

**The original documents are located in Box 1, folder “Air Force Two - Allocation of Costs” of the John Marsh Files at the Gerald R. Ford Presidential Library.**

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MEMORANDUM FOR BILL SEIDMAN

FROM: Jack Marsh *RSB*

SUBJECT: Change -- Travel Policy

Allocation of Costs

It appears equitable that there be an allocation, or apportionment, of costs where U.S. aircraft are used, and the trip involves both official and political stops. A modification of the present "last stop" rule in case of the Vice President's appearance would be in order.

There are several factors that support this change:

1. The unprecedented requests for Vice Presidential appearances.
2. The large number of accompanying press and Secret Service contingent, thereby requiring larger aircraft.
3. The comparatively few mixed trips by Air Force One where visits are both official and political and the "last stop" rule would be applied.



### The "Round Trip" Rule

The proposed "round trip" rule on Air Force Two should be an option that not only is equitable but defensible and explainable. The "round trip" rule would require payment by the RNC for the round trip costs from Washington to the political stops and would assess the trip as though no portion of the flight had been official. That portion of the flight that is non-political would be chargeable to the government.

### Passenger Billing

Air Force Two passengers can be designated into the following groups:

Group A -- The Vice President and his staff. Included in this group would be members of the immediate family of the Vice President.

Group B -- Invited guests of the Vice President which would include any individuals traveling on a space available basis with his permission.



Group C -- Members of the Secret Service contingent.

Group D -- Members of the Press.

In reference to the above, there would be no travel charges for Groups A and B. Group C (Secret Service) charges would be handled between Treasury and Defense, and Group D (Press) would be charged the traditional first class plus one dollar fare.

Apportionment of Press Travel

In those instances where there are political and non-political stops, it is recommended that Group D (Press) reimbursements follow generally the practice currently used by the White House transportation office on Air Force One costs.

This would contemplate the designation of a permanent travel agent for the purpose of travel reimbursement. A non-government trust account would be created to which Press checks would be payable. The travel agent, who would be a member of the Vice President's travel office, would allocate and dispense these funds



based on the apportionment of costs after applying the "round trip" rule (i.e., the percentage of trip that is political and the percentage that is official). The result would be that the portion of press payment allocated to the non-political part of the trip would be paid by the travel agent to the Federal Treasury, and the political portion would be paid to the RNC.

To implement this arrangement will require the Travel Office to take over billing as well as collection to assure proper billing and collection. This is more difficult than it may first appear inasmuch as press passengers are billed individually, frequently on a single trip basis, but payments are made collectively for press groups on a monthly or quarterly basis by the networks or by the home office of the paper or magazine they represent. The trust account would be audited monthly by another member of the Vice President's staff.



### Inflight Costs

Although inflight costs individually are not a significant part of the charge, nevertheless, on a lump sum basis it can mean a substantial sum of money. Inflight services include food and beverages while aboard Air Force Two.

On official trips the following might be considered:

Group A -- Paid by the government.

Group B -- Paid by the government.

Group C -- Paid by the individual agent and reimbursed by the Treasury.

Group D -- Paid by the individual.

On political trips or mixed political and official trips, all inflight expenses except for Group C (Secret Service) would be paid by the RNC.

### Implementation Date

A target date should be July 1, 1974, to implement these new cost allocation plans.



Other considerations should be:

1. Method of advising the press.
2. Administrative procedures for collection.



MEMORANDUM FOR BILL SEIDMAN

FROM: Jack Marsh

SUBJECT: Change - - Travel Policy

White House Concurrence

Inasmuch as the use of all government aircraft by the Office of the Vice President must be approved by the Office of the President, it is suggested that no new policy be adopted without prior discussion and acquiescence by the White House. These discussions should occur with General Lawson, Military Assistant to the President. This concurrence should be sought on both official and political aircraft use where the aircraft involved is governmental.

