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15/5/19

APPROVED
MAY 19 1975

ACTION

THE WHITE HOUSE
WASHINGTON

Last Day: May 19

May 14, 1975

Posted
5/14/75

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON *Jue*

SUBJECT:

S. 172 - Travel Expense
Amendments Act of 1975

J. Archiver
5/20/75

Attached for your consideration is Enrolled Bill S. 172, sponsored by Senators Metcalf and Huddleston, which raises the per diem allowance and mileage rates for Federal civilian employees and others traveling on official Government business.

The enrolled bill would:

- Increase the per diem allowance for travel in the U.S. to a maximum of \$35.
- Increase reimbursement on an actual expense basis in the U.S. to a maximum of \$50.
- Increase the maximum actual expense reimbursement for foreign travel to \$21, in addition to the per diem established in the particular area.
- Authorize comparable increases in per diem for Senate committee staff.
- Increase mileage rates for the use of privately-owned vehicles to 20¢ per mile (automobile), 11¢ per mile (motorcycle) and 12¢ per mile (airplane).

The enrolled bill is a successor bill to S. 3341, which you pocket-vetoed in December because of a rider which had been added to the bill making civilian employee mileage and per diem rates applicable to reimbursements by VA for authorized travel of service-disabled veterans. This provision is deleted in S. 172.

Additional information is provided in OMB's enrolled bill report at Tab A.



OMB, Max Friedersdorf, NSC and I recommend approval of the enrolled bill. The Counsel's office (Lazarus) suggests that in view of the possible adverse public reaction to this bill and the basis for the veto of S. 3341 in the last Congress, it might be advisable to simply allow this bill to become law.

RECOMMENDATION

That you sign S. 172 at Tab B.



APPROVED
MAY 19 1975



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

MAY 12 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 172 - Travel Expense Amendments
Act of 1975
Sponsors - Sen. Metcalf (D) Montana, and
Sen. Huddleston (D) Kentucky

Last Day for Action

May 19, 1975 - Monday

Purpose

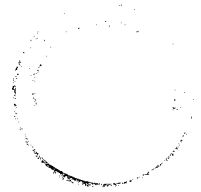
Raises the statutory per diem allowance and mileage rates for Federal civilian employees and others traveling on official Government business.

Agency Recommendations

Office of Management and Budget	Approval
General Services Administration	Approval
Civil Service Commission	Approval
Department of Defense	Approval
Department of the Treasury	Approval
Veterans Administration	Defers to GSA

Discussion

S. 172 is a successor bill to S. 3341, which was passed by the 93rd Congress and pocket-vetoed in December, 1974. In your Memorandum of Disapproval, you endorsed the major purpose of S. 3341, but indicated your strong objection to a rider which had been added to the bill making civilian employee mileage and per diem rates applicable to reimbursements by VA for authorized travel of service-disabled veterans. This provision has been deleted in S. 172 and certain other technical improvements have been adopted as a result of negotiations between the Administration and the Government Operations Committees earlier this year.



Background

Under present law, last amended in 1969, 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--established in 1961--on mileage rates paid for the use of privately-owned vehicles while on official Government 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. In June of 1974, the Administration submitted legislation to the Congress to raise these amounts to reflect more closely the current cost of travel. S. 172 is generally consistent with that legislative proposal.

Major Provisions of the Enrolled Bill

The following describes the major provisions of S. 172 compared with the Administration's 93rd Congress 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, but GSA indicates in its views letter on the enrolled bill that it now anticipates establishing a maximum rate of \$33.

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

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

-- authorize comparable increases in per diem for Senate committee staff. This provision, which was proposed in the Senate, is a whittled-down version of the provision in last year's vetoed bill, which also included Senators and Senators' personal staff.

Mileage rates.--Present law allows Federal employees to be reimbursed for the use of privately-owned vehicles on official Government travel when it is determined to be more advantageous to the Government than the use of commercial transportation or a Government vehicle. S. 172 would raise the present statutory maximum mileage allowances as shown in the following table.

	<u>Present rates</u>	<u>Rates allowable under S. 172</u>
Automobile	12¢ per mile	20¢ per mile
Motorcycle	8¢ per mile	11¢ per mile
Airplane	12¢ per mile	24¢ per mile

The bill vetoed last December would have provided a minimum rate for mileage reimbursement, which was strongly opposed by the Administration and has been deleted in S. 172.

The enrolled bill would also provide a new procedure that would require GSA to adjust mileage rates administratively within the new ceilings at least once a year, based upon annual cost studies conducted in consultation with GAO, DOT, DOD, and representatives of employee organizations. While the Administration did not propose this feature, no objection was raised to it during congressional deliberations last year.

Cost

Because of the large number of variables involved, it is difficult to make a precise cost estimate for S. 172. As noted above, GSA intends to establish a \$33 maximum per diem



rate. It plans to set a maximum mileage rate of 15 cents for privately-owned automobiles. Accordingly, GSA estimates that added outlays for the per diem and mileage provisions of the enrolled bill would be approximately \$63 million annually. Subject to your approval of S. 172, we plan to issue instructions requiring that any increases incurred in fiscal year 1976 be absorbed by the departments and agencies to the maximum extent possible.

Recommendations

GSA and the Civil Service Commission, as well as Defense and Treasury--both of which are fairly typical with respect to employee travel--all recommend approval. The Veterans Administration, which recommended a veto of the earlier bill, defers to GSA.

* * * * *

In your Memorandum of Disapproval of the 93rd Congress bill, you stated that the present situation of inadequate maximum per diem and mileage rates should be rectified as soon as possible. We believe that S. 172 would accomplish that purpose in an appropriate manner and recommend its approval.

James M. Frey

Assistant Director for
Legislative Reference

Enclosures

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: May 18, 1975

Time: 6:00pm

FOR ACTION: Richard Parsons *ms*
 NSC/S *of Lodell*
 Max Friedersdorf *ms*
 Ken Lazarus

cc (for information):

Jim Cavanaugh
 Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: May 13

Time: 400pm

SUBJECT:

S. 172 - Travel Expense Amendments Act of 1975

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

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
WASHINGTON

May 13, 1975

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *M. G.*
SUBJECT: Action Memorandum - Log No.
S.172 - Travel Expense Amendments Act of 1975

The Office of Legislative Affairs concurs with the agencies that the subject bill should be signed.

