. While we defer to the General Services Administration and other affected agencies as to whether the desirable aspects of the act outweigh its undesirable aspects, we are inclined to recommend Presidential disapproval because of its interference with administrative discretion in fixing rates of

mileage for automobile travel, and because of the requirement that the increased costs be absorbed.

Sincerely,

Deputy Administrator - in the absence of Odell W Vaughn

RICHARD L. ROUDEBUSH
Administrator

THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

DEC 20 1974

Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Attention: Assistant Director for Legislative Reference

Sir:

Your office has asked for the views of this Department on the enrolled enactment of S. 3341, "To revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes."

The enrolled enactment would increase the amounts which may be paid to regular employees of the Federal Government and to experts and consultants employed intermittently, who are traveling on official business, with respect to per diem in lieu of subsistence, and reimbursement when payment of actual expenses is authorized. It would also increase the mileage rates for the use of privately owned vehicles used while on official business.

The enrolled enactment would provide that increases in expenses incurred during fiscal year 1975 as a result of this enactment shall be absorbed by Federal agencies and would prohibit appropriations for fiscal year 1975 to pay such increases.

The Department recommends that the enrolled enactment be approved by the President.

Sincerely yours,

General Counsel

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
WASHINGTON, D. C. 20301

20 December 1974

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Ash:

Reference is made to your request for the views of the Department of Defense with respect to the enrolled enactment of S. 3341, 93d Congress, an Act "To revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes."

The purpose of this bill is to increase the amounts of per diem which may be paid to regular employees of the Federal Government and to experts and consultants employed intermittently, who are traveling on official business. The bill would also increase the mileage rates for use of privately owned vehicles while on official business. The bill also establishes a procedure to adjust on a periodic basis the mileage reimbursement figures for employees who use privately owned vehicles.

The current per diem rates have been inadequate for many locations for quite some time. The same is true for the mileage allowances. Many employees of the Federal Government who are required to travel in connection with the performance of their official duties have suffered considerable out-of-pocket expenses over the past several years. This bill addresses these problems in a realistic and flexible manner.

The Department of Defense strongly endorses this legislation and recommends that the President approve S. 3341. Since the bill specifically requires that any increases in expenses of per diem, travel, transportation, mileage, and subsistence incurred during fiscal year 1975 as a result of the enactment of S. 3341 shall be absorbed by the

departments, approval will not result in any increase in budgetary requirements in the Department of Defense.

Sincerely,

Martin R. Hoffmann

Martin R. Hoffmann

UNITED STATES CIVIL SERVICE COMMISSION
WASHINGTON, D.C. 20415

CHAIRMAN

December 20, 1974

Honorable Roy L. Ash
Director
Office of Management and Budget

Attention: Assistant Director for
Legislative Reference

Dear Mr. Ash:

This is in response to your request for the views and recommendation of the Civil Service Commission on enrolled bill S. 3341, an enrolled bill "To revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals travelling on official business, and for other purposes."

It seems apparent, in view of the continuing trend of rising costs, that the current statutory maximums on per diem and mileage allowances are no longer adequate. It is feared that the Government has placed many of its employees in the position of being required to carry on essential Government business in part at their expense.

The Civil Service Commission is in agreement with the enrolled bill S. 3341. We believe a significant question of equity is involved, and the enrolled bill appears to compensate adequately for the increased costs of travel. Therefore, we urge that the President sign enrolled bill S. 3341 into law.

By direction of the Commission:

Sincerely yours,

Robert E. Hampton

Robert E. Hampton
Chairman

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, DC 20405

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DEC 20 1974

DEC 23 12 46 PM '74

OFFICE OF
MANAGEMENT & BUDGET

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, DC 20503

Dear Mr. Ash:

By referral dated December 18, 1974, from the Assistant Director for Legislative Reference, your office requested the views of the General Services Administration on enrolled bill S. 3341, 93rd Congress, an act "To revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes."

This bill would raise the maximum statutory per diem allowance for Federal employees while traveling on official business from $25 to $35, and increase from $40 to $50 per day the maximum statutory allowance for actual and necessary expenses which may be paid when such expenses are more than the per diem allowance due to unusual circumstances of the travel assignment. A new feature, which we strongly favor, will permit the payment of actual and necessary expenses not only in unusual circumstances, but also when the travel is to "high rate geographical areas" which the Administrator of General Services will designate by regulation.

For travel within the 48 states, GSA will prescribe a per diem rate of $30. Per diem will be computed on the basis of the average cost of lodging to which is added a fixed amount for meals and miscellaneous expenses which will be prescribed uniformly for all agencies by GSA.

For travel to designated high rate localities, employees will be reimbursed only the actual and necessary expenses of travel subject to the maximum rates established by GSA for each locality designated in regulations to be promulgated by GSA pursuant to the Act. These locality rates would only be prescribed when studies indicate that the cost of lodging, meals, and miscellaneous expenses exceed the per diem rate of $30 by a significant amount.

The bill also amends present law with respect to mileage allowances when travel is performed in a privately owned vehicle. For motorcycles, the allowance would remain 8 cents per mile; however, the 8 cents becomes a minimum with a maximum allowance of 11 cents a mile. For automobiles, the allowance would be increased from 12 cents to a 15 cents per mile minimum and a 20 cents per mile maximum. For airplanes, the allowance would be increased from 12 cents to a 18 cents per mile minimum and a 24 cents per mile maximum. Thus, the bill establishes a minimum-maximum rate concept. However there are provisions for lower mileage rates where the use of a private vehicle is in lieu of a Government vehicle. We do not favor the "minimum" concept for mileage allowances, but we recognize that this was a compromise between the House and Senate. The bill provides for future adjustments of these figures based upon continuing costs investigations by the Administrator of General Services in consultation with the Comptroller General, the Secretaries of Transportation and Defense, and representatives of employee organizations.

In view of the new minimum mileage allowance which must be paid when a Government vehicle is not readily available, it will be necessary for us to immediately work with the Federal agencies to determine if additional Government vehicles are required (in lieu of using privately owned vehicles) to most cost-effectively conduct Government operations.

The enrolled bill varies somewhat from the draft Administration bill which was submitted to the Congress by this agency, but the major substance of the bill is consistent with our proposal. This legislation is needed for the relief of the many Federal employees who must suffer financial loss when required to travel on official business.

Section 6 of the bill amends 5 U.S.C. 5707 and allows the Administrator of General Services to state a specific rate of the per diem allowance within the new $35 ceiling. Originally, the term "specific rate" raised some question and concern with respect to its meaning and application. To strengthen the legislative history and avoid ambiguity of the term "specific rate," Congressman Buchanan and Senator Percy each introduced the

desired clarifying statements which are part of the legislative history. We subsequently met informally with representatives of the GAO's General Counsel's office to discuss the clarifying words placed in the legislative history. They have advised that with this legislative history, there was adequate basis for GSA to continue to implement the lodgings-plus concept for uniform application by all Federal agencies.

Section 11 of the bill brings in an element which had not been considered in GSA's recommendations. It would amend 38 U.S.C. 111(a) to ensure that veterans with service-connected disabilities receive at least the amounts provided elsewhere in the bill for travel or mileage allowances, when traveling to or from a Veterans Administration facility or other place in connection with vocational rehabilitation, counseling, examination, treatment, or care. We defer to the Veterans Administration as to the merits of this section of the bill.

The need for corrective legislation on per diem and mileage allowances is obvious and great. Any further delay in relieving the financial sacrifice of the many dedicated employees who must travel away from home in the performance of their duties would be unconscionable. We understand that there is some concern about this bill regarding its budgetary impact. However, if it is not signed, we are not sure that we can negotiate anything as reasonable in the next Congress. We are concerned that if this bill is not signed that subsequent action by the Congress can be undesirable and, possibly, more costly.

We strongly urge Presidential approval of the enrolled bill.

Sincerely,

Dwight Ink

Dwight A. Ink
Deputy Administrator

ASSISTANT ATTORNEY GENERAL
LEGISLATIVE AFFAIRS

Department of Justice
Washington, D.C. 20530

DEC 23 1974

Honorable Roy L. Ash
Director, Office of Management
and Budget
Washington, D.C. 20503

Dear Mr. Ash:

In compliance with your request, I have examined a facsimile of the enrolled bill S. 3341, "Travel Expenses Amendments Act of 1974."

The bill revises certain provisions of Title 5, United States Code, relating to per diem and mileage expenses of government employees traveling on official business. It also provides for a system of regulations to be prescribed by the Administrator of General Services.

It has been specifically inquired whether, under section 6 of the enrolled bill, the Administrator of General Services would be authorized to prescribe a maximum per diem rate of less than $35. Under section 6, the Administrator is required to prescribe regulations which "state the specific rate of the per diem allowance, within the dollar limitations prescribed in the first sentence of section 5702(a) of this title." Section 5702(a) of Title 5, as it would be amended by section 3 of the bill, states that an employee is entitled to a per diem allowance for travel inside the continental United States "at a rate not to exceed $35." It is evident from the language of these provisions that the Administrator does have authority to set the per diem rate at less than $35. This view is born out by the bill's legislative history. The Conference Report states:

> The Senate bill provides that for travel inside the continental United States, the per diem shall be $35. The House amendment provides a per diem rate of "not to exceed $35." The conference accepts the House language.

House Conference Report No. 93-1525, 93d Cong., 2d Sess. (1974) at 7. Thus fixing the per diem rate at $35 was considered and rejected with discretion to fix a rate "not to exceed $35" placed in the Administrator by section 6. Furthermore, in the debate leading to final passage in the Senate, Senator Huddleston, a manager of the bill, indicated his understanding that the Administrator intended to set a $30 per diem rate with apparent acceptance of the legality of setting the rate at this level. 120 Cong. Rec. S. 21766 (daily ed. December 17, 1974).

It is further inquired whether the Administrator can provide a per diem rate based on the cost of lodging plus allowances for meals. The per diem rate prescribed, as noted above, must not exceed the $35 limitation contained in section 3. However, there appears no reason that the Administrator could not make the per diem a function of the cost of lodging plus allowances for meals "not to exceed $35." Section 6 of the bill amends 5 U.S.C. 5707 to require the Administrator to prescribe "the specific rate of the per diem allowance within [the $35] dollar limitation." The bill does not require that the "specific rate" be expressed in terms of dollars. Furthermore, Senator Percy, a Senate manager of the bill, stated in the debate preceding final passage:

> Mr. President, this bill will give the Administrator of General Services the flexibility to continue utilizing the "lodging plus" concept of per diem reimbursement, section 5707(a) does not preclude the use of the current "lodging plus" method of computing per diem. Under this method, the traveler is allowed a fixed amount for meals and expenses as determined by the Administrator plus the cost of lodging. The resulting amount, subject to the statutory limit, is the per diem rate applied to the traveler's reimbursement.

120 Cong. Rec. S. 21767 (daily ed. December 17, 1974). A virtually identical statement was made prior to final passage in the House by Mr. Buchanan, a House manager. 120 Cong. Rec. H. 1189 (daily ed. December 16, 1974). It is therefore our opinion that the Administrator could prescribe a "lodging plus" per diem rate.

The Department of Justice has no objection to Executive approval of this bill.

Sincerely,

W. Vincent Rakestraw
Assistant Attorney General
Legislative Affairs

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

December 24, 1974

Honorable Roy L. Ash
Director, Office of Management
and Budget
Washington, D. C. 20503

Dear Mr. Ash:

In reply to the request of your office, the following report is submitted on the enrolled enactment S. 3341, "To revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes." The bill provides increased maximum per diem and actual subsistence allowances and increased reimbursement rates for use of privately owned vehicles used on official business.

This Department recommends that the President approve the bill.

Because of increased costs, employees traveling on official business are not always reimbursed fully for their travel expenses under the present maximum per diem and mileage rates. We believe the provisions of the bill would provide equitable reimbursement to all employees.

It is believed that the enactment of this proposed legislation would increase our travel costs by approximately $3-$3.5 million per year.

We base this estimate on advice from GSA that per diem reimbursement will be made on the basis of average daily lodging cost plus $13 per day for travel where commercial lodging is used. In addition GSA will establish special rates to be applied when employees in travel status occupy Government lodging or drive privately owned campers, trailers, etc.

Sincerely,

J. Phil Campbell
Acting Secretary

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'74 DEC 24 AM 10:47

OFFICE OF MANAGEMENT
AND BUDGET

THE WHITE HOUSE

ACTION MEMORANDUM WASHINGTON LOG NO.: 846

Date: December 26, 1974 Time: 5:00 p.m.

FOR ACTION: Geoffrey Shepard no obj
Roger Semerad ok
Max Friedersdoff ok
Phil Areeda, no obj

cc (for information): Warren Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, December 27 Time: noon

SUBJECT:

Enrolled Bill S. 3341 - Travel Expenses Amendments Act of 1974

ACTION REQUESTED:

____ For Necessary Action

_x_ For Your Recommendations

____ Prepare Agenda and Brief

____ Draft Reply

_x_ For Your Comments

____ Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor, West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

THE WHITE HOUSE

ACTION MEMORANDUM WASHINGTON LOG NO.: 846

Date: December 26, 1974 Time: 5:00 p.m.

FOR ACTION: Geoffrey Shepard
Roger Semerad ✓
Max Friedersdorf
Phil Areeda

cc (for information): Warren Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, December 27 Time: noon

SUBJECT:

Enrolled Bill S. 3341 - Travel Expenses Amendments Act of 1974

ACTION REQUESTED:

____ For Necessary Action

_x_ For Your Recommendations

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____ Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor, West Wing

I recommend approval of S.3341
[illegible] 12/27

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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K. R. COLE, JR.
For the President

THE WHITE HOUSE

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REMARKS:

Please return to Judy Johnston, Ground Floor, West Wing

No objection
P Areeda

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

THE WHITE HOUSE

WASHINGTON

December 27, 1974

MEMORANDUM FOR: WARREN HENDRIKS

FROM: MAX L. FRIEDERSDORF

SUBJECT: Action Memorandum - Log No. 846
Enrolled Bill S. 3341
Travel Expenses Amendment of 1974

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment

THE WHITE HOUSE

ACTION MEMORANDUM WASHINGTON LOG NO.: 846

Date: December 26, 1974 Time: 5:00 p.m.

FOR ACTION: Geoffrey Shepard ✓
Roger Semerad
Max Friedersdorf
Phil Areeda

cc (for information): Warren Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, December 27 Time: noon

SUBJECT:

Enrolled Bill S. 3341 - Travel Expenses Amendments Act of 1974

ACTION REQUESTED:

____ For Necessary Action

____ Prepare Agenda and Brief

x For Your Comments

x For Your Recommendations

____ Draft Reply

____ Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor, West Wing

No objection
H.C.S.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

May I have your approval on this memo of disapproval of S. 3341 which the President vetoed.

