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Mr. Volpe

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

OFFICE OF GENERAL COUNSEL

B-196577 (MRV)

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Ms. Audrey Rish
Deputy to the Director
Federal Travel Management Division (TTT)
425 I Street, N.W. Room 3112
Washington, D.C. 20406

Dear Ms. Rish:

This letter is in response to the publication by the General Services Administration of proposed amendments to the Federal Travel Regulations (46 Fed. Reg. 17791, March 20, 1981). We have reviewed the proposed amendments, and we offer the following comments.

Chapter 1

TEMPORARY DUTY TRAVEL ALLOWANCES

Local Transportation. The proposed regulations would amend FTR para. 1-2.3c by deleting the phrase "when appropriate" from the agency's discretion in limiting travel reimbursement to and from carrier terminals if suitable Government, common carrier, or airport limousine service is available. In addition, the proposed regulations would add an additional ground for limiting local travel reimbursement to and from carrier terminals: Namely, the availability of courtesy transportation service provided by hotels or motels. We have no objection to this proposed change.

The proposed regulations would also amend FTR para. 1-4.2c to provide that when an employee uses his privately owned vehicle to transport other employees between residence or office and common carrier terminals, the employee may be reimbursed for his actual mileage at 22.5 cents per mile without limiting him to the applicable taxicab fare. We have no objection to this proposed change.

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Chapter 2

RELOCATION ALLOWANCES

Definition of "immediate family". The proposed regulations would amend FTR para. 2-1.4d(1)(b) to include under the definition of children an infant born at the old duty station after the employee has reported for duty at the new duty station where the wife's travel to the new duty station is prevented by reason of her pregnancy. This proposal would address the problem we identified in our decision in Lawrence Lindner, B-191230, April 24, 1978, and our letter to you of that same date. We, therefore, endorse this proposed amendment.

Definition of household goods. The proposed regulations would amend FTR para. 2-1.4h to revise the definition of household goods and, specifically, to permit the shipment of vehicles with two or three wheels (motorcycles, motorbikes, etc.) as household goods. We have no objection to this proposed change.

Mileage for relocation travel. The proposed regulations would amend FTR para. 2-2.3 to increase the applicable mileage rate reimbursement for use of a privately owned automobile in connection with a permanent change of station and to permit reimbursement under special circumstances up to the current rate for temporary duty travel. We understand that the proposed rates have been increased to reflect the current airline fare level (the applicable standard for relocation travel), and we have no objection to this proposed change.

Miscellaneous expenses - forfeited contract costs. The proposed regulations would amend FTR para. 2-3.1b(5) by allowing reimbursement of forfeiture losses on contracts for private institutional care for handicapped or invalid dependents. We have no objection to this proposed change.

Miscellaneous expenses - allowable amount. The proposed regulations would amend FTR para. 2-3.3a to increase the allowable amounts for miscellaneous expenses payable without support of documentation to \$200 for an employee without immediate family and to \$400 for an employee with immediate family. We have no objection to this proposed change.

Househunting trip. The proposed regulations would amend FTR para. 2-4.1a to allow separate trips for the employee and spouse, provided the cost is limited to the cost of one round trip for the employee and spouse together. This amendment would supersede our decisions based on the current regulations which limit reimbursement to one round trip. See B-168829, July 27, 1976, and March 11, 1970. We have no objection to this proposed change.

The proposed regulations would also amend FTR para. 2-4.2 to extend the maximum permissible period for a househunting trip from 6 to 10 days. We have no objection to this proposed change.

Finally, the proposed regulations would authorize reimbursement for local transportation costs at the new duty station during the househunting trip. Such reimbursement is specifically precluded by existing regulations and by decisions of our Office except for travel between common carrier terminal and place of lodging. See Charles O. Daugherty, B-188106, March 3, 1977; and J. P. Clark, B-182503, January 16, 1975. We have no objection to this proposed change.

Temporary Quarters. The proposed regulations would amend FTR para. 2-5.2c by adding the additional statement that occupancy of quarters which eventually become permanent need not preclude reimbursement where, in the judgment of the employing agency, the employee shows satisfactorily that the quarters occupied were intended initially to be only temporary. This proposed change would reverse a long line of decisions of our Office holding that occupancy of quarters which become permanent normally precludes an employee's reimbursement for temporary quarters expenses. See, for example, Douglas D. Mason, B-196284, August 14, 1980; and Richard W. Coon, B-194880, January 9, 1980. We do not object to the delegation of this determination to the employing agency, but we believe that the regulations should provide guidance to the agencies as to the factors which should be considered in such a determination, i.e., duration of a lease, movement of household effects into the quarters, type of quarters, expressions of intent, attempts to secure a permanent dwelling, and the length of time the employee occupies the quarters. See Coon and decisions cited therein.