Attachments

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 13, 1975

MEMORANDUM FOR: Staff Secretary

ATTENTION: Judy Johnston

FROM: Dick Parsons *Dick*

SUBJECT: S. 172 -- Travel Expense Amendments
Act of 1975

You requested my comments concerning the subject bill.

I recommend that it be approved.

Date: May 12, 1975

Time: 6:00pm

FOR ACTION: Richard Parsons
NSC/S
Max Friedersdorf
Ken Lazarus

cc (for information):

Jim Cavanaugh
Jack Marsh

FROM THE STAFF SECRETARY

DUE: Date: May 13

Time: 400pm

SUBJECT:

S. 172 - Travel Expense Amendments Act of 1975

ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

In view of the possible adverse public reaction to this measure and the basis for the veto of S. 3341 in the last Congress, it might be advisable to simply allow this bill to become law.

KEN LAZARUS 5/13/75

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.

Jim Cavanaugh
For the President

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, D.C. 20405



MAY 8 1975

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, DC 20503

Dear Mr. Lynn:

By letter of May 6, 1975, the Acting Assistant Director for Legislative Reference requested the views of the General Services Administration on S. 172, an enrolled bill, "To revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes."

Section 5707 of title 5, United States Code, as amended by this enrolled bill, requires the Administrator of General Services to prescribe regulations with respect to the conditions for reimbursement of per diem and mileage rates for official travel of Government employees.

Section 5702, as amended, increases the maximum per diem rate for official travel to \$35. The maximum per diem rate for actual and necessary expenses incurred in official travel due to unusual circumstances was increased from \$40 to \$50. This section established a new criterion for reimbursing Government employees for the actual and necessary expenses incurred in travelling to high rate geographical areas. The maximum reimbursement allowed for each high rate area shall be determined by the Administrator. The Administrator has the flexibility to establish a ceiling lower than the prescribed maximum reimbursement for per diem and mileage rates. Using this authority, the Administrator anticipates establishing a ceiling for per diem rates at \$33 and the ceiling for mileage rates at \$.08 for privately-owned motor cycles, \$.15 for privately-owned automobiles, and \$.22 for privately-owned airplanes.

It is anticipated that the increased costs to the Government shall be approximately \$63 million.

S. 172 is substantially different from S. 3341, as passed in the 93rd Congress, 2nd session, and vetoed by the President on December 31, 1974.

The following provisions in S. 3341 are either deleted or modified by S. 172:

1. Section 5704, as amended by the enrolled bill, does not contain a minimum rate for mileage reimbursement to Government employees who use either their privately-owned motorcycle, automobile, or airplane.
2. A provision which established a per diem and mileage reimbursement system for veterans with service related injuries traveling to VA Hospitals for treatment was deleted.
3. A provision disallowing supplemental appropriations for the increased costs of per diem and mileage reimbursements incurred by Government agencies was deleted.

The General Services Administration strongly urges Presidential approval of S. 172 which represents in the finest tradition the joint efforts of the Executive and Legislative branches of Government.

Sincerely,



Arthur F. Sampson
Administrator



UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D.C. 20415

CHAIRMAN

May 9, 1975

Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C. 20503

Attention: Assistant Director for
Legislative Reference

Dear Mr. Lynn:

This is in response to your request for the views and recommendation of the Civil Service Commission on enrolled bill S. 172, an enrolled bill "To revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and for other purposes."

It has been apparent for some time that the current statutory maximums on per diem and mileage allowances are no longer adequate. The rising costs of food, lodging and transportation has placed many government employees in the position of being required to carry on essential official business in part at their own expense.

The Civil Service Commission is in agreement with enrolled bill S. 172. We believe a significant question of equity is involved. The enrolled bill appears to compensate adequately for the increased costs of travel and is based on a GSA study and recommendations. Therefore, we urge that the President sign enrolled bill S. 172 into law.

By direction of the Commission:

Sincerely yours,

A handwritten signature in cursive script that reads "Robert Hampton".

Robert E. Hampton
Chairman



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

12 May 1975

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

Reference is made to your request for the views of the Department of Defense with respect to the enrolled enactment of S. 172, 94th Congress, an Act "To revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees, 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 sometime. 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. 172.

Sincerely,


Martin R. Hoffmann



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

MAY 8 1975

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. 172, "To revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes."

The enrolled enactment would increase the maximum 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 increase the mileage rates for the use of privately owned vehicles used while on official business. It would also require the Administrator of General Services to make a determination with respect to mileage costs at least once a year, and adjust the rates, subject to stated limitations.

The present statutory maximum travel allowances for Federal employees traveling on official business were set in 1969; the mileage allowances were set in 1961. The enrolled enactment would provide a more realistic coverage of employee expenses due to increases in costs of food, lodging and other items since those dates.

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

Sincerely yours,

General Counsel

Richard R. Albrecht



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



May 8 1975

•The Honorable
James T. Lynn
Director, Office of
Management and Budget
Washington, D. C. 20503

Dear Mr. Lynn:

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. 172, 94th Congress, the "Travel Expenses Amendments Act of 1975."

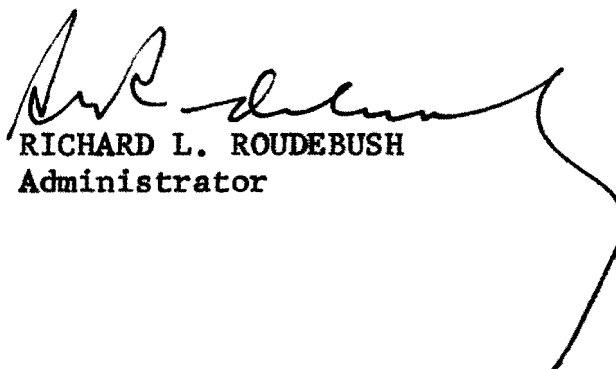
The act would increase the per diem rate for employees traveling on official business within the continental United States from a maximum of \$25 to a maximum of \$35. Official travel on an actual and necessary expense basis would be increased from \$40 to \$50 a day for travel within the continental 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 8 cents a mile to not in excess of 11 cents a mile for the use of a privately owned motorcycle, from 12 cents a mile to not in excess of 20 cents a mile for the use of a privately owned automobile, and from 12 cents a mile to not in excess of 24 cents a mile for the use of a privately owned airplane.