Judy JOhnston

OK-PRL

OK-VL

Horton much more understanding now. R

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from S. 3341, the "Travel Expenses Amendments Act of 1974."

This bill would raise the maximum per diem allowance and mileage rates for civilian Government employees traveling on official business, a purpose which I endorse. Unfortunately, however, ~~an unsound rider~~ A PROVISION was added to the bill which would remove the present flexibility we have for reimbursing certain disabled veterans for authorized travel in connection with their treatment.

This provision assumes that there are great similarities in the travel situations of VA beneficiaries, and Federal employees who are away from home on the Government's business. This is not the case, however. Generally a short span of time is involved in VA beneficiary travel to a facility for vocational rehabilitation, counseling and health care, while Government employees may be in travel status for days or weeks. The employee per diem is designed to pay for necessary living expenses during this period, including those of lodging and meals.

With regard to mileage rates, Government employees using a privately owned vehicle for their own convenience may be reimbursed at the minimum 15¢ rate or at a rate comparable to the cost to the Government if the employee used a Government-owned vehicle. This flexibility in the management of travel funds would be continued for Government employee travel under the bill passed by the Congress. However, such management flexibility would not be applicable to the travel of VA beneficiaries. The result would be that payment of unwarranted mileage rates would be required that would add an estimated $25 million a year to the VA budget.

The Administration will ask the 94th Congress for a new bill to raise the maximum per diem and mileage rates which have been inadequate for some time. Many Federal employees who are required to travel in connection with their work, have suffered considerable out-of-pocket expenses in recent years. Our proposal--similar to the bill proposed to the 93rd Congress--will remove the ambiguity in S. 3341 with respect to the continued use of the "lodgings plus" method of reimbursement and will continue the maximum rate system in current law. This is a practice which allows travelers to be reimbursed for their reasonable expenses up to the maximum established in statute, and also makes efficient use of tax dollars.

THE WHITE HOUSE

January , 1975

May I please have your comments on the attached memorandum of disapproval for S. 3341, Travel Expenses Amendments Act of 1974 asap.

Judy Johnston

No objection — except that final two sentences are not comprehensible

P. Buchanan

MEMORANDUM OF DISAPPROVAL

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This bill would raise the maximum per diem allowance and mileage rates for civilian Government employees traveling on official business. ~~a purpose which~~ I endorse. This proposal. Unfortunately, ~~however, an unsound rider~~ A PROVISION was added to the bill which would establish a rigid system of reimbursement to the ~~veteran~~ disabled veteran ~~remove the present flexibility we have for reimbursing certain~~ -- with no discretionary authority for a lesser amount when justified -- ~~disabled veterans for authorized travel in connection with their treatment~~. when the veteran was authorized to travel for treatment.

This provision assumes that there are great similarities in the travel situations of ~~VA~~ Veterans Administration beneficiaries and Federal employees who are away from home on ~~the~~ Government's business. This is not the case, however. Generally, a short span of time and distance is involved in VA beneficiary travel to a facility for vocational rehabilitation, counseling and health care, while Government employees may be ~~in~~ traveling ~~status~~ for days or weeks at a time. The employee per diem is designed to pay for necessary living expenses during this period, including those of lodging and meals.

~~With regard to mileage rates~~ Under this bill, Government employees using their privately owned vehicle ~~for their own convenience~~ may be reimbursed at the minimum 15¢ ~~rate~~ per mile or at a rate comparable to the cost to the Government if the employee used a Government-owned vehicle. This flexibility would be continued for Government employee travel under the bill passed by the Congress. However, such management flexibility would not be applicable to ~~the~~ travel of VA beneficiaries. The result would be ~~that~~ the required payment of unwarranted mileage rates ~~would be required~~ that would add an estimated $25 million a year to the VA budget.

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#

THE WHITE HOUSE

January , 1975

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This provision assumes that there are great similarities in the travel situations of VA beneficiaries, and Federal employees who are away from home on the Government's business. This is not the case, however. Generally a short span of time is involved in VA beneficiary travel to a facility for vocational rehabilitation, counseling and health care, while Government employees may be in travel status for days or weeks. The employee per diem is designed to pay for necessary living expenses during this period, including those of lodging and meals.

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The Administration will ask the 94th Congress for a new bill to raise the maximum per diem and mileage rates which have been inadequate for some time. Many Federal employees who are required to travel in connection with their work, have suffered considerable out-of-pocket expenses in recent years. Our proposal--similar to the bill proposed to the 93rd Congress--will remove the ambiguity in S. 3341 with respect to the continued use of the "lodgings plus" method of reimbursement and will continue the maximum rate system in current law. This is a practice which allows travelers to be reimbursed for their reasonable expenses up to the maximum established in statute, and also makes efficient use of tax dollars.

THE WHITE HOUSE

January , 1975

FOR IMMEDIATE RELEASE JANUARY 6 1975

Office of the White House Press Secretary

THE WHITE HOUSE

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from S. 3341, the "Travel Expenses Amendments Act of 1974."

This bill would raise the maximum per diem allowance and mileage rates for civilian Government employees traveling on official business. I endorse this proposal. Unfortunately, a provision was added to the bill which would establish a rigid system of mileage reimbursement to the disabled veteran -- with no discretionary authority for payment of a lesser amount where justified when the veteran was authorized to travel for treatment.

This provision assumes that there are great similarities in the travel situations of Veterans Administration beneficiaries and Federal employees who are away from home on Government business. This is not the case, however. Generally, a short span of time and distance is involved in VA beneficiary travel to a facility for vocational rehabilitation, counseling and health care, while Government employees may be traveling for days or weeks at a time. The employee per diem is designed to pay for necessary living expenses during this period, including those of lodging and meals.

Under this bill, Government employees using their privately owned vehicles may be reimbursed at the minimum 15¢ per mile, or at a rate comparable to the cost to the Government if the employee used a Government-owned vehicle. This flexibility would be continued for Government employee travel under the bill passed by the Congress. However, such management flexibility would not be applicable to travel of VA beneficiaries. The result would be the required payment of unwarranted mileage rates that would add an estimated $25 million a year to the VA budget.

The Administration will ask the 94th Congress for a new bill to raise the maximum per diem and mileage rates for Federal employees which have been inadequate for some time. Many Federal employees who are required to travel in connection with their work have suffered considerable out-of-pocket expenses in recent years. This should be rectified as soon as possible.

GERALD R. FORD

THE WHITE HOUSE,

December 31, 1974.

# #

93D CONGRESS 2d Session } HOUSE OF REPRESENTATIVES { REPORT No. 93-1341

CHANGES IN PER DIEM TRAVEL ALLOWANCES FOR GOVERNMENT EMPLOYEES

AUGUST 23, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HOLIFIELD, from the Committee on Government Operations, submitted the following

REPORT

[To accompany H.R. 15903]

The Committee on Government Operations, to whom was referred the bill (H.R. 15903) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

On the first page, beginning in line 8, strike out "or other individual performing services for the Government" and insert in lieu thereof "including an individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis and an individual serving without pay or at one dollar a year".

Page 2, beginning in line 15, strike out "until such time as he can again travel and to appropriate transportation expenses, including return to his designated post of duty" and insert in lieu thereof "and appropriate transportation expenses until such time as he can again travel, and to the per diem allowance and transportation expenses during return travel to his designated post of duty".

Page 2, strike out line 19 and all that follows down through line 2 on page 3, and insert in lieu thereof the following:

> (c) Under regulations prescribed under section 5707 of this title, the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the maximum per diem allowance would be less than these expenses, except that such reimbursement shall not exceed—

38-006

(1) $50 per day for travel within the continental United States when the maximum per diem otherwise allowable is determined to be inadequate (A) due to the unusual circumstances of the travel assignment, or (B) for travel to high rate geographical areas designated as such in regulations prescribed under section 5707; or

(2) $20 per day plus the locality per diem rate prescribed for travel outside the continental United States.

Page 3, immediately after the period in line 21, insert "A determination of advantage is not required when payment of a mileage basis is limited to the cost of travel by common carrier including per diem."

Hearing

On July 16, 1974, the committee, through its Government Activities Subcommittee, conducted a public hearing on H.R. 15903, which was introduced by Congressman Jack Brooks.

Purpose

H.R. 15903 establishes a basic and uniform maximum per diem allowance for Federal employees while traveling on official business of up to $35 per day, with a $50 maximum in special circumstances prescribed under regulations issued by the General Services Administration. This proposal places more authority in GSA to issue uniform regulations for travel allowances and removes such authority from the various heads of agencies where it now exists.

H.R. 15903 sets a maximum allowance for the use of privately-owned vehicles of 9 cents a mile for motorcycles, 18 cents a mile for automobiles, and 24 cents per mile for airplanes; and provides for separate reimbursement for parking fees, toll costs, and airplane landing and tie-down fees. This bill enables GSA to have the flexibility to adjust these allowances to appropriate levels up to the maximum rates. Also, under this proposal, GSA must conduct periodic studies of the cost of travel and vehicle operation and report the results annually to Congress so that the maximum could be increased if necessary.

Finally, H.R. 15903 provides for a more efficient and reasonable method of treating those covered under this proposal. The bill expands the definition of employee to include consultants, volunteers, dollar-a-year people, experts, and others so that all will be treated equally when traveling at government expense.

Explanation of Amendments

The first amendment clarifies the definition of the word "employee" to make certain that it includes experts, consultants, volunteers, and people working for the Federal government for $1 a year, and that it does not include persons who might be working on government contracts who are reimbursed for travel through other provisions.

The second amendment is to clarify that an employee is entitled to a continuing per diem allowance as well as to reimbursement for travel expenses while returning to his post of duty in the event that illness has prevented him from returning to his post of duty during the time specified by his travel authorization.

The third amendment is to separate the concepts of travel under "unusual circumstances" and travel to "high rate geographical areas". The same rates would apply in each of these situations, but the regulations would differ. The two are, therefore, separated into sub-parts (A) and (B) to facilitate issuance of the regulations governing this provision.

The third amendment also reinstates a provision for reimbursement in addition to the per diem rate of expenses incurred during travel under unusual circumstances outside the continental United States. The maximum rate for such additional reimbuursement is increased from the present $18 to $20.

The fourth amendment incorporates language in the present statute which was inadvertently omitted from the proposed new section 5704 of title 5. The purpose of the amendment is to assure that an employee using his own vehicle on official travel would be entitled to reimbursement up to the cost of travel by common carrier, even though he was using his own vehicle in his discretion and not at the direction of the agency for whom the travel is undertaken.

Committee Vote

H.R. 15903, as amended, was unanimously approved by voice vote at a meeting of the Full Committee on August 15, 1974, a quorum being present.

Background

Recognizing that a Federal government employee traveling on legitimate government business should not have to subsidize the cost of his trip, Congress has historically provided for reimubursement for reasonable expenses incurred while on official business. The existing per diem rates for authorized travel within the continental United States were established in 1969 under the provisions of Public Law 91–114. That act set a maximum of $25 per day for ordinary travel, or a maximum of $40 per day under unusual circumstances of an authorized travel assignment.

For travel outside the continental United States, the per diem allowance cannot exceed the rate established by the President or his designee, who may be the Director of the Bureau of the Budget or another officer of the Government of the United States, for the locality where the travel is performed. There is no statutory limitation on this provision. Under unusual circumstances, an employee is entitled to the maximum per diem allowance plus up to $18 for each day in a travel status outside the continental United States.

The 1969 law also established the mileage and related allowances at rates not to exceed: (1) 8 cents a mile for the use of a privately-owned motorcycle; or (2) 12 cents a mile for the use of a privately-owned automobile or airplane. In addition to these mileage allowances, employees or other individuals performing service for the Government may be reimbursed for: (1) parking fees; (2) ferry fares; and (3) bridge, road, and tunnel tolls.

Discussion

Per diem allowances

In 1969, when the present per diem and mileage allowances were established, the rates were adequate to cover reasonable expenses that

might be incurred during official government travel. However, in the last five years, the average cost of food and lodging has increased approximately 24 percent and these rates are now inadequate to fully reimburse an employee for his travel expenses.

In an effort to determine the effect of rising costs associated with travel, the General Services Administration initiated a study to evaluate the adequacy of present travel allowances for Federal employees. The study involved approximately 13,000 actual employee travel experiences representing 63,000 man-days of travel taken over a period of 3 months in 1973, and included 22 agencies of the Executive Branch. This sample reflected approximately seven-tenths of one percent of the total number of man-days of government travel each year.

Results showed that the present $25 per diem was inadequate for over 50 percent of the reported travel. The study also disclosed that actual subsistence expense allowances of up to $40 per day were authorized in only 3 percent of the travel reported.

Since the purpose of the per diem statutes is obviously not being served, H.R. 15903 was introduced to remedy this situation. This bill increases the maximum basic statutory per diem allowance from $25 to $35, the maximum statutory actual subsistence expenses for travel under unusual circumstances in the continental United States from $40 to $50 per day, and the permissible amount in addition to the maximum per diem allowance established for a locality outside the continental United States from $18 to $20 per day.

The actual per diem rate under the maximum amount would be established by the issuance of regulations by the Administrator of GSA. The rate would be determined on the basis of periodic studies and would be applicable to all government agencies. It is anticipated that, at the present time, a $30 per diem rate would be established, but the flexibility would be provided for the rate to go to a maximum of $35 should circumstances make that necessary.