As an additional comment on temporary quarters we suggest that the employee be allowed reimbursement for meals and miscellaneous expenses (but not lodging) where he occupies quarters intended to become permanent but has to obtain meals elsewhere because of lack of household goods, etc. This would cure the problem in the present regulations, as interpreted in our decisions, which forbid reimbursement of any expenses once an employee begins occupancy of permanent quarters. Each agency would of course continue to allow only reasonable expenses in the circumstances of each case. The Government would benefit because the lodging portion of temporary quarters expenses would not have to be paid.

The proposed regulations would also revise the language of FTR para. 2-5.2g concerning the effect of partial days on the eligibility period for temporary quarters. The proposed revision is intended to conform to the conclusions reached in Joseph B. Stepan, 56 Comp. Gen. 15 (1976), amplified in 57 Comp. Gen. 6 (1977). We have no objection to the proposed revision.

Finally, the proposed regulations would amend FTR para. 2-5.4c to increase the maximum reimbursement for the employee during the first 10-day period of temporary quarters from 75 percent to 100 percent of the maximum per diem rate. We have no objection to this proposed change.

Real Estate Expenses. The proposed regulations would amend FTR para. 2-6.1e by allowing an additional period of time (up to 1 year) beyond the current 2 year maximum period allowed for employees to complete sale, purchase, or lease termination transactions incident to a change of official duty station when extenuating circumstances prevent completion within the normal 2-year period. We have no objection to this proposal, but we recommend that language be changed to expressly provide that the employee is permitted an initial 2-year period for settlement without the requirement of requesting a 1-year extension following the initial year. We believe such a change would conform the regulations to our decisions which permit a 1-year extension beyond the initial year under almost any circumstances.

The proposed regulations would also amend FTR para. 2-6.2d concerning miscellaneous real estate expenses by specifically allowing a loan origination fee. Our Office has consistently held, under existing regulations, that a loan origination fee

may not be paid because it is a finance charge under the Truth in Lending Act, 15 U.S.C. § 1605, and Regulation Z, 12 C.F.R. 226.4. See Marcos A. Zappi, B-198060, November 10, 1980; Algis G. Taruski, B-198296, September 23, 1980; and Anthony J. Vrana, B-189639, March 24, 1978. We do not object to the proposed change.

The proposed regulations would also amend FTR para. 2-6.2d to provide for payment of an owner's title insurance policy where such a policy is a prerequisite to financing or transfer of the property or where the cost is inseparable from the cost of other insurance which is a prerequisite to financing or the transfer of property. This proposal is consistent with decisions of our Office, and we endorse this proposed change. See Carl F. Wilson, B-186579, October 28, 1976.

Finally, the proposed regulations would amend FTR para. 2-6.2g to increase the maximum allowable reimbursement for the sale of a residence from \$8,000 to \$15,000, or 10 percent of the actual sale price, whichever is less, and for the purchase of a residence from \$4,000 to \$5,000, or 5 percent of the actual purchase price, whichever is less. We have no objection to this proposal.

Household Goods. The proposed regulations would amend FTR para. 2-8.2a to increase the maximum weight allowance for household goods for employees without immediate families from 7,500 to 11,000 pounds net weight. We have no objection to this proposed change.

Finally, the proposed regulations would amend FTR para. 2-8.2c to increase the maximum period for temporary storage of household goods. Under the existing regulation employees may be allowed not more than 60 days (and an additional 30 days under certain circumstances for employees stationed overseas). Under the proposed change, the time limitation for all employees would be 90 days and, under certain conditions, employees could be granted up to an additional 90 days by their employing agency. We have no objections to this proposed change.

As a general observation, we recognize that these amendments will provide increased benefits to transferred employees and hence could result in increased costs to the Government. We nevertheless endorse the general purpose of

the amendments to alleviate the financial burden on employees who are transferred in the Government's interest. We believe it is better to fairly treat those employees than it is to require them to absorb the increased costs of relocation. The overall problem of increased travel and relocation costs should be addressed by each Federal agency in terms of more efficient use of personnel, better planning for staffing needs, and fewer transfers if budgetary problems arise.

We trust that these comments are of assistance to you in your review of these proposed regulations.

Sincerely yours,

Harry R. Van Cleve
Harry R. Van Cleve
Acting General Counsel

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