The act further provides for periodic investigations of the cost of such travel, with travel expenses adjusted as necessary.

We believe that S. 172 will provide more equitable treatment for Federal employees whose duties require them to travel and will help to alleviate the inadequacies of present travel allowances. Although this represents our general

comments on the act, we defer to the General Services Administration for definitive comments, since that Department would be responsible for implementation of the legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. L. Roudebush', with a long, sweeping flourish extending to the right.

RICHARD L. ROUDEBUSH
Administrator

94TH CONGRESS }
1st Session }

SENATE

{ REPORT
No. 94-42

TRAVEL EXPENSES AMENDMENTS ACT
OF 1975

REPORT

OF THE

COMMITTEE ON GOVERNMENT OPERATIONS
UNITED STATES SENATE

TO ACCOMPANY

S. 172

TRAVEL EXPENSES AMENDMENTS ACT OF 1975



MARCH 18 (legislative day, MARCH 12), 1975.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1975

38-010



COMMITTEE ON GOVERNMENT OPERATIONS

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(II)

TRAVEL EXPENSES AMENDMENTS ACT OF 1975

MARCH 18 (legislative, day MARCH 12); 1975.—Ordered to be printed

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

REPORT

[To accompany S. 172]

The Committee on Government Operations, to which was referred the bill (S. 172) a bill to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes (Travel Expenses Amendments Act of 1975), having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

The amendments are as follows:

On page 8, strike out lines 1, 2, and 3 and insert the following:

(1) by striking our "actual transportation expenses incurred by employees" in subsection (a)(8) and inserting in lieu thereof "travel expenses incurred by employees"; and

Amend the title so as to read:

A bill to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes.

PURPOSE

The purpose of S. 172 is to (1) increase the maximum amounts which may be paid to regular employees of the Federal Government, and to consultants and experts 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; (2) increase the mileage rates for the use of privately-owned vehicles used while traveling on official business; and (3) require the Administrator

(1)

of General Services to make a determination with respect to the cost of travel and the operation of privately-owned vehicles and adjust the rates, at least once each year, subject to stated limitations. It would accomplish these objectives by amending existing travel expense legislation so as to reflect more closely the greatly increased cost of travel at the present time.

SUMMARY OF MAJOR PROVISIONS

S. 172 would:

(1) Under regulations prescribed by the Administrator of General Services (a) increase the per diem for employees authorized to travel in the continental United States from the present maximum rate of \$25 to not to exceed \$35, and (b) increase the maximum reimbursement for employees authorized to travel on an actual expense basis in continental United States from a maximum of \$40 per day to not to exceed \$50;

(2) Authorize the President, or his designee, to establish the per diem allowance for travel outside the continental United States, and authorize the Administrator of General Services, by regulation, to prescribe conditions under which an employee may be reimbursed for actual and necessary expenses, not to exceed \$21 for each day in travel status, in addition to the maximum per diem established for that locality; and

(3) Under regulations established by the Senate Committee on Rules and Administration, (a) increase the per diem for Senators and Senate employees traveling on official business from a maximum of \$25 to a maximum of \$35 in the continental United States, and from a maximum of \$40 to not to exceed \$50 when authorized to travel on an actual expense basis, (b) reimburse a Senator's personal staff on the same basis as committee staffs by allowing per diem for official travel to the home State of the Senator by whom he is employed, in addition to actual transportation expenses presently paid by the Senate, but not in excess of the rates established in existing law, as amended, and not to a newly-appointed employee to travel to his place of employment, and (c) prohibit reimbursement for per diem for travel to and from the home State within 120 days of any primary or general election in which the Senator is a candidate.

The bill provides further for the following mileage reimbursement, under regulations prescribed by the Administrator of General Services:

(1) For privately-owned automobiles, an increase from 12 to 15 cents a mile, subject to an adjustment, at least once each year, not to exceed 20 cents a mile;

(2) For privately-owned airplanes, an increase from 12 to 18 cents per mile, subject to an adjustment at least once each year, not to exceed 24 cents a mile; and

(3) For privately-owned motorcycles, the present amount of 8 cents a mile is retained, subject to an adjustment not to exceed 11 cents a mile.

In addition, airplane landing and tie-down fees have been added to parking, ferry, bridge, road and tunnel costs, provided by existing law.

The bill further requires the Administrator of General Services, in consultation with the Comptroller General of the United States, the

Secretaries of Defense and Transportation and representatives of Government employees' organizations (a) to conduct periodic investigations of the cost of travel and the operation of privately owned vehicles to employees engaged in official travel, based upon specifically enumerated factors, and report the results to the Congress at least once each year; (b) to determine, at least once each year, based upon the results of his investigation, specific figures of the cost of travel and the operation of privately owned vehicles, and report these figures to the Congress not later than five working days after making such determination and to print each such report in the Federal Register, and (c) to adjust the figures so determined, within 30 days following the submission of that report, which shall be not less than the figures in effect immediately after enactment of this bill, but not greater than the amounts set forth therein.

The adjusted mileage figures must be included in regulations which the Administrator is required to prescribe for the administration of the subchapter.

Finally, it is provided that the expenses incurred during fiscal year 1975 as a result of the increases in the per diem and mileage allowances must be absorbed by the existing funds of the agencies or branch of government concerned.

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 on 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.

On December 31, 1974, the President pocket vetoed S. 3341, a bill virtually identical to S. 172, because of a provision which made the increased per diem and mileage rates applicable to travel by disabled veterans with service connected disabilities to treatment facilities. S. 172 omits this provision which will be treated separately in legislation now pending in the Senate Committee on Veterans' Affairs.

HEARINGS

Although the Committee held no hearings on S. 172, hearings on S. 3341, an earlier version of the measure, were held on June 6, 1974.

Witnesses included representatives from the General Accounting Office, the General Services Administration, the National Treasury Employees Union, the American Federation of Government Employees, the Government Employees Council and the National Federation of Federal Employees.

All witnesses agreed that the current per diem and mileage rates for Federal employees are inadequate to cover expenses incurred while traveling on Government business. There was disagreement with respect to the extent of the increases and suggestions were offered with respect to the establishment of procedures which would provide for automatic adjustments to mileage rates, based upon a continuing review and analysis of actual operating expenses for privately owned vehicles.