Although these increases will be adequate to cover the expenses of most travel, the allowances will not be sufficient at the present time to take care of expenses incurred in travel to major cities such as New York and San Francisco. As the study below indicates, some localities presently require nearly $50 per day for adequate lodging and three average meals, including tips and taxes. (This study is from the Runzheimer Meal-Lodging Cost Index published by Runzheimer and Company, Inc., Rochester, Wisconsin.):

Most recent per diem costs of lodging and meals

Over 1 million population type cities:	
1. Atlanta, Ga	$28.60
2. Baltimore, Md	29.35
3. Boston, Mass	36.45
4. Buffalo, N.Y	26.90
5. Chicago, Ill	36.50
6. Cincinnati, Ohio	28.30
7. Cleveland, Ohio	30.05
8. Dallas, Tex	30.55
9. Denver, Colo	28.05
10. Detroit, Mich	31.20
11. Houston, Tex	30.05
12. Kansas City, Mo	27.55
13. Los Angeles, Calif	33.90
14. Miami, Fla	32.70

Most recent per diem costs of lodging and meals—Continued

Over 1 million population type cities—Continued	
15. Milwaukee, Wis	25.60
16. Minneapolis, Minn	32.80
17. Newark, N.J	33.00
18. New York, N.Y	48.50
19. Philadelphia, Pa	33.40
20. Pittsburgh, Pa	28.55
21. St. Louis, Mo	29.45
22. San Diego, Calif	29.30
23. San Francisco, Calif	37.70
24. Seattle, Wash	29.85
25. Washington, D.C	40.05
From 500,000 to 1 million type cities:	
1. Akron, Ohio	25.25
2. Albany, N.Y	28.50
3. Birmingham, Ala	23.30
4. Bridgeport, Conn	31.75
5. Columbus, Ohio	26.50
6. Dayton, Ohio	24.10
7. Hartford, Conn	28.75
8. Honolulu, Hawaii	34.25
9. Indianapolis, Ind	26.65
10. Jacksonville, Fla	22.90
11. Louisville, Ky	27.25
12. Memphis, Tenn	29.20
13. New Haven, Conn	28.20
14. New Orleans, La	32.90
15. Norfolk, Va	25.50
16. Oklahoma City, Okla	25.20
17. Omaha, Nebr	24.90
18. Phoenix, Ariz	27.30
19. Portland, Oreg	25.35
20. Providence, R.I	26.45
21. Richmond, Va	24.90
22. Rochester, N.Y	27.25
23. Sacramento, Calif	24.80
24. San Antonio, Tex	24.40
25. San Jose, Calif	26.70
26. Springfield, Mass	26.65
27. Syracuse, N.Y	26.75
28. Tampa, Fla	26.55
29. Worcester, Mass	27.15
From 100,000 to 500,000 type cities:	
1. Albuquerque, N. Mex	23.50
2. Amarillo, Tex	20.15
3. Asheville, N.C	30.35
4. Atlantic City, N.J	35.50
5. Austin, Tex	23.90
6. Baton Rouge, La	22.05
7. Charleston, S.C	22.00
8. Charlotte, N.C	22.55
9. Des Moines, Iowa	24.40
10. El Paso, Tex	22.45
11. Fort Wayne, Ind	23.30
12. Fresno, Calif	26.75
13. Harrisburg, Pa	25.55
14. Huntsville, Ala	23.55
15. Jackson, Miss	26.50
16. Kalamazoo, Mich	25.15
17. Las Vegas, Nev	32.25
18. Lexington, Ky	24.60
19. Little Rock, Ark	23.25
20. Madison, Wis	27.45
21. Nashville, Tenn	23.15
22. Orlando, Fla	25.25

Most recent per diem costs of lodging and meals—Continued

From 100,000 to 500,000 type cities—Continued	
23. Pittsfield, Mass	$29.70
24. Portland, Maine	27.30
25. Raleigh, N.C	24.80
26. Rockford, Ill	21.60
27. Salt Lake City, Utah	27.35
28. Santa Barbara, Calif	29.80
29. Spokane, Wash	27.05
30. Springfield, Ill	22.50
31. Springfield, Mo	19.60
32. Toledo, Ohio	25.05
33. Tucson, Ariz	26.20
34. Wichita, Kans	21.55
35. Wilmington, Del	24.30
36. York, Pa	23.65
Under 100,000 population type cities:	
1. Albany, Ga	20.40
2. Anchorage, Alaska	35.70
3. Boise, Idaho	23.20
4. Burlington, Vt	25.95
5. Charleston, W. Va	25.75
6. Cheyenne, Wyo	23.55
7. Great Falls, Mont	23.10
8. Manchester, N.H	21.45
9. Roanoke, Va	25.05
10. Sioux Falls, S. Dak	23.00

To accommodate these areas of unusually high traveling costs, H.R. 15903, as amended, incorporates a new concept providing for reimbursement of actual and necessary expenses up to $50 per day for travel to high cost areas. An area would be designated by regulation as a "high rate geographic area" when travel expenses there exceed the regular per diem rate by a significant amount. GSA has testified that a 10 percent margin would be used as a guideline. If a basic per diem rate of $30 is initially established, GSA estimates that there would be approximately 10 major city areas at the present time where travel expenses would exceed that amount by 10 percent or more and would, therefore, be designated by regulation as a "high rate geographic area." A maximum rate would be stated in the governing regulations for each major city area so designated, but in no case could the rate established exceed the $50 statutory maximum.

These major city locality rates would be reviewed at least once annually, and adjusted, as appropriate, within the proposed ceiling of $50 per day. The major city locality rates would be prescribed as maximums only; and, when actual subsistence expenses incurred in any one day are less than the maximum authorized, the traveler will be reimbursed only for the lesser amount.

The high rate geographic area concept is an effective means of meeting the demonstrated needs of Federal employees who must travel on official business to higher cost areas, and is certainly preferable to increasing the nation-wide per diem rate to a level sufficient to meet these particular circumstances of travel. This method provides for adequate relief in the situations which are now causing most of the hardships experienced by Federal employee travels, while retaining some incentive for employees to maintain their travel expenses at a minimum.

GSA has estimated that under H.R. 15903, the maximum yearly cost impact of a per diem increase to $30 would be approximately $24 million over costs incurred under the present rate of $25. An additional increase of approximately $10 million would occur as a result of the establishment of the major city locality rate method. However, it is almost certain that the major city locality rate method would provide greater flexibility in setting equitable rates and result in lower overall costs to the government than would result if a higher across-the-board per diem rate was established reflecting the higher costs in certain major cities. A per diem rate justifiable for major cities would be too high for most of the travel performed. Indeed, GSA estimates a uniform increase to a $35 minimum figure would have a maximum cost impact of approximately $47 million over the present $25 and would still be inadequate to cover costs in most major city localities. Therefore, this proposal would result in a lower cost of up to $13 million annually than would an increase to a $35 minimum per diem rate.

Travel allowances

Of equal concern is the recent meteoric rise in the price of transportation costs. In general, the travel reimbursement rates established in 1969 are at substantially inadequate levels.

Two recent government studies indicate that the present cost of operating a standard size automobile in the United States exceeds the 12 cents maximum reimbursement rate set by statute. A Department of Transportation study completed in April, 1974,[1] indicated that the present cost of operating an automobile was 15.9 cents per mile, while a June, 1974, report by the GSA [2] indicated that this cost was 14.4 cents per mile. These differences are easily reconcilable since the GSA figure does not include the 2 cents per mile cost for garage, parking, and tolls that the DOT study included. These costs are reimbursed separately under the provisions of the 1969 per diem statutes and, therefore, are appropriately excluded from the reimbursement allowance studies. Both studies included the original vehicle cost depreciation, maintenance, accessories, parts, tires, gas, and oil (excluding taxes), insurance, and State and Federal taxes. The Department of Transportation based its figures on a 5-year depreciated car life, while the GSA used a 10-year period to calculate depreciation expense. The essential point, however, is that both of these studies illustrate the need for an upward adjustment in the present transportation reimbursement rate.

This bill, as amended, would raise the maximum reimbursement rate for operating a private automobile from the current level of 12 cents a mile to a maximum of 18 cents a mile. The actual rate would be established by regulation. Presently, the rate would, in all probability, be raised to 15 cents a mile, but the GSA would have the flexibility to adjust the rates either upward or downward in accordance with the need established by their periodic cost studies, which would be mandatorily required by and reported to Congress at least once a year.

[1] "Cost of Operating an Automobile," U.S. Department of Transportation, Federal Highway Administration, April 1974.

[2] "Present Cost of Operating Privately-Owned Automobiles," General Services Administration, Federal Supply Service, Transportation Services Division, June 5, 1974.

H.R. 15903, as amended, would also correct the presently inadequate reimbursement rates for the use of privately-owned motorcycles and airplanes for legitimate government business trips.

This bill would raise the current maximum allowance for motorcycles from 8 cents to 9 cents a mile. This increase is assumed to be adequate to cover any increases in fuel costs for motorcycles since fuel costs are generally minimal with respect to the use of a motorcycle.

In a December 1973 study conducted by the GSA, it was determined that the average cost of operating a privately-owned, single-engine piston airplanes was approximately 20.6 cents per mile, exclusive of landing and tie-down fees. The present maximum reimbursement rate of 12 cents a mile is clearly inadequate. Under this bill, the rate could be raised, by regulation, to a maximum of 24 cents a mile.

As in the case of the automobile provisions, GSA would be required to conduct periodic cost studies concerning the use of motorcycles and airplanes so that they could base these rates upon justified needs. A report of these results would be required to be made to Congress once a year.

It should also be noted that presently the per diem statutes do not provide for the separate reimbursement of landing and tie-down fees while operating a privately-owned airplane, although similar costs relating to the use of a privately-owned automobile, such as parking fees, ferry fares, and highway tolls may be separately allowed. By providing for the separate reimbursement of landing and tie-down fees, this proposal would alleviate this anomolous situation.

By GSA estimates, the annual cost impact for each one cent per mile increase in the reimbursement rate for privately-owned vehicles is $3.8 million and for privately-owned airplanes is $11,000. If the rates for reimbursement were set at 15 and 21 cents per mile, as they probably would be presently, the estimated annual total cost impact would be $11.5 million more than today's inadequate allowance. In addition, there would be a further increase due to the separate reimbursement for landing and tie-down expenses while operating a private airplane. However, the total added cost due to this provision would be negligible.

Finally, H.R. 15903, as amended, clearly establishes that the same provisions regarding per diem allowances will be applicable to all persons traveling on official government business, including employees, experts, and consultants, volunteers and $1-a-year people. This provision would reduce government expenses by utilizing more effective controls upon travel costs while providing for simpler and more uniform accounting procedures.

In conclusion, H.R. 15903, as amended, presents a viable method of dealing with the problem of establishing efficient and effective per diem rates. While the bill deals adequately with covering expenses encountered by employees on legitimate government business trips. it still retains incentives for keeping those costs at a minimum. It also reserves control over these expenditures in the Congress, yet allows enough flexibility for the GSA to react to price fluctuations in a timely manner.

The Committee has long felt that government employees traveling on official business should be adequately reimbursed for their necessary expenditures and should not pay any of the cost out of their own pockets. Due to recent inflation in the cost of travel, lodging, and meals, increases in the allowances are presently needed. The Committee believes that this legislation represents reasonable and adequate means of resolving this problem.

Estimated Cost of Legislation

The General Services Administration estimates that passage of this legislation will result in an increased expenditure of approximately $34 million per year for per diem allowances for each of five fiscal years. Expenditures could rise by as much as $57 million per year if the per diem allowances were set at their maximum allowable rate. It is not anticipated that that would be the case at this time.

Expenditures for mileage allowances are expected to increase by approximately $11.5 million per year as a result of the passage of this legislation. Increasing the reimbursement rate to the maximum allowable under this legislation would increase this figure to approximately $23 million per year. It is not, however, anticipated that the rate would be set at the maximum allowable at the present time.

The Committee concurs in these estimates.

Section-by Section Analysis

Section 1 sets forth the title of the bill: "Travel Expenses Amendments Act of 1974."

Section 2 expands the definition of employee to include experts, consultants and volunteers so that all will be treated alike when traveling at government expense.

Section 3 establishes the maximum per diem allowance rates. Subpart 5702(a) sets a $35 per day maximum rate; allows the Administrator of GSA or his designee to set the rate for foreign travel; and permits the adoption of regulations for allocating per diem if less than a full day is consumed. Subpart 5702(b) protects an employee who becomes ill while traveling by insuring that he will continue to be entitled to the applicable per diem allowance and travel expenses during the time such illness prevents him from returning to the location of his designated post of duty. Subpart 5702(c) provides for actual and necessary expenses up to $50 per day for travel under unusual circumstances or for travel to high-cost areas where the basic per diem allowance would be inadequate. It also increases the allowance in addition to the regular per diem rate for travel under unusual circumstances outside the continental United States from the present $18 to $20 per day. Subpart 5702(d) is a restatement of a provision of the current statute which exempts justices and judges of the United States from the provisions of this section except to the extent specifically provided in the statute relating to traveling expenses of justices and judges in section 456 of title 28 of the United States Code.

Section 4 deletes the provision of the current statute regarding per diem allowances for experts, consultants, volunteers, and $1-a-year people traveling at government expense. Under the proposed legislation, these persons would be entitled to per diem under section 5702 in the same manner as other employees of the Federal government.

Section 5 increases the maximum mileage allowance for motorcycles from 8 cents to 9 cents per mile; for automobiles from 12 cents to 18 cents per mile; and for airplanes from 12 cents to 24 cents per mile. It also provides for separate reimbursement of airplane landing and tie-down fees.

Section 6 provides that the Administrator of GSA shall prescribe the regulations necessary to carry out the provisions of the per diem and mileage allowance statutes. This function has previously been transferred from the Director of the Bureau of the Budget (now OMB) to the GSA by an Executive Order. Section 6 also adds a requirement that the GSA make periodic studies of the costs of travel and of the operation of privately-owned vehicles and requires that a report of the results of such studies be made to Congress at least once a year.

Section 7 establishes per diem rates for travel for Senate employees. This provision is identical to one contained in a proposed Senate bill. Historically, the Senate has handled its per diem in the same legislation as that covering Executive Branch employees. The House of Representatives uses the Legislative Appropriations Act instead. The rates provided in this section would be the same as those established for travel by employees of the Executive Branch.

Section 8 amends the table of contents to conform to a change in the title of section 5707.

Agency Comments

Prior to the introduction of H.R. 15903, the General Services Administration submitted a letter and draft legislation seeking an increase in the per diem and mileage allowance rates. The draft legislation is similar in concept, but not in language, to that of H.R. 15903. In testimony before the Government Activities Subcommittee, a representative of the GSA recommended approval of H.R. 15903, as incorporating the basic provisions that had been recommended in their draft legislation. GSA's letter transmitting the draft legislation to the Speaker of the House on June 5, 1973, follows:

General Services Administration,
Washington, D.C., June 5, 1974.

Hon. Carl Albert,
Speaker of the House of Representatives,
Washington, D.C.

Dear Mr. Speaker: There is transmitted herewith for referral to the appropriate Committee a draft bill, "To increase the maximum per diem allowance and the maximum statutory mileage allowance for the use of a privately owned automobile or airplane for employees of the Federal Government while traveling on official business, and for other purposes."

Executive Order 11609 of July 22, 1971, vested in the Administrator of General Services the authority of the President to prescribe regulations under 5 U.S.C. 5707 without approval, ratification, or other action by the President. The current Federal Travel Regulations, promulgated by the General Services Administration, are those which become effective on May 1, 1973 (41 CFR 101-7).

Under present law (5 U.S.C. 5702), an employee traveling on official business away from his designated post of duty is entitled to a per diem allowance prescribed by the agency concerned, subject to a maximum of $25 for travel inside the continental United States. Under regulations prescribed under 5 U.S.C. 5707, an agency head may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of travel, not to exceed an amount named in the travel authorization, when the maximum per diem allowance would be less than the actual and necessary expenses due to "the unusual circumstances of the travel assignment." In such cases, the amount named in the travel authorization may not exceed $40 for each day in travel status inside the continental United States, or the maximum per diem allowance established for the locality where the travel is performed, plus $18 for each day in a travel status outside the continental United States. The maximum figures of $25, $40, and $18 have been in effect since November 19, 1969, when they were increased to those levels by Public Law 91-114 from the previous figures of $16, $30, and $10.