Allocation of Costs

It appears equitable that there be an allocation, or apportionment, of costs where U.S. aircraft is used, and the trip involves both official and political stops. A modification of the present "last stop" rule in



case of the Vice President's appearance will be in order. There are several factors that support this change:

1. The unprecedented requests for Vice Presidential appearances.
2. The large number of accompanying press and Secret Service contingent, thereby requiring larger aircraft.
3. The comparatively few mixed trips by Air Force One where visits are both official and political where the "last stop" rule would be applied.

#### The "Round Trip" Rule

The proposed "round trip" rule on Air Force Two should be an option that not only is equitable but defensible and explainable. The "round trip" rule would require payment by the RNC for the round trip costs from Washington to the political stops and would assess the trip as though no portion of the flight had been official. That portion of the flight that is non-political would be chargeable to the government.



Passenger Billing

Air Force Two passengers can be designated into the following groups:

Group A -- The Vice President and his staff. Included in this group would be members of the immediate family of the Vice President.

Group B -- Invited guests of the Vice President which would include any individuals traveling on a space available basis with his permission.

Group C -- Members of the Secret Service contingent.

Group D -- Members of the Press.

In reference to the above, there would be no travel charges for Groups A and B. Group C (Secret Service) charges would be handled between Treasury and Defense, and Group D (Press) would be charged the traditional first class plus one dollar fare.



Apportionment of Press Travel

In those instances where there are political and non-political stops, it is recommended that there be an apportionment of Group D (Press) costs following generally the practice currently used by the White House transportation office on Air Force One costs.

This would contemplate the designation of a permanent travel agent for the purpose of travel payment. This would require a non-government account to which press checks would be payable.

The travel agent, who would be a member of the Vice President's travel office, would allocate and dispense these funds based on the apportionment of costs after applying the "round trip" rule. The result would be that that portion of press payment allocated to the non-political part of the trip would be paid by the travel agent to the Federal Treasury, and the political portion would be paid to the RNC.



To implement this arrangement will require considerable coordination between the Press Office and the Travel Office to assure proper billing and collection in order that all accounts are kept current. This is more difficult than it may first appear inasmuch as press passengers are billed individually, frequently on a single trip basis, but payments are made collectively for press groups on a monthly or quarterly basis by the networks or by the home office of the paper or magazine they represent.

#### Inflight Costs

Although inflight costs individually are not a significant part of the charge, nevertheless, on a lump sum basis it can mean a substantial sum of money. Inflight services include food and beverages while aboard Air Force Two.

On official trips the following might be considered:

Group A -- Paid by the government.

Group B -- Probably paid by the government, but a question

arises here.



Group C -- Paid by the individual agent and reimbursed by the Treasury.

Group D -- Paid by the individual.

On political trips all inflight expenses except for Group C (Secret Service) probably would be paid by the RNC, but further discussion is suggested.

A question occurs as to whether that could or should be an apportionment of inflight services where there are mixed trips by Air Force Two. It should be noted that questions in this area are more difficult to answer because of the unusual accounting procedures involving inflight services by the Air Force. There is also a different arrangement for the acquisition of food and beverages which are the personal responsibility of the steward and require an accountability by him which raises certain problems administratively in handling these costs. In substance, flight travel payments are handled through one account and inflight services are handled separately.



One of the first requirements is to accurately establish just what the procedures are for assessing costs for inflight services in order that a plan can be developed to handle these costs on the various types of flights by Air Force Two.

Implementation Date

A target date should be established for implementation for these new cost allocation plans.

Consideration might be given as to whether the total plan would be implemented at one time, including aircraft allocation costs and press collection, or whether these two should be treated separately.

Other considerations should be:

1. Method of advising the press.
2. The extent of the advice.
3. Administrative procedures for collection.





OFFICE OF THE VICE PRESIDENT  
WASHINGTON

June 15, 1974

*Hold*

*M*

MEMORANDUM FOR

*Hold*  
THE VICE PRESIDENT

SUBJECT: Procedures for Reimbursement of Vice Presidential Trips

The subject of reimbursement for Vice Presidential trips has been reviewed in two areas. The first area is a research of pertinent documents which prescribe reimbursement of Department of Defense transportation. The documents are attached as Tabs A through E.

Tab A is a July 1965 memorandum which outlines reimbursable charges.