EXPLANATION OF COMMITTEE ACTION

In approving increases in per diem and mileage allowances, the Committee considered the following factors: (1) there has been no general increase in travel allowances since 1969, and no statutory increase in mileage allowances since 1961; (2) hotel and motel rates, the cost of food away from home, sales taxes on hotel and motel bills and restaurant meals, and miscellaneous expenses related to official travel have increased appreciably since that time; (3) the increased per diem rates represent maximum amounts which may be paid and are not amounts which must or should be paid for all travel; and (4) Federal employees who are required to travel on behalf of the United States Government should not have to suffer financial losses.

Testimony received at hearings held on S. 3341, in June 1974, revealed that the cost of living index has increased approximately 28 percent since 1969 and 60 percent since 1961.

A fairly recent study was initiated by the General Services Administration to evaluate the adequacy of present travel allowances for Federal employees. It 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 executive branch agencies, or seven-tenths of 1 percent of the total man-days of government travel each year. This study revealed that the present \$25 per diem was inadequate for over 30 percent of the reported travel, and that actual subsistence expense allowances of up to \$40 per day were authorized in only 3 percent of the travel reported.

Additional studies by the General Services Administration, participated in by the General Accounting Office, revealed that per diem in excess of the \$25 maximum for travel in the continental United States is clearly justified, and a Department of Defense study indicated that even \$35 might not be adequate in larger metropolitan areas such as New York City, Washington, D.C., Boston, San Francisco, etc., where a night's lodging may exceed \$35 a day.

With respect to mileage, as previously noted, there has been no statutory increase since 1961, despite the phenomenal rise in transportation costs since that time. Two recent studies by Government agencies reveal that the present cost of operating a standard size automobile in the United States is well in excess of the 12 cents a mile maximum reimbursement rate provided for in existing law. A Department of Transportation study, completed in April, 1974, found that the present cost of operating an automobile was 15.9 cents per mile, and a June, 1974 study by the General Services Administration concluded that this cost was 14.4 cents per mile. This difference was due to the fact that the General Services Administration figure did not include the 2 cents per mile cost for garage, parking and tolls which were included in the Department of Transportation study. It may be noted that these costs are reimbursed separately under the provisions of the 1969 per diem statutes and are appropriately excluded from a reimbursement allowance study. However, both studies included the original vehicle cost depreciation, maintenance, accessories, parts, tires, gas and oil (excluding taxes), insurance and State and Federal taxes. Although the Department of Transportation based its figures on a 5-year depreciated car life and the General Services Administration used a 10-year period to calculate depreciation expense, both studies demonstrated clearly the need for upward adjustments in the present reimbursement rates.

The Committee also made several additional changes in existing law which are designed to protect the interests of both the Government and its employees who must travel on official business. Thus, section 3 of the bill amends section 5702(a) of title 5, U.S. Code, to provide that for travel consuming less than a full day, per diem rates may be allocated proportionally, pursuant to regulations prescribed by the Administrator of General Services. Section 3 also amends section 5702(b) to provide that if an employee becomes ill, not due to his own misconduct, while traveling on official business, 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

his designated post of duty. Existing law entitles him only to per diem and travel expenses for the return trip.

An amendment to section 5701(2) of title 5, United States Code, contained in section 2 of S. 172, establishes uniform treatment for all persons engaged in official Government travel, by redefining the term "employee" to include consultants, experts, and other intermittent employees.

An amendment to existing law by the Committee would provide for flexibility in mileage rates for official travel by setting minimum reimbursement rates and authorizing the Administrator of General Services to adjust these rates up to a maximum figure for the use of privately-owned vehicles. Such figures would be established by the Administrator at least once each year, following an investigation of the cost of travel and the operation of privately-owned vehicles to such employees, reported to the Congress and set forth in regulations published in the Federal Register.

COMMITTEE AMENDMENTS

The Committee adopted two amendments which are designed to correct an error and a technical defect in the bill, as introduced.

With respect to the error, when the earlier version of the measure, S. 3341, was reported by the Committee in the 93rd Congress, it contained a provision authorizing the payment of per diem, as well as actual transportation expenses to a Senator's personal staff for official travel to the home State. Existing law provides only for actual transportation expenses and makes no provision for hotel, meals and other necessary expenses. The provision contained in that bill was designed to reimburse members of a Senator's personal staff on the same basis as Senate committee staffs and all other Government employees traveling on official business. When S. 172 was introduced in the 94th Congress, due to a drafting error, it applied to both Senators and their personal staffs.

The Committee corrected this error so as to restore the language which carried out its original intent. Previous limitations, which required certification by the Senator and prohibited per diem payments for periods within 120 days of primary or general elections of the Senator by whom the staff member is employed, were retained.

The second amendment corrects a technical defect by providing a proper title for the bill.

CONCLUSION

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.

Our Nation is 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 to enable the Government to meet its obligations to those employees who are required to travel in the course of their work assignments since 1969, with respect to per diem in lieu of subsistence, and since 1961, with respect to reimbursement for mileage when privately owned vehicles are authorized.

Following an analysis of available statistics, the Committee has concluded that the per diem rates and the flexible reimbursement for mileage provided in this legislation are fair and equitable in the light of current economic conditions in the United States.

ESTIMATED COST OF LEGISLATION

The General Services Administration estimates that enactment of this legislation will result in an increased expenditure of approximately \$34 million a year for per diem allowances for each of 5 fiscal years, and expenditures could rise by as much as \$57 million a year if the per diem allowances were set at their maximum allowable rates. However, it is not anticipated that this will be the case at this time.

Expenditures for mileage allowances are expected to increase by approximately \$11.5 million a year; and increasing the reimbursement rate to the maximum allowable under this legislation would increase the figure to approximately \$23 million per year. As in the case of per diem, it is not anticipated that the rates would be set at the maximum allowable at the present time.

SECTION-BY-SECTION ANALYSIS

SECTION 1

Section 1 provides a short title—the “Travel Expenses Amendments Act of 1975”.

SECTION 2

Subsection (a) of section 2 amends the definitions section of section 5701 of title 5, United States Code, by redefining the word “employee” 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.

Subsection (b) of section 2 amends section 5705 of title 5, United States Code, by striking “an individual” wherever it appears, so as to conform the section with the amended definition of “employee” in section 5701.