In view of rising costs associated with travel, especially in major metropolitan areas, the General Services Administration initiated a study to determine the adequacy of present travel allowances for Federal employees. The study involved approximately 13,000 actual employee travel experiences representing 63,000 man-days of travel taken over a period of three months in 1973, and included 22 agencies of the executive branch. This reflects seven-tenths of one percent of the total number of man-days of travel. Results show that the present $25 per diem rate was inadequate for over 50 percent of the reported travel. This was due, primarily, to the increased average costs of approximately 24 percent in food and lodging expenses since 1969, the year of the last per diem increase. The Consumer Price Index level reflects this fact. The study also disclosed that actual subsistence expense allowances of up to $40 per day were authorized in only three percent of the travel reported.

We, therefore, propose in our draft bill that the maximum statutory per diem allowance be increased from $25 to $30; the maximum statutory actual subsistence expenses in the continental United States be increased from $40 to $50 per day; and the permissible amount in addition to the maximum per diem allowance established for the locality for travel outside the continental United States be increased from $18 to $23 per day. Section 2 of our draft bill would provide the same changes in the $25 and $40 limitations imposed upon the Senate by the Legislative Branch Appropriation Act, 1957, as amended. In spite of these increases, the allowances will not be sufficient to take care of those employees traveling to major cities such as New and San Francisco. Based on published commercial lodging and meal expenses, it would require an average of $45 per day for adequate lodgings with three average meals, including tips and taxes. For that reason, it is proposed in our draft bill to permit the reimbursement of actual and necessary expenses of a trip when they are much more than the maximum per diem allowance, due to a travel assignment to such major cities and metropolitan areas. Under pres-

ent law this reimbursement is permitted only when the higher expenses are due to "unusual circumstances."

Based on a $30 statutory per diem rate, it is anticipated that there would be approximately 10 major city areas at the present time where travel expenses would exceed the maximum per diem rate by 10 percent or more and would therefore be designated as a "major city locality." A maximum rate would be stated in the governing regulations for each major city area so designated, but in no case will the rate established exceed the $50 statutory maximum actual expenses allowance. It is further anticipated that the maximum locality rates would be reviewed at least annually and adjusted, as appropriate, within the proposed ceiling of $50 per day. These major city locality rates would be prescribed as maximums only, and when actual subsistence expenses incurred in any one day are less than the maximum authorized, the traveler will, of course, be reimbursed only for the lesser amount.

We believe this major city locality rate method to be a means of meeting the demonstrated needs of Federal employees who must travel on official business, which is preferable to increasing the maximum per diem rate to a level sufficient to meet these particular circumstances of travel. It will relieve the situations which are now causing most of the hardships experienced by Federal employee travelers, while the proposed increase in the maximum per diem rate will adequately cover the remainder.

Under our proposed draft bill, the maximum yearly cost impact based on a per diem increase to $30 would be approximately $24 million over the present rate ($25), plus an additional increase of approximately $10 million based on the establishment of the major city locality rate method.

This bill also proposes to amend 5 U.S.C. 5704(a)(2), to increase the maximum allowance for the use of a privately owned automobile from 12 cents to 18 cents a mile, and for the use of a privately owned airplane from 12 cents to 24 cents a mile, and to amend 5 U.S.C. 5704(b) to provide, in addition to the mileage allowance prescribed under 5 U.S.C. 5704(a)(2), that employees who use a privately owned airplane for official business may be reimbursed for landing and tiedown fees.

The maximum figures of 12 cents for a privately owned automobile and airplane have been in effect since August 14, 1961, when they were increased to those levels by Public Law 87–139 from the previous figure of 10 cents.

A recent study by GSA of automobile operating costs indicates that the cost of operating a privately owned automobile as of April 1974 was 14.4 cents a mile.

Another study which we recently completed relates to costs associated with operating a privately owned airplane. As determined in this study, the cost of operating a privately owned, single engine, piston airplane, as of December 1973, was approximately 20.6 cents per mile, exclusive of landing and tiedown fees.

Although our studies indicated operating costs of 14.4 cents per mile for privately owned automobiles and 20.6 cents per mile for privately owned airplanes, we recommend that the statutory rates be set at 18 and 24 cents per mile, respectively. This would allow us latitude in prescribing reimbursement rates within the statutory maximums that will equate to the current costs of operating these conveyances.

Additionally, we recommend that 5 U.S.C. 5704(b) be amended to permit reimbursement for landing and tiedown fees in addition to the mileage allowance prescribed for privately owned airplanes. Although similar costs such as parking fees, ferry fares, and highway tolls may be separately allowed under 5 U.S.C. 5704(b) for the use of a privately owned automobile, there is no statutory authority for separately allowing the expenses of landing or tiedown services when a privately owned aircraft is authorized for use on official business. A change in the law to allow separate reimbursement for these costs will insure a closer relationship between expenses incurred and the amount of reimbursement and will standardize the allowances as they relate to both automobiles and airplanes.

The estimated annual costs impact for each 1 cent per mile increase for privately owned vehicles is $3.8 million and for privately owned airplanes is $11,000. If the rates for reimbursement are set at 15 and 21 cents, the estimated annual total cost impact would be $11.5 million more than today's inadequate allowance.

The draft bill will provide more equitable treatment for Federal employee travelers and alleviate the inadequacies of present travel allowances. We urge its prompt enactment.

The Office of Management and Budget has advised that there is no objection to the submission of this draft bill to the Congress and that its enactment would be consistent with the Administration's objectives.

Sincerely,

DWIGHT A. INK,
Deputy Administrator.

Enclosure.

A BILL To revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subchapter I of chapter 57 of title 5 United States Code, is amended as follows:

(1) In Section 5701, by striking out "and" at the end of paragraph (5), by striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and by adding the following:

"(7) 'major city locality' means a city or metropolitan area designated as such by regulation prescribed under section 5707 of this title."

(2) In section 5702(a), by striking out "$25" and inserting in lieu thereof "$30";

(3) By changing the language of section 5702(c) to read as follows:

"(c) Under regulations prescribed under section 5707 of this title, the head of the agency concerned may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of the trip, not to exceed an amount named

in the travel authorization, when the maximum per diem allowance would be much less than these expenses due to—

(1) the unusual circumstances of the travel assignment, in which case the amount named in this travel authorization may not exceed—

(a) $50 for each day in a travel status inside the continental United States; or

(b) the maximum per diem allowance plus $23 for each day in a travel status outside the continental United States; or

(2) a travel assignment to a city or metropolitan area designated by regulations prescribed under section 5707 of this title as a 'major city locality', in which case the amount named in the travel authorization may not exceed the amount stated in the regulation so designating the locality. In no case may the amount stated in the regulation exceed $50 per day."

(4) In section 5703(c), by striking out "$25" and inserting in lieu thereof "$30".

(5) In section 5703(d), by striking out "$40" and "$18" and inserting in lieu thereof "$50" and "$23", respectively.

(6) In section 5704(a) by:

(a) striking out "12 cents" and inserting in lieu thereof "18 cents" at the beginning of paragraph (2);

(b) striking out the words "or airplane" at the end of paragraph (2) and inserting after the semicolon the word "or"; and

(c) adding at the end thereof a new paragraph as follows:

"(3) 24 cents a mile for the use of a privately owned airplane;"

(7) In section 5704(b) by:

(a) striking out the word "and" after semicolon at the end of paragraph (2);

(b) striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(c) adding at the end thereof a new paragraph as follows:

"(4) landing and tiedown fees."

SEC. 2. The seventh paragraph under the heading "Administrative Provisions" in the Senate section of the Legislative Branch Appropriation Act, 1957 (70 Stat. 360, as amended, 2 U.S.C. 68b), is amended by striking out "$25" and "$40" and inserting in lieu thereof "$30" and "$50", respectively.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 5, UNITED STATES CODE

* * * * * * *

Chapter 57—TRAVEL, TRANSPORTATION, AND SUBSISTENCE

SUBCHAPTER I—TRAVEL AND SUBSISTENCE EXPENSES; MILEAGE ALLOWANCES

* * * * * * *

Subchapter I—Travel and Subsistence Expenses; Mileage Allowances

§ 5701. Definitions

For the purpose of this subchapter—

(1) "agency" means—

(A) An Executive agency;

(B) a military department;

(C) an office, agency, or other establishment in the legislative branch;

(D) an office, agency, or other establishment in the judicial branch; and

(E) the government of the District of Columbia;

but does not include—

(i) a Government controlled corporation;

(ii) a Member of Congress; or

(iii) an office or committee of either House of Congress or of the two Houses;

(2) "employee" means an individual employed in or under an agency; *including an individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis and an individual serving without pay or at one dollar a year;*

(3) "subsistence" means lodging, meals, and other necessary expenses for the personal sustenance and comfort of the traveler;

(4) "per diem allowance" means a daily flat rate payment instead of actual expenses for subsistence and fees or tips to porters and stewards;

(5) "Government" means the Government of the United States and the government of the District of Columbia; and

(6) "continental United States" means the several States and the District of Columbia, but does not include Alaska or Hawaii.

§ 5702. Per diem; employees traveling on official business

(a) An employee[,] while traveling on official business away from his designated post of duty[,] is entitled to a per diem allowance [prescribed by the agency concerned. For] *for* travel inside the continental United States[, the per diem allowance may not exceed the rate of $25.] *at a rate not to exceed $35.* For travel outside the continental United States, the per diem allowance [may not exceed the rate established by the President or his designee, who may be the Director of the Bureau of the Budget or another officer of the Government of the United States,] *shall be established by the Administrator of General Services, or his designee,* for [the] *each* locality where [the] travel is *to be* performed. *For travel consuming less than a full day, such rates may be allocated proportionately pursuant to regulations prescribed under section 5707 of this title.*

(b) [Under regulations prescribed under section 5707 of this title, an] *An* employee who, while traveling on official business away from his designated post of duty, becomes incapacitated by illness or injury not due to his own misconduct, is entitled to the per diem[allowances,] *allowance* and *appropriate* transportation expenses *until such time as he can again travel, and to the per diem allowance and transportation expenses during return travel* to his designated post of duty.

[(c) Under regulations prescribed under section 5707 of this title, the head of the agency concerned may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of the trip, not to exceed an amount named in the travel authorization, when the maximum per diem allowance would be much less than these expenses due to the unusual circumstances of the travel assignment. The amount named in the travel authorization may not exceed—

(1) $40 for each day in a travel status inside the continental United States; or

(2) the maximum per diem allowance plus $18 for each day in a travel status outside the continental United States.]

(c) Under regulations prescribed under section 5707 of this title, the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the maximum per diem allowance would be less than these expenses, except that such reimbursement shall not exceed—

(1) $50 per day for travel within the continental United States when the maximum per diem otherwise allowable is determined to be inadequate (A) due to the unusual circumstances of the travel assignment, or (B) for travel to high rate geographical areas designated as such in regulations prescribed under section 5707; or

(2) $20 per day plus the locality per diem rate prescribed for travel outside the continental United States."

(d) This section does not apply to a [Justice] *Justice* or judge, except to the extent provided by section 456 of title 28.

§ 5703. Per diem, travel, and transportation expenses; experts and consultants; individuals serving without pay

[(a) For the purpose of this section, "appropriation" includes funds made available by statute under section 849 of title 31.

[(b) An individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis may be allowed travel expenses under this subchapter while away from his home or regular place of business, including a per diem allowance under this subchapter while at his place of employment.

[(c) An individual serving without pay or at $1 a year may be allowed transportation expenses under this subchapter and a per diem allowance under this section while en route and at his place of service or employment away from his home or regular place of business. Unless a higher rate is named in an appropriation or other statute, the perdiem allowance may not exceed—

[(1) the rate of $25 for travel inside the continental United States; and

[(2) the rates established under section 5702(a) of this title for travel outside the continental United States.

[(d) Under regulations prescribed under section 57507 of this title, the head of the agency concerned may prescribe conditions under which an individual to whom this section applies may be reimbursed for the actual and necessary expenses of the trip, not to exceed an amount named in the travel authorization, when the maximum per diem allowance would be much less than these expenses due to the unusual circumstances of the travel assignment. The amount named in the travel authorization may not exceed—

[(1) $40 for each day in a travel status inside the continental United States; or

[(2) the maximum per diem allowance plus $18 for each day in a travel status outside the continental United States.]

§ 5704. Mileage and related allowances

(a) Under regulations prescribed under section 5707 of this title, an employee [or other individual performing service for the Government.] who is engaged on official business [inside or outside his designated post of duty or place of service,] *for the Government* is entitled to not in excess of—

(1) [8] *9* cents a mile for the use of a privately owned motorcycle; or

(2) [12] *18* cents a mile for the use of a privately owned automobile [or airplane]; *or*

(3) 24 cents a mile for the use of a privately owned airplane;

instead of [the] actual expenses of transportation when that mode of transportation is authorized or approved as more advantageous to the Government. A determination of advantage is not required when payment [on] *of* a mileage basis is limited to the cost of travel by common carrier including per diem.

(b) In addition to the mileage allowance *authorized* under subsection (a) of this section, the employee [or other individual performing service for the Government] may be reimbursed for—

(1) parking fees;

(2) ferry [fares] *fees*; [and]
(3) Bridge, road, and tunnel [tolls,] *costs; and*
(*4*) *airplane landing and tie-down fees.*

* * * * * * *

§ 5707. Regulations

[The Director of the Bureau of the Budget shall prescribe regulations necessary for the administration of this subchapter. The fixing, payment, advancement, and recovery of travel allowances, and the reimbursement of travel expenses, under this subchapter shall be in accordance with the regulations. This section does not apply to the fixing or payment of a per diem allowance under section 5703(c) of this title.]

§ 5707. Regulations and reports

(*a*) *The Administrator of General Services shall prescribe regulations necessary for the administration of this subchapter.*

(*b*) *The Administrator of General Services, in consultation with the Comptroller General of the United States, the Secretary of Transportation, the Secretary of Defense, and representatives of organizations of employees of the Government, shall conduct periodic studies of the cost of travel and the operation of privately owned vehicles to employees while engaged on official business, and shall report the results of such studies to Congress at least once a year.*

* * * * * * *

LEGISLATIVE BRANCH APPROPRIATION ACT, 1957

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ADMINISTRATIVE PROVISIONS

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No part of the foregoing appropriations made under the heading "Contingent Expenses of the Senate" hereafter may be expended for per diem and subsistence expenses (as defined in the Travel Expense Act of 1949, as amended) at rates in excess of [$25] *$35* per day; except that (1) higher rates may be established by the Committee on Rules and Administration for travel beyond the limits of the continental United States, and (2) in accordance with regulations prescribed by the Committee on Rules and Administration of the Senate, reimbursement for such expenses may be made on an actual expense basis of not to exceed [$40] *$50* per day in the case of travel within the continental limits of the United States.