Tab B is a July 1966 memorandum which indicates that Presidential and Vice Presidential travel on other than official duties is reimbursable.

Tab C is an April 1969 memorandum specifying rules governing the use of military air transportation and states that use of military air is reimbursable by the government department requesting the aircraft.

Tab D is a June 1969 memorandum specifying the Vice President will use aircraft which have been assigned him by the President.

Tab E is a May 1972 memorandum which specifies that government transportation must not be used in relation to or for political campaign purposes.

The second area of research was conducted between Major General Boswell, Office of the Secretary of the Air Force for Legislative Liaison, Colonel Lee, Special Airlift Missions, Office of the Vice Chief of Staff of the Air Force, and myself. The discussion confirmed the DOD position



as being consistent with the 1966 memorandum, Tab B. In other words, Vice Presidential travel on other than official duties will always be on a reimbursable basis. The policy currently employed by the White House is that those portions of the trips which are political in nature are reimbursable.

Two options are forwarded for your review and approval.

1. To prorate those portions of the trips beginning with June 1974 which were official in nature. This procedure is, in essence, in effect and would apply to all future trips.

2. The second option is to research those trips since January 1974 in which the Republican National Committee has paid the total costs and determine the actual flying hour cost for the political portion only. Those excess payments could then be applied to the May travel bill of \$60,000 which we are currently processing.

Jack Marsh

Option 1 \_\_\_\_\_

Option 2 \_\_\_\_\_

Other \_\_\_\_\_

See Me \_\_\_\_\_



A



Memo to Secretary Army, Navy and Air Force, dtd 23 July 1965:

Effective August 1, 1965, charges for reimbursable air transportation for the President and Vice President will be computed at Government Tariff airlift hourly rate (U.S. Government rate) as set forth in applicable military department directives.

(Signed)  
Vance  
Under Secretary Defense

Rates are covered in Air Force Regulation 76-28, dtd 30 Sep 68.



B



RECEIVED  
JUL 19 1966  
VICE PRESIDENTIAL DETAIL

THE WHITE HOUSE  
WASHINGTON

July 13, 1966

01882

MEMORANDUM FOR: ✓ THE SECRETARY OF THE TREASURY  
THE SECRETARY OF DEFENSE

For a number of years the Defense Department has provided air transportation to both the President and the Vice President when required for the conduct of their official duties. On those occasions when the President has traveled on other than official duties the Defense Department has likewise furnished transportation but always on a reimbursable basis. On occasion, similar handling of the Vice President's travel might be in order. Such arrangements can be made on an individual basis should the need arise. Security of the President and the Vice President is, of course, a continuing concern and in this connection additional support has been afforded the U. S. Secret Service by the Defense Department on a non-reimbursable basis, both in the United States and abroad. Such support continues to be necessary and should be provided when requested by the Chief of the U. S. Secret Service or his authorized representative, through the Armed Forces Aide to the President. Such support may, from time to time, cover air transportation for agents, airlift of cars and other equipment as required.

Additionally, Defense Department has previously agreed to make available, through the Armed Forces Aide to the President, a sufficient number of helicopters to airlift the President and the Vice President, provide overhead surveillance coverage of motorcades and convoys, and to move those security personnel involved in the activities of the President and the Vice President.

In every case, the absolute minimum number of planes or helicopters to do the job will be requested and full advantage will be taken of all seats available on the President's or Vice President's planes whenever possible. Requests for air transportation will always be made as far in advance of the proposed travel period as possible. As in the past, all requests for airlift of the President or Vice President, or for their support, will be handled through the Office of the Armed Forces Aide to the President.

*Changed per verbal agreement  
Col Hughes: OK  
Moyle Jan 69 JFW*

(This supersedes memorandum, same subject, dated December 30, 1964).  
*from Presidential to be handled thru V.P. pilot's office*

*James U. Cross*  
JAMES U. CROSS  
Lieutenant Colonel, U. S. Air Force  
Armed Forces Aide to the President



C



THE WHITE HOUSE

WASHINGTON

14 April 1969

MEMORANDUM FOR THE SECRETARY OF THE CABINET

SUBJECT: Rules Governing the Use of Military Air Transportation

The use of military aircraft allocated to the Department of Defense is, as a general rule, limited to the following types of missions - - all of which are funded for by the military departments:

1. Department of Defense support.
2. Direct White House support - missions in direct support of the President, his family and immediate White House activities.
3. Presidentially directed missions - missions which, because they are of special interest to the President are performed at his direction. Secretary Finch's recent trip to Israel as an official representative of the President was such a trip.