SECTION 3

Section 3 amends section 5702 of title 5, United States Code, so as to provide (1) that under regulations prescribed by the Administrator of General Services, Federal employees, traveling on official business inside the continental United States, are entitled to a per diem allowance at a rate not to exceed \$35; (2) that the President, or his designee, shall establish the per diem allowance for travel outside the continental United States for each locality where travel is performed; and (3) that

for travel consuming less than a full day, per diem rates may be allocated proportionately pursuant to regulations prescribed under section 5707 of this title.

Section 3 would further amend section 5707, title 5, United States Code, to provide (1) that when an employee traveling on official business away from his designated post becomes incapacitated by illness or injury not due to his own misconduct, he is entitled to both per diem allowance and transportation expenses until such time as he can travel again and to the per diem and transportation expenses during the return travel; (2) that the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for actual and necessary expenses of official travel when the per diem allowance would be less than these expenses, but such reimbursement may not exceed (a) \$50 per day for travel within the continental United States, and the per diem allowance otherwise allowable is inadequate due to the unusual circumstances of the travel assignment, or travel involves high-rate geographic areas designated as such in regulations prescribed under section 5707 of this title, or (b) \$21 per day outside the continental United States, plus the locality rate prescribed for such locality; and (3) that section 5707 shall not apply to Federal judges, except as provided by section 456 of title 28.

SECTION 4

Section 4 repeals section 5703 of title 5, United States Code, which provides for a per diem allowance for experts and consultants and is no longer necessary, since they are included in the definition of “employees” provided for in section 2(a).

SECTION 5

Section 5 amends section 5704 of title 5, United States Code, which deals with mileage and other allowances payable to employees traveling on official Government business.

It provides (1) under regulations prescribed by the Administrator of General Services, for the following reimbursements for official travel by privately-owned vehicles instead of actual expenses when that mode of travel is authorized or approved as more advantageous to the Government: 8 cents a mile for motorcycles, 15 cents a mile for automobiles and 18 cents a mile for airplanes; (2) that no determination of such advantage is required when payment on a mileage basis is limited to the cost of travel by common carrier, including per diem; (3) that, in any case in which an employee 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 vehicle; and (4) that, in addition to mileage allowances, employees may be reimbursed for ferry, bridge, road and tunnel and airplane landing and tie-down fees.

SECTION 6

Section 6, which amends section 5705 of title 5, requires (1) the Administrator of General Services to prescribe regulations necessary for the administration of this subchapter, and the Director of the Administrative Office of the United States Courts to prescribe such regulations for official travel by employees of the judicial branch;

(2) that all such regulations shall state the specific rate of per diem within the dollar limitations prescribed in section 5702(a) and the specific dollar limitations relative to highrate geographic areas under section 5702(c)(1) to which employees are entitled; (3) 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 Government employee organizations, conduct periodic investigations of both the cost of travel and the operation of privately-owned vehicles to employees engaged in official business, taking into consideration depreciation of original vehicle cost, gasoline and oil, excluding taxes, maintenance, accessories, parts and tires, insurance, and State and Federal taxes; (4) the Administrator, at least once each year, to determine, based upon the results of his investigation, specific figures of the cost of travel (per diem) and actual cost per mile during the period for the operation of privately-owned vehicles and report these figures to the Congress, not later than 5 working days after making such determination, and that each such report shall be printed in the Federal Register; and (5) that 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, but that such figures shall in no case be administratively adjusted below those provided for in section 5704(a) or higher than 11 cents a mile for privately-owned motorcycles, 20 cents a mile for privately-owned automobiles, or 24 cents a mile for privately-owned airplanes.

SECTION 7

Section 7 amends the subchapter analysis of chapter 57, title 5, United States Code, to conform to changes made therein.

SECTION 8

Section 8 amends certain provisions of the Senate appropriation in the Legislative Branch Appropriation Act, 1975, as amended (2 U.S.C. 68(b)), by increasing the maximum authorized per diem rate for Members and employees of the Senate from \$25 to \$35 for travel in continental United States, and from \$40 to \$50 when travel on an actual expense basis is authorized by the Senate Committee on Rules and Administration.

SECTION 9

Section 9 amends section 506 of 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 as committee staffs. It provides (1) that Senate personal staff shall be reimbursed for per diem expenses for official travel to the home State of the Senator for whom they work, in addition to the transportation expenses already paid by the Senate, but not in excess of the rates established in existing law as amended, or to a newly appointed employee to travel to his place of employment; and (2) that no reimbursement is to be made within 120 days of any primary or general election in which the Senator is a candidate, and the Senator is personally responsible for certifying claims for reimbursement.

SECTION 10

Section 10 provides 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 departments, agencies and other entities in all three branches of Government, including the District of Columbia, and prohibits the appropriation of funds in fiscal year 1975 to pay for such increases.

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

§ 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 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] *travel 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.

* * * * *

§ 68. Payments from contingent fund of Senate

* * * * *

(a) * * *

(b) 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

§ 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;]

(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 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.

[(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.

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

§ 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 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.

§ 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—

[(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 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 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, is entitled to not in excess of—

[(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;

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.]

§ 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.

§ 5705. Advancements and deductions

An agency may advance, through the proper disbursing official, to an employee [or individual] entitled to per diem or mileage allowances under this subchapter, a sum considered advisable with regard to the character and probable duration of the travel to be performed. A sum advanced and not used for allowable travel expenses is recoverable from the employee [or individual] or his estate by—

- (1) setoff against accrued pay, retirement credit, or other amount due the employee [or individual];
- (2) deduction from an amount due from the United States; and
- (3) such other method as is provided by law.
- * * * * *

§ 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, 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 1975, 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.

CHANGES IN TRAVEL AND TRANSPORTATION ALLOWANCES FOR GOVERNMENT EMPLOYEES

MARCH 20, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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

REPORT

[To accompany H.R. 4834]

The Committee on Government Operations, to whom was referred the bill (H.R. 4834) 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 without amendment and recommend that the bill do pass.

PURPOSE

The present statutory maximum travel allowances for Federal employees traveling on official business were set in 1969. The rapid increases in food, lodging, and other costs since that date make it necessary to raise these maximums to more realistically cover the expenses which are incurred. H.R. 4834, therefore, makes the following major adjustments in present law:

1. The bill raises the maximum per diem rate for Federal employees from \$25 to \$35 per day.

2. It raises the maximum actual expense reimbursement from \$40 to \$50 per day. This is to be paid only (1) in unusual circumstances, and (2) in designated high-cost areas.