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Calendar No. 1091

93D CONGRESS
2d Session

SENATE

REPORT
No. 93-1142

TRAVEL EXPENSE AMENDMENTS ACT OF 1974

REPORT

OF THE

COMMITTEE ON GOVERNMENT OPERATIONS
UNITED STATES SENATE

ON

S. 3341

TO REVISE CERTAIN PROVISIONS OF TITLE 5, UNITED STATES CODE, RELATING TO PER DIEM AND MILEAGE EXPENSES OF EMPLOYEES AND OTHER INDIVIDUALS TRAVELING ON OFFICIAL BUSINESS, AND FOR OTHER PURPOSES

SEPTEMBER 11, 1974.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE
38-010 WASHINGTON : 1974

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Calendar No. 1091

93D CONGRESS, *2d Session* } SENATE { REPORT No. 1142

TRAVEL EXPENSE AMENDMENTS ACT OF 1974

SEPTEMBER 11, 1974.—Ordered to be printed

Mr. Metcalf, from the Committee on Government Operations, submitted the following

REPORT

[To accompany S. 3341]

The Committee on Government Operations, to which was referred the bill (S. 3341) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes, having considered the same, reports favorably thereon, with an amendment in the nature of a substitute, and recommends that the bill as amended do pass.

Purpose

The purpose of this bill is to increase the amounts which may be paid to regular employees of the Federal Government and to experts and consultants employed intermittently, who are traveling on official business, with respect to per diem in lieu of subsistence, and reimbursement when payment of actual expenses is authorized. The bill would also increase the mileage rates for the use of privately owned vehicles used while on official business. These objectives would be accomplished by amending existing travel expenses legislation so as to more closely reflect the increased cost of official travel at the present time.

The bill also establishes a procedure to adjust on a periodic basis the mileage reimbursement figures for employees who use privately owned vehicles.

Explanation of Committee Action

As amended by the committee, the bill would amend section 5702 and 5703 of title 5, United States Code, formerly embodied in the Travel Expense Act of 1949, as amended, by:

(1) Increasing the per diem allowance for travel in the continental United States from the present rate of not to exceed $25 to a minimum of $35;

(2) Increasing the maximum reimbursement for employees authorized to travel on an actual expense basis within the continental United States from $40 to $50 per day; and

(3) Increasing from $18 to $23 per day the maximum actual expense reimbursement for foreign travel authorized to be paid in addition to the per diem established for that area.

The bill would also amend the Legislative Branch Appropriation Act, 1957 (2 USC 68b) by increasing from $25 to $35 per day the maximum amount which Senate Members and committee staffs may receive for official travel within the continental United States, and increases from $40 to $50 the reimbursements made on an actual expense basis to such Senate employees.

In approving these increases, the committee took into consideration the fact that (1) there has been no general increase in travel allowances since 1969; (2) hotel and motel rates, the cost of food away from home, and miscellaneous expenses related to official travel have increased appreciably since that time; and (3) Federal employees engaged on official travel on behalf of the U.S. Government should not have to suffer financial losses.

As previously noted, the committee amended the statute which governs the travel allowances for Members and committee employees of the Senate. The increase in the per diem and actual expense provisions will simply provide Senators and committee employees with the same travel allowances provided for other Federal employees on official travel: It should be noted that this action is fully supported by Chairman Cannon of the Committee on Rules and Administration, in a letter to Chairman Metcalf of the Budgeting, Management, and Expenditures Subcommittee (see p. 10).

The increase in actual expenses is believed necessary to cover those instances in which Senate Members and employees are required to travel on official business where travel costs are so high that the per diem is insufficient to reimburse their actual expenses. In this connection, it should be noted that existing law permits payment of actual expenses only if approved in advance by the Committee on Rules and Administration, in accordance with its prescribed rules and regulations.

The committee action alters the current Senate practice of not providing per diem or mileage allowances for Senators' personal staffs. With certain limitations, the rates payable to employees of committee staffs would also apply to Senators' personal staffs traveling on official Senate business. The travel would be paid from each Senator's Consolidated Allowance fund.

In addition, the legislation would increase the mileage allowances to be paid to Federal employees and other individuals who use privately-owned vehicles on official Government business. The bill would increase the mileage rate for the use of a privately-owned motorcycle 1 cent, from 8 cents to 9 cents; for a privately-owned automobile 4 cents, from 12 cents to 16 cents; and for a privately-owned airplane, 8 cents, from 12 cents to 20 cents. The bill also adds landing and tie-down fees as a reimbursable expense for operating privately-owned aircraft.

The automatic mileage adjustment provision requires the Administrator of General Services to conduct a continuing investigation of the cost of operating privately-owned vehicles. At least semiannually, and more frequently if he deems necessary, the Administrator shall determine the average, actual cost of operating privately-owned vehicles, based upon certain enumerated factors identified in the legislation. The Administrator's determination shall be reported to Congress within five days, and shall be printed in the Federal Register. However, in no case may the adjusted figures be less than the base figures established in this bill. The General Accounting Office is given oversight authority over the conduct of the General Services Administration investigation which is to begin on that January 1 or July 1 which first occurs after the enactment of this legislation.

Summary of Hearings

On June 6, 1974, the Subcommittee on Budgeting, Management, and Expenditures held a hearing on S. 3341. Witnesses from the General Accounting Office and the General Services Administration testified. Public witnesses included:

Mr. Vincent L. Connery, president, National Treasury Employees Union; Mr. Clyde Webber, national president, American Federation of Government Employees; Mr. John McCart, operations director, Government Employes Council, AFL-CIO; and Mr. Irving Geller, on behalf of Nathan T. Wolkomir, president, National Federation of Federal Employees.

Every witness agreed that the current per diem and mileage rates for Federal employees are inadequate for expenses incurred while traveling on official Government business. Witnesses disagreed, however, on the extent of the needed increases. Testimony also suggested establishing procedures to provide for automatic adjustments to the mileage rates, based on a continuing review and analysis of actual operating expenses for privately owned vehicles.

Committee Vote

S. 3341, as amended, was unanimously approved by the full Senate Government Operations Committee on August 20, 1974, a quorum being present.

Legislative History

By act of June 3, 1926, the Congress enacted the Subsistence Expense Act of 1926 (44 Stat. 688) which established a maximum per diem allowance in lieu of subsistence of $6 within the continental limits of the United States and $7 beyond those limits (44 Stat. 689).

The Economy Act of June 30, 1932 (47 Stat. 405), reduced these amounts to $5 and $6, respectively, reflecting a decrease in living costs. By act of January 30, 1942 (56 Stat. 39), the original amounts were restored, due in large part to the greatly increased living costs resulting from the war and defense activities.

The Travel Expense Act of 1949 (63 Stat. 166) repealed the Subsistence Expense Act of 1926, increased the per diem to an amount not to exceed $9 in the continental United States and authorized payments for travel outside the continental United States at rates not in excess of those established by the Director of the Bureau of the Budget. Members of Congress and employees of Senate and House committees were excluded from coverage in this act, but were provided for in other legislation.

By act of July 28, 1955 (62 Stat. 393), the maximum per diem was increased to $12, and a provision was added authorizing department and agency heads to pay actual expenses, not to exceed $25 per day, where the maximum per diem would be much less than the amount required to cover actual and necessary expenses. The amount was to be fixed in accordance with regulations promulgated by the Director of the Bureau of the Budget. This act also increased the maximum per diem in lieu of subsistence for Government consultants serving without compensation from $10 to $15 per day and not to exceed $25 per day if actual expenses were authorized.

Public Law 87–139 (August 14, 1961, 75 Stat. 339):

(1) Increased the per diem for travel inside the continental United States from $12 to $16 for regular and intermittent Government employees;

(2) Increased from $25 to $30 the maximum which could be reimbursed on an actual expense basis for travel within the continental United States under unusual circumstances where it was found that the regular $16 per day would be much less than actual expenses;

(3) Authorized actual expense reimbursement up to $10 per day for foreign travel, in addition to the maximum per diem established for that area;

(4) Provided that the per diem allowance for travel outside the continental United States could not exceed the rates established by the President of the United States, or his designee, for the locality where the travel is performed; and

(5) Made the increases for per diem and reimbursement for actual expenses applicable to Members and employees of the Senate committees by amending the legislation which provides for their travel allowances.

Executive Order No. 10970 (26 F.R. 10149, October 27, 1961), among other things, delegated to the Secretary of State the authority to establish maximum rates of per diem allowances for travel in foreign countries. Executive Order 11230 (30 F.R. 8447, July 2, 1965) amended Executive Order 10970, and provided that the Director of the Bureau of the Budget should prescribe regulations relating to the allowance and payment of travel and other expenses for certain Government employees. It did not transfer the authority of the Secretary of State to establish rates for travel in foreign countries.

The House of Representatives has long followed the practice of authorizing travel allowances in accordance with regulations promulgated by the Committee on House Administration. The Senate, however, in its portion of the annual legislative branch appropriation acts, has provided for travel allowances not to exceed those provided for other Federal employees. Thus, prior to the enactment of the Travel Expense Act of 1949, Members and employees of the Senate were reimbursed at rates not in excess of those provided for by the Subsistence Expense Act of 1926, as amended. This practice was continued until 1956, when permanent legislation was enacted in the Legislative Branch Appropriation Act, 1957 (70 Stat. 360, June 27, 1956).

In 1969, title 5 of the United States Code was further amended to increase the per diem rates. Public Law 91–114 (83 Stat. 190, November 10, 1969) increased the per diem allowance for travel inside the continental United States from not to exceed the rate of

$16 to not to exceed the rate of $25. It also increased the amount authorized to be named in the travel authorization for each day in a travel status inside the continental United States from not to exceed $30 to not to exceed $40. Further, the law increased the amount authorized to be named in the travel authorizations for each day in a travel status outside the continental United States from not to exceed the maximum per diem allowance plus $10 to not to exceed the maximum per diem allowance plus $18. The same increases were provided for experts and consultants and other individuals serving without pay while traveling on official Government business.

Additionally, the 1969 amendments increased the maximum allowable per diem rate for employees of the Senate traveling on official business from the existing $16 and $30 to the new $25 and $40 level, respectively.

Presently, Senate Members and committee staff employees are authorized allowances for travel in official business in continental United States at the maximum rate of $25 per day; and, if authorized actual expenses by the Senate Committee on Rules and Administration and pursuant to its regulations, not more than $40 per day on an actual basis. Members and employees of the House of Representatives have been authorized a travel allowance of $25 per day since July 1, 1967.

On July 24, 1971, President Nixon issued Executive Order 11609 (36 F.R. 13747) which, among other things, delegated certain functions of the President provided for under the 1969 amendments to the Administrator of General Services. This delegation included the authority to establish maximum rates of per diem and to prescribe regulations relating to travel, subsistence expenses and mileage allowances. Executive Order 11609 has been amended by Executive Order 11713 and Executive Order 11779. However, neither of these Executive Orders affects the authority of the Administrator to prescribe per diem and mileage regulations.

Section-by-Section Analysis

The short title of this bill is the "Travel Expense Amendments Act of 1974".

Subsection (a) of section 2 amends the "Definitions" section of title 5, United States Code, by adding a new item 7, which defines a "high cost locality" as any geographic location within the continental United States designated by regulation prescribed in section 5707 of title 5. The committee emphasizes that this designation is not limited to cities or metropolitan areas, but may encompass any geographic location, including rural areas where Federal employees are required to travel on official business.

Subsection (b) amends section 5702 of title 5 to provide that pursuant to the regulations prescribed under section 5707 of this title, an agency head may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of travel when the per diem allowance would be less than the actual expenses incurred due to:

(1) The circumstances of the travel, in which case the amount for travel inside the continental United States may not exceed $50; or the per diem allowance plus the $23 supplement for travel outside the continental United States; or

(2) The travel assignment to a "high cost locality", in which case the amount named in the travel authorization may not exceed the amount provided for in the regulations for that "high cost locality."

The committee does not alter the current practice of authorizing each agency head to establish conditions under which an employee may be reimbursed for the actual and necessary expenses of the travel when the per diem allowance is not sufficient to meet the expenses of the travel required.

However, the committee has deleted the modifier "much" from current law. The committee felt that this term was not needed. If an employee could not meet the necessary expenses of the required travel with the per diem allowance provided, travel under unusual circumstances, or under the rate for a "high cost locality" would seem justified.

Subsection (c) authorizes the Administrator of General Services to specify, by regulation, any geographic location he deems to fall within the definition of "high cost locality." For each such specified locality, the Administrator shall also determine, by regulation, the daily amount (not to exceed $50 per day) that may be paid for travel to that locality.

Subsection (a) of section 3 establishes the per diem allowance for employees traveling on official business within the continental United States at $35. For travel outside the continental United States, the per diem rate may not exceed the rate established by the President or his designee for that locality where the travel is performed.

In subsection (b), the per diem allowance for an individual serving without pay or at $1 per year is set at $35.

In subsection (c), the reimbursement for individuals serving without pay, or at $1 a year for travel under unusual circumstances, is set at not to exceed the maximum of $50 for travel within the United States, and not to exceed the per diem plus $23 for foreign travel.

The reimbursement for Senate members and employees of Senate committees pursuant to the Senate Legislative Branch Appropriation Act, 1957, is set at a rate not to exceed $35 for per diem, and not to exceed $50 for travel under unusual circumstances when authorized by the Senate Committee on Rules and Administration.

Section 4 of S. 3341 amends section 5704 of title 5 to state that except to the extent otherwise provided for under this section, and under regulations prescribed under section 5707 of title 5, an employee or other individual who is engaged on official business inside or outside his designated post of duty or place of service is entitled to—

(1) 9 cents a mile for the use of a privately-owned motorcycle;

(2) 16 cents a mile for the use of a privately-owned automobile; and

(3) 20 cents a mile for the use of a privately-owned airplane.

In addition to the mileage allowances provided for above, and in accordance with other provisions of this section, an employee may be reimbursed for parking fees; ferry fees; bridge, road and tunnel tolls; and airplane landing and tiedown fees.

Subsection (c) of amended section 5704 requires the Administrator of General Services to conduct a continuing investigation of the average, actual cost a mile for the use of a privately-owned motorcycle, automobile, or airplane to the employee or other individual performing service to the Government who is engaged on official business

inside or outside the designated post of duty or place of service. In conducting the investigation, the Administrator shall review and analyze the following:

(1) depreciation of original vehicle cost;

(2) gasoline and oil (excluding taxes);

(3) maintenance, accessories, parts and tires;

(4) insurance; and

(5) State and Federal taxes.