3. It raises the maximum mileage allowance for privately owned automobiles unchanged since 1961 from 12 cents to 20 cents per mile, with corresponding increases for motorcycles and airplanes. It also allows adjustment within the statutory limits by the Administrator of General Services, based on periodic determinations of average actual cost of operation of vehicles.

4. For travel outside the continental United States, it increases the

maximum reimbursement for actual expenses from \$18 to \$21 per day plus the prescribed locality per diem rate.

The bill makes other technical and clarifying changes in the law and, importantly, gives to the Administrator of General Services the authority, now conferred upon each Federal agency head, to provide Government-wide uniformity in the setting of rates of per diem and mileage allowances up to the maximum established by law and to prescribe the conditions of travel and reimbursement for all Federal employees.

COMMITTEE VOTE

At a meeting of the full Committee on Government Operations on March 20, 1975, a quorum being present, H.R. 4834 was approved unanimously by voice vote.

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 reimbursement 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 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.

A 1961 law, still in effect, established the mileage and related allowances at rates not to exceed: (1) 8 cents a mile for the use of a privately owned motorcycle; and (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.

Legislation similar to the pending bill was passed near the end of the 93d Congress but was vetoed by the President. In his message, the President expressed his disagreement with a Senate amendment which would have provided increased benefits to veterans with service-connected injuries who were required to travel to and from veterans' hospitals and other facilities. The Congress did not have the opportunity to act upon the veto.

H.R. 4834 does not contain the provision objected to by the President. The Veterans' Affairs Committee of the House of Representatives presently has under consideration H.R. 2735 and H.R. 4122, which were introduced for this purpose. Chairman Ray Roberts, of the Veterans' Affairs Committee, sent the following letter to Chairman Brooks:

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., February 3, 1975.

HON. JACK BROOKS,
Chairman, Subcommittee on Government Activities, Committee on Government Operations, Washington, D.C.

DEAR MR. CHAIRMAN: This has reference to our recent conversation regarding Section 10 of H.R. 6, 94th Congress, now before your Committee which would amend Title 38, United States Code by adding to Section 111(a) 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 therefore under section 5702 or 5704, as appropriate, of title 5 in the case of employees of the United States traveling on official business."

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

Legislation similar to H.R. 6 was passed by the 93rd Congress but vetoed by the President because of the above provision relating to Title 38.

Members of our respective staffs have discussed the Title 38 provision since the veto and initially it was decided that since basic eligibility requirements were not being changed, that we would interpose no jurisdictional objection.

More recent developments, however, have caused us to reevaluate this situation inasmuch as we understand that it is the intent of OMB and considerable sentiment in the Senate to have the agencies and departments "absorb" the increased cost of this legislation within the 1976 budget if the legislation is finally enacted.

If this is the case, and there are strong indicators from a number of sources that this is the case, approximately \$18.7 million in increased cost would come out of the Veterans' Administration Medical Care budget for beneficiary travel. The medical care appropriation is already grossly inadequate for direct patient care in VA hospitals and outpatient clinics, and any further erosion of this funding would cause additional serious problems.

In the meantime we have drafted and will introduce the enclosed bill which would require the Veterans' Administration to annually investigate the cost of travel by veterans to VA facilities and to set the rates therefore.

Our Committee has been instrumental in forcing the VA to increase beneficiary travel rates in recent months from 6¢ to 8¢ per mile in an effort to more equitably reimburse veterans for their actual out of pocket travel costs for authorized examinations and treatments and the like, and we believe the enclosed draft bill will meet the veterans beneficiary travel needs. In view of the questions raised, I feel the Committee on Veterans' Affairs should retain jurisdiction of this issue.

With best wishes, I am,
Sincerely yours,

RAY ROBERTS,
Chairman.

HEARINGS

Hearings on this legislation were held by the Subcommittee on Legislation and National Security on March 4, 1975.¹ Officials of the Office of Management and Budget and the General Services Administration testified in support of the measure and offered suggestions for technical and clarifying changes, most of which were accepted and incorporated in the bill. Representatives of Federal employee organizations also testified, strongly backed the legislation, and called for its early enactment.

In the 93d Congress, hearings were on a similar bill, H.R. 15903, by the Government Activities Subcommittee, then headed by Chairman Brooks, and detailed tables of travel costs, based on various surveys, were presented.²

DISCUSSION

Subsistence allowances

When the present per diem allowances were established, the rates were adequate to cover reasonable expenses that might be incurred during official government travel. However, in the last 6 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 1 percent of the total number of man-days of government travel each year.

Results showed that the present \$25 maximum 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. 4834 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 \$21 per day.

The actual per diem rate under the maximum amount would be established by the issuance of regulations by the Administrator of GSA for travel both inside and outside the continental United States. The rate would be determined on a basis of periodic studies and would be applicable to all Government agencies. It is anticipated that, at the present time, a \$33 per diem rate would be established for

¹ "Travel Expense Amendments Act of 1975," hearings before a subcommittee of the Committee on Government Operations, House of Representatives, 94th Cong., 1st sess., Mar. 4, 1975.

² "Changes in Per Diem Travel Allowances for Government Employees," hearing before a subcommittee of the Committee on Government Operations, House of Representatives, 93d Cong., 2d sess., July 16, 1974.

travel inside the continental United States, but the flexibility would be available 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.

To accommodate these areas of unusually high traveling costs, H.R. 4834 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 regulations 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. 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 such higher cost areas, and is certainly preferable to increasing the nationwide per diem rate to a level sufficient to meet the expense of high cost areas. 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.

The per diem rate for travel to each locality outside the continental United States is to be established by the President, or his designee. In a case where the per diem rate for a particular locality is less than actual and necessary expenses, the President, or his designee, may prescribe reimbursement not to exceed \$21 for each day in addition to the locality per diem rate.

Mileage allowances

Of equal concern is the recent meteoric rise in transportation costs. In general, the mileage reimbursement rates established in 1961 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 law. A Department of Transportation study completed in April 1974,³ indicated that the present cost of operating an automobile was 15.9 cents per mile, while a June 1974, report by the GSA⁴ indicated that this cost was 14.4 cents per mile. These differences are easily reconcilable since the GSA

³ "Cost of Operating an Automobile," U.S. Department of Transportation, Federal Highway Administration, April 1974.

⁴ "Present Cost of Operating Privately-Owned Automobiles," General Services Administration, Federal Supply Service, Transportation Services Division, June 5, 1974.

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 present law 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. A November 1974 study by GSA showed the cost of operating an automobile to be 14.9 cents a mile.

This bill would raise the maximum reimbursement rate for operating a private automobile from the current level of 12 cents a mile to 20 cents a mile. The actual rate would be established by regulation. GSA has informed the committee that the rate would be set at 15 cents a mile, but the GSA would have the flexibility to adjust the rates (not to exceed the maximum) 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.

H.R. 4834 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 11 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 airplane 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 would be raised 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 remove this anomaly.

Finally, H.R. 4834 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.

CONCLUSION

In conclusion, H.R. 4834 presents a viable method of dealing with the problem of establishing efficient and effective allowance 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

Assuming that official Government travel remains at the present level, the General Services Administration estimates that passage of this legislation will result in an increased expenditure of \$62.9 million for travel allowances at the maximum rates in the bill. This breaks down to \$46.2 million for per diem and actual subsistence expenses, \$5.2 million for the major-city locality rate, and \$11.5 million for mileage. The committee concurs in these estimates for each of the next 5 years, with the realization that travel expenses are continuing to rise, which could produce somewhat higher rates and expenditures later in this period.

MATTER REQUIRED TO BE DISCUSSED UNDER HOUSE RULES

In compliance with clauses 2(1)(3) and 2(1)(4) of rule XI of the Rules of the House of Representatives, the following statements are made:

In compliance with subdivision (A) of clause 2(1)(3), the Government Activities Subcommittee of this committee during the 93d Congress reviewed the application and administration of the laws relating to travel expenses of Federal employees and the organization and operation of Federal agencies responsible for the administration and execution thereof, and the committee determined that this law should be revised and improved in the manner set forth in the bill.

With respect to subdivision (C) the committee advises that no estimate or comparison has been prepared by the Director of the Congressional Budget Office relative to any of the provisions of H.R. 4834.

In compliance with clause 2(1)(4) the committee states that the provisions of this legislation in and of themselves are not expected to have an inflationary impact on prices and costs in the operation of the national economy.

SECTION-BY-SECTION ANALYSIS

H.R. 4834 amends and revises chapter 57 of title 5 of the United States Code which relates to travel, transportation and subsistence of Federal employees while on official business.

SHORT TITLE

Section 1 sets forth the title of the bill: "Travel Expense Amendments Act of 1975."

DEFINITION OF EMPLOYEE

Section 2 expands the definition of employee now in the statute to include experts and consultants serving intermittently so that all will be treated alike when traveling at Government expense.

MAXIMUM PER DIEM RATE—\$35

Section 3 amends title 5 and establishes the new maximum per diem and allowance rates. The changes in section 5702(a) increase the maximum per diem rate from \$25 to \$35 per day; allows the President or his designee to set the rate for foreign travel; and permit the adoption of regulations for allocating per diem if less than a full day is consumed. It also places in the Administrator of General Services the authority to set the rates which heretofore had been set by each agency and the authority to issue regulations. The purpose of this change is to provide uniformity in travel allowances throughout the Government to the extent possible.

ILLNESS OR INJURY WHILE TRAVELING

Section 5702(b) of the Code protects an employee who becomes ill or incapacitated not due to his own misconduct while traveling by insuring that he will be entitled to the applicable per diem allowance and travel expenses to the location of his designated post of duty or home, as the case may be.

MAXIMUM ALLOWABLE ACTUAL EXPENSES; HIGH COST AREAS—\$50

Section 5702(c) provides reimbursement for actual and necessary expenses up to \$50 per day from the present \$40 for travel inside the continental United States when the per diem allowance is inadequate due to unusual circumstances or for travel to designated high-cost areas.

OVERSEAS TRAVEL

Section 5702(d) 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 \$21 per day, subject to such regulations as the Administrator of General Services may prescribe.

EXEMPTION FOR JUDGES

Section 5702(e) 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.

EXPERTS AND CONSULTANTS

Section 4 amends section 5703 of title 5 and continues authority to provide travel and transportation expenses for experts and consultants who serve intermittently in the Government service and those who serve without pay or at \$1 per year.

MILEAGE AND RELATED ALLOWANCES

Section 5 amends section 5704 and increases the existing maximum mileage rates from—

- 8 cents per mile to 11 cents per mile for a privately owned motorcycle;
- 12 cents per mile to 20 cents per mile for a privately owned automobile; and
- 12 cents per mile to 24 cents per mile for a privately owned airplane.

when the employee is engaged on official business for the Government and when that mode of transportation is authorized or approved as more advantageous to the Government. However, such 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. Furthermore, in any case in which an employee who is engaged on official business chooses to use a privately owned vehicle in lieu of a Government vehicle, payment on a mileage basis is limited to the cost of travel by a Government vehicle.

Subsection (b) of this section authorizes an additional reimbursement to the employee for parking fees; ferry fees; bridge, road, and tunnel costs; and airplane landing and tiedown fees.

REGULATIONS AND REPORTS

Section 6 amends section 5707 to authorize the Administrator of General Services to prescribe regulations necessary for the administration of this law (this function had previously been transferred from the Director of the Office of Management and Budget to the Administrator of GSA by executive order), except that the Director of the Administrative Office of the United States Courts shall prescribe regulations for official travel by employees of the judicial branch.

PERIODIC INVESTIGATIONS OF TRAVEL COST

Subsection (b) (1) of this section directs 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 to conduct periodic investigations of the cost to Government employees of travel and the operation of privately owned vehicles while engaged on official business. He also is directed to report the results of such investigations to Congress at least once a year. In conducting the investigations, the Administrator is to review and analyze among other factors—

- depreciation of original vehicle cost;

- gasoline and oil (excluding taxes);
- maintenance, accessories, parts, and tires;
- insurance; and
- State and Federal taxes.