These enumerated factors are to be considered the minimum that the Administrator of General Services must take into consideration in conducting the continuing investigation. Additionally, the Administrator shall meet at least once every 3 months with representatives of the General Accounting Office, the Department of Transportation, the Department of Defense, and organizations of employees of the Government of the United States, and allow them the opportunity to make their views personally known to him with respect to the cost, the investigation, and the factors to be included in such investigation (in addition to those mentioned in subsection (c)(1)).

Not later than January 10 and July 10 of each year, the Administrator shall determine, based on the results of his continuing investigation with respect to the 6 full calendar months preceding the month in which the determination is made, specific figures, rounded to the nearest one-half cent, of the average, actual cost a mile during that six-month period, for the use of a privately-owned motorcycle, automobile, and airplane. Within 5 days of such determination, the Administrator shall report such figures to Congress. Each such report shall also include a detailed description of the factors utilized in conducting the investigation, and shall be printed in the Federal Register.

The cent figures contained in paragraphs (1), (2), and (3) of subsection (a) of section 5704, or any adjustments previously made to those figures, and in effect, shall be adjusted, as of the first day of the first month following submission of that report, to the figures determined and reported by the Administrator. Those figures shall not be less than the figures in effect in subsection (a) of section 5704 immediately after enactment of this legislation. The figures reported by the Administrator shall also be included as of the first day of the first month following the determination and report in the regulations prescribed under section 5707 of this title.

The committee stresses that the requirement for a semiannual determination by the Administrator of the average, actual cost of operating privately-owned vehicles does not preclude the Administrator from more frequently than semiannually adjusting the figures provided for in paragraphs (1), (2), and (3) of subsection (a) of section 5704, if, based on the results of his continuing investigation, such an adjustment is warranted. The committee does point out, however, that a determination of the cost of operating privately-owned vehicles must be made at least by January 10 and July 10 of each year.

Subsection (d) of amended section 5704 provides that the Comptroller General of the United States shall, from time to time, review the continuing investigation of the Administrator and make such reports to Congress with respect to his review as he considers appropriate.

Section 4(b) of S. 3341 provides that the continuing investigation referred to in subsection (a) of this section shall begin on that January 1 or July 1 which first occurs after the date of enactment of this Act.

Section 5 makes several amendments to section 506 of the Supplemental Appropriations Act, 1973, which would permit a Senator's personal staffs to be reimbursed for official travel on the same basis that committee staff are now reimbursed for official travel. The amendments would thus allow Senate personal staff to receive per diem expenses for official travel to the home State of the Senator for whom they work. The per diem reimbursement would be in addition to the reimbursement for transportation expenses, which are already reimbursed by the Senate.

In order to help ensure that there is no inappropriate use of the per diem expense reimbursement, the amendments provide that there shall be no such reimbursement within 120 days of any primary or general election in which the Senator is a candidate.

In addition, any claim for per diem expenses would have to be signed by the Senator whose staff claims the reimbursement. This is a standard Senate form which must now be signed by Committee and Subcommittee Chairmen. It certifies that the expenditure is correct and that the services being reimbursed were rendered for the use of the Senate. Thus, each time a Senator authorizes per diem reimbursement for his staff, he would have to vouch personally that the travel was for the purposes of Senate business.

Section 6 provides that the expenses incurred as a result of the increases in the per diem and mileage allowances made by this Act must be absorbed by the existing funds of the department, agency, or branch of the Government. Further, no amount shall be appropriated for fiscal year 1975 to pay for such increases.

Conclusions

The committee has been advised by the General Services Administration that official government travel by Federal employees totals an estimated 9.4 million man-days each year. Although official travel is necessary to the conduct of Government business, it is exceedingly costly, both to the traveler and the Government. In view of strong pressures for economy and the reduction of Government expenditures, the committee urges that a determined effort be made by all departments and agencies to limit official travel to the minimum consistent with the effective and efficient conduct of Government business. The committee desires to make clear, however, that when Federal employees travel on official Government business, they should not be expected, or required, to suffer financial losses.

We are in a period of high prices and rising costs. Thus, although necessary steps have been taken to enable Government employees to meet their personal, ever-increasing costs of living, nothing has been done since 1969 to enable the Government to meet its obligations to those employees who are required to travel in the course of their work assignment.

Following an analysis of available statistics relative to travel costs, the committee has concluded that a per diem of $35 and the mileage figures established in this bill are fair and equitable under current economic conditions in the United States.

Estimated Cost of Legislation

The General Services Administration estimates the additional annual per diem cost as proposed in S. 3341, as amended, will be approximately $94 million. The GSA estimates that the additional annual costs of privately owned vehicle operation as proposed in S. 3341, as amended, will be approximately $15.2 million.

The committee expects the per diem cost to be approximately the same for the next 5 fiscal years, provided the estimated man-days of travel remains relatively constant. Due to the legislative provisions for periodic and automatic adjustments for mileage based on a continuing investigation and determination by the Administrator of General Services, it is impractical for the committee to estimate mileage costs for the next 5 fiscal years.

Correspondence With Rules Committee

U.S. SENATE,
COMMITTEE ON GOVERNMENT OPERATIONS,
SUBCOMMITTEE ON BUDGETING,
MANAGEMENT, AND EXPENDITURES,
Washington, D.C., July 16, 1974.

Hon. HOWARD W. CANNON,
Chairman, Committee on Rules and Administration, 305 Russell Senate Office Building, Washington, D.C.

DEAR CHAIRMAN CANNON: The Subcommittee on Budgeting, Management, and Expenditures is currently considering S. 3341, a bill to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses for employees and other individuals traveling on official business, and for other purposes. A hearing was held on June 6. Based on that hearing, S. 3341 was revised to reflect both witnesses' and staff proposals.

As part of the revised S. 3341, a provision has been added to increase the maximum per diem allowances paid to Senators and Senate committee staffs traveling on official business from the current $25 to $35, and to increase travel under unusual circumstances from $40 to $50. This provision would only apply to staffs of Senate committees.

Additionally, S. 3341 would amend section 5704 of title 5 to establish minimum rates for reimbursement for mileage expenses for the use of privately owned vehicles. Specifically, the bill would set the rates at:

(a) 9 cents a mile for privately owned motorcycles;
(b) 16 cents a mile for privately owned automobiles; and
(c) 20 cents a mile for privately owned aircraft.

As drafted, the bill would establish these rates as absolute minimums, with a provision for periodic readjustments by the Administrator of General Services. While these higher rates would alter the current mileage figures provided for by law, the proposal would not amend the current Senate practice of permitting committee chairmen to establish appropriate mileage reimbursement for their committee members and staffs.

I would appreciate your views as to the suitability of including these provisions in this legislation. I would hope that including these

sections would not delay the passage of this needed legislation. I appreciate your assistance in this regard.

Very truly yours,

(Signed) LEE METCALF,
Chairman.

U.S. SENATE,
COMMITTEE ON RULES AND ADMINISTRATION,
Washington, D.C., July 17, 1974.

Hon. LEE METCALF,
Chairman, Subcommittee on Budgeting, Management, and Expenditures, Committee on Government Operations, U.S. Senate, Washington, D.C.

DEAR LEE: Thank you for your letter of July 16 advising me concerning your proposed amendments to the sections in title 5 of the United States Code pertaining to per diem and mileage expenses for Senators and Senate staff members traveling on official committee business.

At its meeting on June 4, 1974, the Committee on Rules and Administration approved changes in the U.S. Senate Travel Regulations which would allow for adjustment of the mileage rates upon enactment of your bill amending the statute increasing mileage rates from 12 to 16 cents for privately owned automobiles; from 12 to 20 cents for privately owned planes; and from 8 to 9 cents for privately owned motorcycles.

The per diem maximums in the revised travel regulations were left at a rate of not to exceed $25 for normal per diem and not to exceed $40 for per diem during travel to areas of unusually high expenses, but these figures would be automatically increased to $35 and $50 upon enactment of your bill.

On behalf of the Committee on Rules and Administration, and with the understanding that your proposed amendments would not change the current Senate practice of permitting committee chairmen to establish appropriate maximum mileage reimbursement for their committee and staff members, I would support the proposals set forth in your letter.

With all best wishes,

Sincerely,

(Signed) HOWARD W. CANNON,
Chairman.

Changes in Existing Law

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown as follows (existing law proposed to be changed enclosed in black brackets, new matter in italic, existing law in which no change is proposed to be made in roman):

TITLE 2 UNITED STATES CODE

SEC. 58. MAIL, TELEGRAPH, TELEPHONE, STATIONERY, OFFICE SUPPLIES, AND HOME STATE OFFICE RENTAL AND TRAVEL EXPENSES FOR SENATORS.

(a) Authorization for payments from contingent fund.

(1) * * *

* * * * * * *

(8) reimbursement of [actual transportation expenses] *travel expenses* incurred by the Senator in traveling on official business by the nearest usual route between Washington, District of Columbia, and the State he represents and within such State, and actual transportation expenses incurred by employees in that Senator's office subject to the provisions of subsection (e) of this section.

Reimbursement to a Senator and his employees under this section shall be made only upon presentation of itemized vouchers for expenses incurred.

* * * * * * *

[(e) Transportation expenses.

[Actual transportation expenses incurred by an employee in a Senator's office shall be paid under this section only for such expenses incurred in making round trips on official business by the nearest usual route between Washington, District of Columbia, and the home State of the Senator involved, and in traveling within that State (other than transportation expenses incurred by an employee assigned to a Senator's office within that State (1) while traveling in the general vicinity of such office, (2) pursuant to a change of assignment within such State, or (3) in commuting between home and office). No payment shall be made under this section to or on behalf of a newly appointed employee to travel to his place of employment.]

(e) Travel expenses.

In accordance with regulations prescribed by the Committee on Rules and Administration, an employee in a Senator's office shall be reimbursed under this section for per diem and actual transportation expenses incurred, or actual travel expenses incurred, only for round trips made by the employee on official business by the nearest usual route between Washington, District of Columbia, and the home State of the Senator involved, and in traveling within that State (other than transportation expenses incurred by an employee assigned to a Senator's office within that State (1) while traveling in the general vicinity of such office, (2) pursuant to a change of assignment within such State, or (3) in commuting between home and office). However, an employee shall not be reimbursed for any per diem expenses or actual travel expenses (other than actual transportation expenses) for any travel occurring during the 120 days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator, in whose office the employee is employed, is a candidate for public office. Reimbursement of per diem and actual travel expenses shall not exceed the rates established in accordance with the seventh paragraph under the heading "Administrative Provisions" in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b). No payment shall be made under this section to or on behalf of a newly appointed employee to travel to his place of employment.

SEC. 68b. SAME; PER DIEM AND SUBSISTENCE EXPENSES.

No part of the appropriations made under the heading "Contingent Expenses of the Senate" on and after June 27, 1956 may be expended for per diem and subsistence expenses (as defined in the Travel Expense Act of 1949, as amended) at rates in excess of [$25] *$35* per day; except that (1) higher rates may be established by the Committee on Rules and Administration for travel beyond the limits of the

continental United States, and (2) in accordance with regulations prescribed by the Committee on Rules and Administration of the Senate, reimbursement for such expenses may be made on an actual expense basis of not to exceed [$40] *$50* per day in the case of travel within the continental limits of the United States.

TITLE 5 UNITED STATES CODE

SEC. 5701. DEFINITIONS.

For the purpose of this subchapter—

(1) "agency" means—;

(A) an Executive agency;

(B) a military department;

(C) an office, agency, or other establishment in the legislative branch;

(D) an office, agency, or other establishment in the judicial branch; and

(E) the government of the District of Columbia;

but does not include—

(i) a Government controlled corporation;

(ii) a Member of Congress; or

(iii) an office or committee of either House of Congress or of the two Houses;

(2) "employee" means an individual employed in or under an agency;

(3) "subsistence" means lodging, meals, and other necessary expenses for the personal sustenance and comfort of the traveler;

(4) "per diem allowance" means a daily flat rate payment instead of actual expenses for subsistence and fees or tips to porters and stewards;

(5) "Government" means the Government of the United States and the government of the District of Columbia; [and]

(6) "continental United States" means the several States and the District of Columbia, but does not include Alaska or Hawaii [.] *; and*

(7) "high cost locality" means any geographic location within the continental United States designated by regulations prescribed under section 5707 of this title.

SEC. 5702. PER DIEM; EMPLOYEES TRAVELING ON OFFICIAL BUSINESS.

[(a) An employee, while traveling on official business away from his designated post of duty, is entitled to a per diem allowance prescribed by the agency concerned. For travel inside the continental United States, the per diem allowance may not exceed the rate of $25. For travel outside the continental United States, the per diem allowance may not exceed the rate established by the President or his designee, who may be the Director of the Bureau of the Budget or another officer of the Government of the United States, for the locality where the travel is performed.]

(a) An employee, while traveling on official business away from his designated post of duty, is entitled to a per diem allowance. For travel inside the continental United States, the per diem allowance shall be $35. For travel outside the continental United States, the per diem allowance may not exceed the rate established by the President or his designee for the locality where the travel is performed.

(b) Under regulations prescribed under section 5707 of this title, an employee who, while traveling on official business away from his designated post of duty, becomes incapacitated by illness or injury not due to his own misconduct is entitled to the per diem allowances, and transportation expenses to his designated post of duty.

[(c) Under regulations prescribed under section 5707 of this title, the head of the agency concerned may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of the trip, not to exceed an amount named in the travel authorization, when the maximum per diem allowance would be much less than these expenses due to the unusual circumstances of the travel assignment. The amount named in the travel authorization may not exceed—

[(1) $40 for each day in a travel status inside the continental United States; or

[(2) the maximum per diem allowance plus $18 for each day in a travel status outside the continental United States.]

(c) Under regulations prescribed under section 5707 of this title, the head of the agency concerned may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of the trip, not to exceed an amount named in the travel authorization, when the per diem allowance would be less than those expenses due to—

(1) the unusual circumstances of the travel assignment, in which case the amount named in the travel authorization may not exceed—

(A) $50 for each day in a travel status inside the continental United States; or

(B) the per diem allowance established under subsection (a) of this section plus $23 for each day in a travel status outside the continental United States; or

(2) a travel assignment to a high cost locality, in which case the amount named in the travel authorization may not exceed the daily amount provided in those regulations for that locality.

(d) This section does not apply to a justice or judge except to the extent provided by section 456 of title 28.

SEC. 5703. PER DIEM, TRAVEL, AND TRANSPORTATION EXPENSES; EXPERTS AND CONSULTANTS; INDIVIDUALS SERVING WITHOUT PAY.