ADJUSTMENT OF MILEAGE FIGURES

Subsection (b) (2) of this section directs the Administrator to issue regulations at least once each year prescribing mileage allowances within the maximum rates set in section 5704(a). At least once each year, the Administrator shall determine the current cost, rounded to the nearest one-half cent, of operating a privately owned motorcycle, automobile, and airplane. He is to report such figures to Congress not later than five working days after he makes his determination and print such report in the Federal Register. The mileage allowances in the regulations shall be adjusted to the figures so determined and reported by the Administrator within 30 days following the submission of that report.

Section 6(b), however, directs the Administrator to issue new mileage allowances within 30 days, based upon existing studies of actual operating costs and without regard to the requirements imposed by section 5707(b) (1) as amended.

TABLE OF CONTENTS

Section 7 amends the table of contents of chapter 57 of title 5 to conform to changes made by the bill.

AGENCY COMMENTS

In the 93d Congress, the General Services Administration submitted a letter and draft legislation seeking an increase in the per diem and mileage allowance rates. The draft legislation was similar in concept, but not in language, to that passed by the House last Congress and to H.R. 4834.

The letter 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 York 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 present 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 tie-down 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; 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.

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 italics, 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

SEC.	
5701.	Definitions.
5702.	Per diem; employees traveling on official business.
5703.	Per diem, travel, and transportation expenses; experts and consultants; individuals serving without pay.
5704.	Mileage and related allowances.
5705.	Advancements and deductions.
5706.	Allowable travel expenses.
5707.	Regulations and reports.
5708.	Effect on other statutes.
5709.	Air evacuation patients: furnished subsistence.

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 \$1 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 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.

[(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.

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

§ 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 designated post of duty, or in the case of an individual described under section 5703 of this title, his home or regular place of business, is entitled to (1) a per diem allowance for travel inside the continental United States at a rate not to exceed \$35, and (2) a per diem allowance for travel outside the continental United States, that may not exceed the rate 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 rate 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 or, in the case of an individual described under section 5703 of this title, his home or regular place of business, becomes incapacitated by illness or injury not due to his own misconduct, is entitled to the per diem allowance and appropriate transportation expenses to his designated post of duty, or home or regular place of business, as the case may be.

(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 \$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.

(d) Under regulations prescribed under section 5707 of this title for travel outside the continental United States, 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 \$21 for each day in a travel status outside the continental United States plus the locality per diem rate prescribed for such travel.

(e) This section does not apply to a 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 per diem 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 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 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.]

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

An employee serving intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis, or serving without pay or at \$1 a year, may be allowed travel or transportation expenses, under this subchapter, while away from his home or regular place of business and at the place of employment or service.

§ 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 or service,] for the Government is entitled to not in excess of—

(1) [8]11 cents a mile for the use of a privately owned motorcycle; [or]

(2) [12]20 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 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 in lieu of a Government vehicle, payment on a mileage basis is limited to the cost of travel by a Government vehicle.*

(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; and] fees;
- (3) bridge, road, and tunnel [tolls.] costs; and
- (4) airplane landing and tie-down fees.

§ 5705. Advancements and deductions

An agency may advance, through the proper disbursing official, to an employee [or individual] entitled to per diem or mileage allowances under this subchapter, a sum considered advisable with regard to the character and probable duration of the travel to be performed. A sum advanced and not used for allowable travel expenses is recoverable from the employee [or individual] or his estate by—

- (1) setoff against accrued pay, retirement credit, or other amount due the employee [or individual];
- (2) deduction from an amount due from the United States; and
- (3) such other method as is provided by law.

* * * * *

§ 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, 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.*

(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) The Administrator shall issue regulations under this section which shall prescribe mileage allowances which shall not exceed the amounts set forth in section 5704(a) of this title and which reflect the current costs, as determined by the Administrator, of operating privately owned motorcycles, automobiles, and airplanes. At least once each year after the issuance of the regulations described in the preceding sentence, the Administrator shall determine, based upon the results of his investigation, 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 mileage allowances contained in regulations prescribed under this section shall be adjusted within thirty days following the submission of that report to the figures so determined and reported by the Administrator.

* * * * *



Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Tuesday, the fourteenth day of January, one thousand nine hundred and seventy-five

An Act

To revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, 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 Expense Amendments Act of 1975".

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 \$1 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 designated post of duty, or in the case of an individual described under section 5703 of this title, his home or regular place of business, is entitled to (1) a per diem allowance for travel inside the continental United States at a rate not to exceed \$35, and (2) a per diem allowance for travel outside the continental United States, that may not exceed the rate 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 rate 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 or, in the case of an individual described under section 5703 of this title, his home or regular place of business, becomes incapacitated by illness or injury not due to his own misconduct, is entitled to the per diem allowance and appropriate transportation expenses to his designated post of duty, or home or regular place of business, as the case may be.

"(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 \$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.

"(d) Under regulations prescribed under section 5707 of this title, for travel outside the continental United States, 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 \$21 for each day in a travel status outside the continental United States plus the locality per diem rate prescribed for such travel.

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

S. 172—2

SEC. 4. Section 5703 of title 5, United States Code, is amended to read as follows:

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

“An employee serving intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis, or serving without pay or at \$1 a year, may be allowed travel or transportation expenses, under this subchapter, while away from his home or regular place of business and at the place of employment or service.”

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 not in excess of—

“(1) 11 cents a mile for the use of a privately owned motorcycle;

“(2) 20 cents a mile for the use of a privately owned automobile; or

“(3) 24 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 in lieu of a Government vehicle, payment on a mileage basis is limited to the cost of travel by a 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. (a) 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.

“(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.

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"(2) The Administrator shall issue regulations under this section which shall prescribe mileage allowances which shall not exceed the amounts set forth in section 5704 (a) of this title and which reflect the current costs, as determined by the Administrator, of operating privately owned motorcycles, automobiles, and airplanes. At least once each year after the issuance of the regulations described in the preceding sentence, the Administrator shall determine, based upon the results of his investigation, 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 mileage allowances contained in regulations prescribed under this section shall be adjusted within thirty days following the submission of that report to the figures so determined and reported by the Administrator."

(b) The regulations required under the first sentence of section 5707(b)(2) of title 5, United States Code, as amended by subsection (a) of this section, shall be issued no later than thirty days after the effective date of this Act.

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.

Speaker of the House of Representatives.

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

May 7, 1975

Dear Mr. Director:

The following bill was received at the White House on May 7th:

S. 172

Please let the President have reports and recommendations as to the approval of this bill as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D. C.