(a) For the purpose of this section, "appropriation" includes funds made available by statute under section 849 of title 31.

(b) An individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis may be allowed travel expenses under this subchapter while away from his home or regular place of business, including a per diem allowance under this subchapter while at his place of employment.

(c) An individual serving without pay or at $1 a year may be allowed transportation expenses under this subchapter and a per diem allowance under this section while en route and at his place of service or employment away from his home or regular place of business. Unless a higher rate is named in an appropriation or other statute, [the per diem allowance may not exceed—] *the per diem allowance shall be—*

(1) [the rate of $25] *$35* for travel inside the continental United States; and

(2) the rates established under section 5702(a) of this title for travel outside the continental United States.

(d) Under regulations prescribed under section 5707 of this title, the head of the agency concerned may prescribe conditions under which an individual to whom this section applies may be reimbursed for the actual and necessary expenses of the trip, not to exceed an amount named in the travel authorization, when the maximum per diem allowance would be [much] less than these expenses due to the unusual circumstances of the travel assignment. The amount named in the travel authorization may not exceed—

(1) [$40] *$50* for each day in a travel status inside the continental United States; or

(2) the maximum per diem allowance plus [$18] *$23* for each day in a travel status outside the continental United States.

SEC. 5704. MILEAGE AND RELATED ALLOWANCES.

[(a) Under regulations prescribed under section 5707 of this title, an employee or other individual performing service for the Government, who is engaged on official business inside or outside his designated post of duty or place of service, is entitled to not in excess of—

[(1) 8 cents a mile for the use of privately owned motorcycle; or

[(2) 12 cents a mile for the use of a privately owned automobile or airplane;

instead of the actual expenses of transportation when that mode of transportation is authorized or approved as more advantageous to the Government. A determination of advantage is not required when payment on a mileage basis is limited to the cost of travel by common carrier including per diem.

[(b) In addition to the mileage allowance under subsection (a) of this section, the employee or other individual performing service for the Government may be reimbursed for—

[(1) parking fees;

[(2) ferry fares; and

[(3) bridge, road, and tunnel tolls.]

(a) Except to the extent otherwise provided under this section, and under regulations prescribed under section 5707 of this title, an employee or other individual performing service for the Government, who is engaged on official business inside or outside his designated post of duty or place of service, is entitled to—

(1) 9 cents a mile for the use of a privately owned motorcycle;

(2) 16 cents a mile for the use of a privately owned automobile; or

(3) 20 cents a mile for the use of a privately owned airplane;

instead of the actual expenses of transportation when that mode of transportation is authorized or approved as more advantageous to the Government. A determination of advantage is not required when payment on a mileage basis is limited to the cost of travel by common carrier including per diem.

(b) In addition to the mileage allowance provided in accordance with the other provisions of this section, the employee or other individual performing service for the Government may be reimbursed for—

(1) parking fees;

(2) ferry fares;

(3) bridge, road, and tunnel tolls; and

(4) airplane landing and tiedown fees.

(c)(1) The Administrator of General Services shall conduct a continuing investigation of the average, actual cost a mile, to the employee or other

individual performing service for the Government who is engaged on official business inside or outside the designated post of duty or place of service, for the use of a privately owned motorcycle, automobile, and airplane. In conducting the investigation, the Administrator shall review and analyze the following:

(A) depreciation of original vehicle cost;

(B) gasoline and oil (excluding taxes);

(C) maintenance, accessories, parts, and tires;

(D) insurance; and

(E) State and Federal taxes.

The Administrator, in conducting such investigation, shall meet at least once every 3 months with representatives of the General Accounting Office, the Department of Transportation, the Department of Defense, and organizations of employees of the Government of the United States, and allow them to make their views personally known to him with respect to such average, actual cost.

(2) Not later than January 10 and July 10 of each year, the Administrator shall determine, based upon the results of his continuing investigation with respect to the 6 full calendar months preceding the month in which the determination is made, specific figures, each rounded to the nearest one-half cent, of the average, actual cost a mile during that period for the use of a privately owned motorcycle, automobile, and airplane. The Administrator shall report such figures to Congress not later than 5 days after he makes his determination. Each such report shall also include a detailed description of the factors utilized in conducting the investigation during such 6-month period. Each such report shall be printed in the Federal Register. The cent figures contained in paragraphs (1), (2), and (3) of subsection (a) of this section, or any adjustments previously made thereto and in effect under this subsection, shall be adjusted, as of the first day of the first month following the submission of that report, to the figures so determined and reported by the Administrator. Those figures shall not be less than the figures in effect under subsection (a) of this section immediately after enactment of the Travel Expense Amendments Act of 1974. Those reported figures shall also be included as of such day in the regulations prescribed under section 5707 of this title.

(d) The Comptroller General shall from time to time review the continuing study of the Administrator and make reports to Congress with respect to his review as he considers appropriate.

* * * * * * *

SEC. 5707. REGULATIONS.

(a) The Director of the Bureau of the Budget shall prescribe regulations necessary for the administration of this subchapter. The fixing, payment, advancement, and recovery of travel allowances, and the reimbursement of travel expenses, under this subchapter shall be in accordance with the regulations. This section does not apply to the fixing or payment of a per diem allowance under section 5703(c) of this title.

(b) The regulations prescribed by the Administrator shall include the designation of any high cost locality with respect to which the Administrator determines that the per diem allowance established under section 5702(a) of this title would be less than the actual and necessary expenses incurred in traveling to that locality. The Administrator shall establish for each high cost locality, the daily amount (not to exceed $50 for each day) that may be paid under section 5702(c)(2) of this title in traveling to that locality.

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93D CONGRESS 2d Session } HOUSE OF REPRESENTATIVES { REPORT No. 93-1525

TRAVEL EXPENSES AMENDMENTS ACT OF 1974

DECEMBER 6, 1974.—Ordered to be printed

Mr. BROOKS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 3341]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3341) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

That this Act may be cited as the "Travel Expenses Amendments Act of 1974".

SEC. 2. (a) Section 5701(2) of title 5, United States Code, is amended to read as follows:

> *"(2) 'employee' means an individual employed in or under an agency, including an individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis and an individual serving without pay or at one dollar a year;".*

(b) Section 5705 of such title 5 is amended by striking out "or individual" wherever it appears.

SEC. 3. Section 5702 of title 5, United States Code, is amended to read as follows:

"§ 5702. Per diem; employee traveling on official business

"(a) Under regulations prescribed under section 5707 of this title, an employee while traveling on official business away from his desig-

nated post of duty or, in the case of an intermittent employee, his home or regular place of business, is entitled to a per diem allowance for travel inside the continental United States at a rate not to exceed $35. For travel outside the continental United States, the per diem allowance shall be established by the President, or his designee, for each locality where travel is to be performed. For travel consuming less than a full day, such rates may be allocated proportionately.

"(b) Under regulations prescribed under section 5707 of this title, an employee who, while traveling on official business away from his designated post of duty, becomes incapacitated by illness or injury not due to his own misconduct, is entitled to the per diem allowance and appropriate transportation expenses until such time as he can again travel, and to the per diem allowance and transportation expenses during return travel to his designated post of duty.

"(c) Under regulations prescribed under section 5707 of this title, the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the per diem allowance would be less than these expenses, except that such reimbursement shall not exceed—

"(1) $50 for each day in a travel status within the continental United States when the per diem otherwise allowable is determined to be inadequate (A) due to the unusual circumstances of the travel assignment, or (B) for travel to high rate geographical areas designated as such in regulations prescribed under section 5707 of this title; or

"(2) $21 for each day in a travel status outside the continental United States plus the locality per diem rate prescribed for such travel.

"(d) This section does not apply to a justice or judge, except to the extent provided by section 456 of title 28.".

SEC. 4. (a) Section 5703 of title 5, United States Code, is repealed.

(b) Item 5703 contained in the analysis of subchapter I of chapter 57 of such title is repealed.

SEC. 5. Section 5704 of title 5, United States Code, is amended to read as follows:

"§ 5704. Mileage and related allowances

"(a) Under regulations prescribed under section 5707 of this title, an employee who is engaged on official business for the Government is entitled to—

"(1) 8 cents a mile for the use of a privately owned motorcycle;

"(2) 15 cents a mile for the use of a privately owned automobile; or

"(3) 18 cents a mile for the use of a privately owned airplane, instead of actual expenses of transportation when that mode of transportation is authorized or approved as more advantageous to the Government. A determination of such advantage is not required when payment on a mileage basis is limited to the cost of travel by common carrier including per diem. Notwithstanding the preceding provisions of this subsection, in any case in which an employee who is engaged on official business for the Government chooses to use a privately owned vehicle when a Government vehicle is readily available, payment on a

mileage basis is limited to the cost of travel by such Government vehicle.

"(b) In addition to the mileage allowance authorized under subsection (a) of this section, the employee may be reimbursed for—

"(1) parking fees;

"(2) ferry fees;

"(3) bridge, road, and tunnel costs; and

"(4) airplane landing and tie-down fees.".

SEC. 6. Section 5707 of title 5, United States Code, is amended to read as follows:

"§ 5707. Regulations and reports

"(a) The Administrator of General Services shall prescribe regulations necessary for the administration of this subchapter, except that the Director of the Administrative Office of the United States Courts shall prescribe such regulations with respect to official travel by employees of the judicial branch of the Government. Such regulations shall state the specific rate of the per diem allowance, within the dollar limitations prescribed in the first sentence of section 5702(a) of this title, and a specific rate of reimbursement for actual and necessary expenses of official travel to each high rate geographical area under section 5702(c)(1) of this title, to which an employee is entitled.

"(b)(1) The Administrator of General Services, in consultation with the Comptroller General of the United States, the Secretary of Transportation, the Secretary of Defense, and representatives of organizations of employees of the Government, shall conduct periodic investigations of the cost of travel and the operation of privately owned vehicles to employees while engaged on official business, and shall report the results of such investigations to Congress at least once a year. In conducting the investigations, the Administrator shall review and analyze among other factors—

"(A) depreciation of original vehicle cost;

"(B) gasoline and oil (excluding taxes);

"(C) maintenance, accessories, parts, and tires;

"(D) insurance; and

"(E) State and Federal taxes.

"(2) At least once each year, the Administrator shall determine, based upon the results of his investigations, specific figures each rounded to the nearest one-half cent, of the average, actual cost a mile during the period for the use of a privately owned motorcycle, automobile, and airplane. The Administrator shall report such figures to Congress not later than five working days after he makes his determination. Each such report shall be printed in the Federal Register. The cent figures contained in paragraphs (1), (2), and (3) of section 5704(a) of this section, or any adjustments previously made thereto and in effect under that section, shall be adjusted by the Administrator within thirty days following the submission of that report to the figures so determined and reported by him. Those figures shall not be less than the figures in effect under that section immediately after the enactment of the Travel Expense Amendments Act of 1974, nor shall those figures ever be adjusted to figures greater than—

"(A) 11 cents a mile for the use of a privately owned motorcycle;

"(*B*) *20 cents a mile for the use of a privately owned automobile; and*

"(*C*) *24 cents a mile for the use of a privately owned airplane. Those adjusted figures shall also be included in the regulations prescribed under this section.*".

Sec. 7. Item 5707 contained in the analysis of subchapter I of chapter 57 of title 5, United States Code, is amended to read as follows:

"*5707. Regulations and reports.*".

Sec. 8. The seventh paragraph under the heading "ADMINISTRATIVE PROVISIONS" in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out "$25" and "$40" and inserting in lieu thereof "$35" and "$50", respectively.

Sec. 9. Section 506 of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58), is amended—

(*1*) *by striking out of subsection (a) (8) "actual transportation expenses", wherever it appears, and inserting in lieu thereof "travel expenses"; and*

(*2*) *by striking out subsection (e) and inserting in lieu thereof the following:*

"(*e*) *In accordance with regulations prescribed by the Committee on Rules and Administration, an employee in a Senator's office shall be reimbursed under this section for per diem and actual transportation expenses incurred, or actual travel expenses incurred, only for round trips made by the employee on official business by the nearest usual route between Washington, District of Columbia, and the home State of the Senator involved, and in traveling within that State (other than transportation expenses incurred by an employee assigned to a Senator's office within that State (1) while traveling in the general vicinity of such office, (2) pursuant to a change of assignment within such State, or (3) in commuting between home and office). However, an employee shall not be reimbursed for any per diem expenses or actual travel expenses (other than actual transportation expenses) for any travel occurring during the 120 days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator, in whose office the employee is employed, is a candidate for public office. Reimbursement of per diem and actual travel expenses shall not exceed the rates established in accordance with the seventh paragraph under the heading 'Administrative Provisions' in the Senate appropriation in the Legislative Branch Appropriation Act. 1957 (2 U.S.C. 68b). No payment shall be made under this section to or on behalf of a newly appointed employee to travel to his place of employment.*".

Sec. 10. Any increases in expenses of per diem, travel, transportation, mileage, and subsistence incurred during fiscal year 1975 as the result of the enactment of this Act shall be absorbed by the departments, agencies, independent establishments, and other entities of the three branches of the United States Government and the government of the District of Columbia incurring such increases. No amounts shall be appropriated for fiscal year 1975 to pay for such increases.

Sec. 11. (a) Section 111(a) of title 38, United States Code, is amended by adding at the end thereof the following: "In no event shall

the amount paid for expenses of travel or mileage allowance under this section in the case of any veteran with a service-connected disability be less than the amount paid therefor under section 5702 or, when mileage allowance is paid in lieu of per diem or actual expenses of travel, less than the amount paid therefor under section 5704 of title 5.".

(*b*) *The amendment made by subsection (a) of this section shall become effective July 1, 1975.*

And the House agree to the same.

CHET HOLIFIELD,
JACK BROOKS,
JAMES V. STANTON,
CARDISS COLLINS,
FRANK HORTON,
JOHN BUCHANAN,
ROBERT P. HANRAHAN,
Managers on the Part of the House.

LEE METCALF,
WALTER D. HUDDLESTON,
CHARLES H. PERCY,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3341) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

1. The short title in both bills is identical.

2. Section 2(a) amends section 5701 of title 5, United States Code. The House amendment redefines an "employee" in section 5701(2) to include individuals employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis or individuals serving without pay or at one dollar a year. The Senate bill contains no similar provision. The conference substitute adopts the House amendment.

Section 2(b) amends section 5705 of title 5, United States Code, by striking out "an individual" wherever it appears. This is a conforming Senate amendment to provide consistency with the redefinition of "employee" in subsection (a) of this section.

3. Section 3 amends section 5702 of title 5, United States Code. The Senate bill provides that for travel inside the continental United States, the per diem shall be $35. The House amendment provides a per diem rate of "not to exceed $35." The conference accepts the House language.

The House amendment and Senate bill contain language that permits the President or his designeee (in the Senate bill) or the Administrator of General Services, or his designee (in the House amendment) to establish the per diem allowance for travel outside the continental United States. The conference accepts the Senate language.

The House amendment also provides that for travel consuming less than a full day, per diem rates may be allocated proportionally pur-

suant to regulations prescribed under section 5707 of this title. The Senate bill does not contain a similar provision. The conference accepts the House amendment.

The House amendment continues language, similar to existing law, which provides that when an employee traveling on official business away from his designated post of duty becomes incapacitated by illness or injury not due to his own misconduct, he is entitled to both the per diem allowance and appropriate transportation expenses until such time as he can again travel, and to the per diem and transportation expenses during return travel. The Senate bill does not contain similar language. The conference accepts the House amendment.

The House amendment provides that the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the per diem allowance would be less than these expenses. Under these circumstances, the reimbursement shall not exceed—

(1) $50 per day for travel when the per diem otherwise allowable is inadequate (A) due to the unusual circumstances of the travel assignment, or (B) for travel to high-rate geographic areas designated under regulations prescribed under section 5707 of this title; or

(2) $20 per day plus the locality per diem rate for travel outside the continental United States when actual expenses exceed the maximum established per diem rate for the locality.

The Senate bill contains similar provisions, but provides a $23 per day supplement for foreign travel in the circumstances set forth above in paragraph 2. The conference accepts the House language with the single exception that the foreign travel supplement is increased from $20 to $21 per day.

Subsection (d) of section 3 of the conference substitute adopts the House-passed language to provide that this section does not apply to a justice or judge except to the extent provided by section 456 of title 28. The Senate bill has no similar provision.

4. Section 4 repeals section 5703 of title 5, United States Code, which provides for a per diem allowance for experts and consultants. The Senate bill retains such a provision. The House amendment redefines "employee" in section 5701(2) of title 5, U.S. Code, to include these experts and consultants, and thus entitles them to the same per diem allowance to which regular Government employees are entitled under section 5702. The conference accepts the House language.

5. Section 5 of the conference substitute amends section 5704 of title 5, United States Code, concerning mileage and related expenses. The Senate bill provides that the mileage reimbursement shall be set at 9 cents for motorcycles, 16 cents for automobiles, and 20 cents for airplanes. The House amendment provides rates for reimbursement not to exceed 9 cents per mile for motorcycles, 18 cents for automobiles, and 24 cents for airplanes.

The conference substitute maintains the Senate concept, but reduces the rates of each of the three categories of privately-owned vehicle travel. The conference substitute provides for minimum reimbursement rates of 8 cents per mile for motorcycles, 15 cents per mile for automobiles, and 18 cents per mile for airplanes.

6. Section 6 amends section 5707 of title 5 to provide for regulations and reports of the Administrator of General Services. The House amendment provides that the Administrator shall prescribe regulations necessary for the administration of this subchapter. The Senate bill contains similar language. The conference accepts the House language with a Senate conforming amendment that the Director of the Administrative Office of the U.S. Courts shall prescribe regulations with respect to official travel by employees of the judicial branch.

The conference substitute also provides that regulations issued to implement the per diem rate shall state a specific dollar amount in accordance with the provision of section 5702(a) of title 5, and the specific dollar limitation for official travel to each highrate geographic area. The purpose of this provision is to insure that both the per diem amount and the highrate geographic sum are uniformly applicable to all employees. These provisions are designed to eliminate a problem of differing per diem rates for employes traveling to the same locale on behalf of different agencies.

The conference substitute provides that the Administrator of General Services, in consultation with the Comptroller General of the United States, the Secretary of Transportation, the Secretary of Defense, and the representatives of organizations of employees of the Government, shall conduct periodic investigations of both the cost of travel and the operation of privately-owned vehicles to employees engaged on official business. The conference substitute also provides for certain enumerated factors to be taken into consideration in conducting such investigations.

At least once each year, the Administrator shall determine, based on the results of his investigation, specific figures of the cost of travel (per diem) and the operation of privately-owned vehicles, and report those figures to Congress. Each report shall also be printed in the Federal Register. Within 30 days following the submission of the report, the cent figures provided for in section 5704(a) of title 5 shall be adjusted by the Administrator to the figures so determined and reported.

The cent figures shall in no case ever be administratively adjusted below those amounts provided for in section 5704(a) of title 5 and cannot be adjusted higher than—

11 cents a mile for the use of a privately-owned motorcycle;
20 cents a mile for the use of a privately-owned automobile; or
24 cents a mile for the use of a privately-owned airplane.

The conference substitute has not expressly provided for oversight by the General Accounting Office, a provision of the Senate bill. The conferees believe that the GAO currently has sufficient statutory authority to review and oversee all actions taken by the General Services Administration, or any other department or agency, with respect to this legislation.

7. The Senate bill amends the Supplemental Appropriation Act, 1973 (2 U.S.C. 58) to provide that a Senator's personal staff is to be reimbursed for official travel on the same basis that committee staffs are now reimbursed for official travel. The language allows Senate personal staff to receive per diem expenses for official travel to the home State of the Senator for whom they work. The per diem would

be in addition to reimbursement for the transportation expenses already paid by the Senate. No reimbursement is to be made within 120 days of any primary or general election in which the Senator is a candidate. The Senator is personally responsible for certifying claims for reimbursement. The House amendment has no similar provision. The conference substitute (section a) accepts the Senate language.

8. Section 10 of the conference substitute adopts the Senate-passed language to provide that the expenses incurred during fiscal year 1975 as a result of the increases in the per diem and mileage allowances made by this Act must be absorbed by the existing funds of the agencies or branch of government. No amount shall be appropriated for fiscal year 1975 to pay for such increases. The House amendment contains no similar provision.

9. Section 11 adopts Senate language which amends section 111(a) of title 38, United States Code, to provide that veterans with service connected injuries who are entitled to reimbursement for per diem or mileage under that section shall be reimbursed at no lower rate than those provided under section 5702 or 5704, of title 5, United States Code. This provision shall not take effect until July 1, 1975.

CHET HOLIFIELD,
JACK BROOKS,
JAMES V. STANTON,
CARDISS COLLINS,
FRANK HORTON,
JOHN BUCHANAN,
ROBERT P. HANRAHAN,
Managers on the Part of the House.

LEE METCALF,
WALTER D. HUDDLESTON,
CHARLES H. PERCY,
Managers on the Part of the Senate.

○

S. 3341

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Monday, the twenty-first day of January, one thousand nine hundred and seventy-four

An Act

To revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Travel Expenses Amendments Act of 1974".

SEC. 2. (a) Section 5701(2) of title 5, United States Code, is amended to read as follows:

"(2) 'employee' means an individual employed in or under an agency, including an individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis and an individual serving without pay or at one dollar a year;".

(b) Section 5705 of such title 5 is amended by striking out "or individual" wherever it appears.

SEC. 3. Section 5702 of title 5, United States Code, is amended to read as follows:

"§ 5702. Per diem; employees traveling on official business

"(a) Under regulations prescribed under section 5707 of this title, an employee while traveling on official business away from his designated post of duty or, in the case of an intermittent employee, his home or regular place of business, is entitled to a per diem allowance for travel inside the continental United States at a rate not to exceed $35. For travel outside the continental United States, the per diem allowance shall be established by the President, or his designee, for each locality where travel is to be performed. For travel consuming less than a full day, such rates may be allocated proportionately.

"(b) Under regulations prescribed under section 5707 of this title, an employee who, while traveling on official business away from his designated post of duty, becomes incapacitated by illness or injury not due to his own misconduct, is entitled to the per diem allowance and appropriate transportation expenses until such time as he can again travel, and to the per diem allowance and transportation expenses during return travel to his designated post of duty.

"(c) Under regulations prescribed under section 5707 of this title, the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the per diem allowance would be less than these expenses, except that such reimbursement shall not exceed—

"(1) $50 for each day in a travel status within the continental United States when the per diem otherwise allowable is determined to be inadequate (A) due to the unusual circumstances of the travel assignment, or (B) for travel to high rate geographical areas designated as such in regulations prescribed under section 5707 of this title; or

"(2) $21 for each day in a travel status outside the continental United States plus the locality per diem rate prescribed for such travel.

"(d) This section does not apply to a justice or judge, except to the extent provided by section 456 of title 28.".

SEC. 4. (a) Section 5703 of title 5, United States Code, is repealed.

(b) Item 5703 contained in the analysis of subchapter I of chapter 57 of such title is repealed.

SEC. 5. Section 5704 of title 5, United States Code, is amended to read as follows:

"§ 5704. Mileage and related allowances

"(a) Under regulations prescribed under section 5707 of this title, an employee who is engaged on official business for the Government is entitled to—

"(1) 8 cents a mile for the use of a privately owned motorcycle;

"(2) 15 cents a mile for the use of a privately owned automobile; or

"(3) 18 cents a mile for the use of a privately owned airplane, instead of actual expenses of transportation when that mode of transportation is authorized or approved as more advantageous to the Government. A determination of such advantage is not required when payment on a mileage basis is limited to the cost of travel by common carrier including per diem. Notwithstanding the preceding provisions of this subsection, in any case in which an employee who is engaged on official business for the Government chooses to use a privately owned vehicle when a Government vehicle is readily available, payment on a mileage basis is limited to the cost of travel by such Government vehicle.

"(b) In addition to the mileage allowance authorized under subsection (a) of this section, the employee may be reimbursed for—

"(1) parking fees;

"(2) ferry fees;

"(3) bridge, road, and tunnel costs; and

"(4) airplane landing and tie-down fees.".

SEC. 6. Section 5707 of title 5, United States Code, is amended to read as follows:

"§ 5707. Regulations and reports

"(a) The Administrator of General Services shall prescribe regulations necessary for the administration of this subchapter, except that the Director of the Administrative Office of the United States Courts shall prescribe such regulations with respect to official travel by employees of the judicial branch of the Government. Such regulations shall state the specific rate of the per diem allowance, within the dollar limitations prescribed in the first sentence of section 5702(a) of this title, and a specific rate of reimbursement for actual and necessary expenses of official travel to each high rate geographical area under section 5702(c)(1) of this title, to which an employee is entitled.

"(b)(1) The Administrator of General Services, in consultation with the Comptroller General of the United States, the Secretary of Transportation, the Secretary of Defense, and representatives of organizations of employees of the Government, shall conduct periodic investigations of the cost of travel and the operation of privately owned vehicles to employees while engaged on official business, and shall report the results of such investigations to Congress at least once a year. In conducting the investigations, the Administrator shall review and analyze among other factors—

"(A) depreciation of original vehicle cost;

"(B) gasoline and oil (excluding taxes);

"(C) maintenance, accessories, parts, and tires;

"(D) insurance; and

"(E) State and Federal taxes.

"(2) At least once each year, the Administrator shall determine, based upon the results of his investigations, specific figures each rounded to the nearest one-half cent, of the average, actual cost a mile

during the period for the use of a privately owned motorcycle, automobile, and airplane. The Administrator shall report such figures to Congress not later than five working days after he makes his determination. Each such report shall be printed in the Federal Register. The cent figures contained in paragraphs (1), (2), and (3) of section 5704(a) of this section, or any adjustments previously made thereto and in effect under that section, shall be adjusted by the Administrator within thirty days following the submission of that report to the figures so determined and reported by him. Those figures shall not be less than the figures in effect under that section immediately after the enactment of the Travel Expense Amendments Act of 1974, nor shall those figures ever be adjusted to figures greater than—

"(A) 11 cents a mile for the use of a privately owned motorcycle;

"(B) 20 cents a mile for the use of a privately owned automobile; and

"(C) 24 cents a mile for the use of a privately owned airplane.

Those adjusted figures shall also be included in the regulations prescribed under this section.".

SEC. 7. Item 5707 contained in the analysis of subchapter I of chapter 57 of title 5, United States Code, is amended to read as follows:

"5707. Regulations and reports.".

SEC. 8. The seventh paragraph under the heading "ADMINISTRATIVE PROVISIONS" in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out "$25" and "$40" and inserting in lieu thereof "$35" and "$50", respectively.

SEC. 9. Section 506 of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58), is amended—

(1) by striking out of subsection (a)(8) "actual transportation expenses", wherever it appears, and inserting in lieu thereof "travel expenses"; and

(2) by striking out subsection (e) and inserting in lieu thereof the following:

"(e) In accordance with regulations prescribed by the Committee on Rules and Administration, an employee in a Senator's office shall be reimbursed under this section for per diem and actual transportation expenses incurred, or actual travel expenses incurred, only for round trips made by the employee on official business by the nearest usual route between Washington, District of Columbia, and the home State of the Senator involved, and in traveling within that State (other than transportation expenses incurred by an employee assigned to a Senator's office within that State (1) while traveling in the general vicinity of such office, (2) pursuant to a change of assignment within such State, or (3) in commuting between home and office). However, an employee shall not be reimbursed for any per diem expenses or actual travel expenses (other than actual transportation expenses) for any travel occurring during the 120 days immediately before the date of any primary or general election (whether regular, special, or runoff) in which the Senator, in whose office the employee is employed, is a candidate for public office. Reimbursement of per diem and actual travel expenses shall not exceed the rates established in accordance with the seventh paragraph under the heading 'Administrative Provisions' in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b). No payment shall be made under this section to or on behalf of a newly appointed employee to travel to his place of employment.".

SEC. 10. Any increases in expenses of per diem, travel, transportation, mileage, and subsistence incurred during fiscal year 1975 as the result of the enactment of this Act shall be absorbed by the departments, agencies, independent establishments, and other entities of the three branches of the United States Government and the government of the District of Columbia incurring such increases. No amounts shall be appropriated for fiscal year 1975 to pay for such increases.

SEC. 11. (a) Section 111(a) of title 38, United States Code, is amended by adding at the end thereof the following: "In no event shall the amount paid for expenses of travel or mileage allowance under this section in the case of any veteran with a service-connected disability be less than the amount paid therefor under section 5702 or, when mileage allowance is paid in lieu of per diem or actual expenses of travel, less than the amount paid therefor under section 5704 of title 5.".

(b) The amendment made by subsection (a) of this section shall become effective July 1, 1975.

Speaker of the House of Representatives.

Vice President of the United States and President of the Senate.

December 19, 1974

Dear Mr. Director:

The following bills were received at the White House on December 19th:

S.J. Res. 234	S. 2838	S. 3578
S. 184	S. 3341	S. 3615
S. 194	S. 3397	H.R. 3538
S. 1283	S. 3418	H.R. 14401
S. 1357	S. 3489	H.R. 15912
S. 2125	S. 3518	H.R. 16609
S. 2594	S. 3574	H.R. 16901

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C.