Where the circumstances warrant, certain aircraft assigned to the military departments may, with the approval of the Secretary of Defense or higher authority be made available to support selected missions of other Government agencies. However, it should be understood that such support can be approved only if it (a) can be accomplished without interfering with the assigned military mission of the aircraft and (b) does not compete with commercial aviation. It should be understood, too, that military aircraft used in this manner must be paid for by the Government department requesting the use of the aircraft. (31 U.S.C. 686 provides that all services furnished by one Government Department to another Government Department shall be on a reimbursable basis.)

As indicated above, trips, specifically directed by the President will be on a non-reimbursable basis. However, the fact that the President concurs in a prospective trip by the cabinet officer or his



representative - - as distinct from directing that the trip be made - - does not make it a mission for which no reimbursement is to be made. Likewise, the President's recent order that cabinet officers not use commercial airlines when traveling to and from Southeastern United States, is not considered Presidential direction to use military and thus does not provide a basis for the military departments assuming the transportation costs.

A fact sheet summarizing these policies and the administrative requirements is attached.



JAMES D. HUGHES  
Colonel, United States Air Force  
Armed Forces Aide to the President

Attachment



## FACT SHEET

Military aircraft are allocated to the Department of Defense for the purpose of performing Department of Defense missions. However, certain aircraft assigned to the military departments may be used (a) to provide transportation in direct support of the White House, (b) to support trips specifically directed by the President and (c) to provide transportation to other Government agencies when approved by the Secretary of Defense. Under the latter, aircraft are provided only if such use does not interfere with the assigned military mission and the military departments are not placed in a position of competing with commercial aviation.

Military air transportation directed by the President or provided in direct support of the White House is funded for by the military departments. Military air transportation provided in support of other Government agencies is on a reimbursable basis and paid for by the Government department requesting the use of the aircraft. (31 U. S. C. 686 provides that all services furnished by one Government Department to another Government Department shall be on a reimbursable basis.)

A "Presidentially directed" trip is one in which the President, through the Armed Forces Aide, directs the military departments to perform the mission in support of the Chief Executive. An example of such a mission is where a cabinet officer attends a meeting or conference as a representative of the President. In the following instances, cabinet officers are not considered to be performing a White House mission:

a. When traveling on business of their own Department, even though the President has "concurred" in the trip, as distinct from directing the travel.

b. When traveling by military aircraft to and from Southeastern United States as a result of the President's recent order to avoid the possibility of hijacking incidents.

Many trips are performed by cabinet members, their key staff and invited high level dignitaries, with the concurrence of the President, but the mission to be performed is purely Departmental in nature. In these cases, the Department concerned should assume full responsibility for paying for the use of the equipment in accordance with AFR 76-28 and AFR 76-11. Requests for such transportation should be made direct to Colonel A. C. Burleson, Office of the Vice Chief of Staff,



USAF, on OXford 7-2711 or OXford 5-3741. Each Government agency anticipating using Department of Defense aircraft for missions of a Departmental nature should budget for funds to defray their transportation costs. To facilitate their planning the following is provided.

- a. The rate of charge will be on a cost per flying hour basis.
- b. A minimum daily charge of two flying hours will be made.
- c. These costs change from time to time, but are representative of what should be used for budgetary estimates.
- d. Current flying hour cost by various types of aircraft in the SAM fleet are as follows:

VC-137	Boeing 707	\$ 914
VC-135		502
C-118	DC-6	421
C-140	Jet Star	352
C-131H	Convair	141
VC-6	King Air	90

To minimize the impact on the Department of Defense, it is suggested that cabinet officers, when traveling to and from Southeastern United States or points South, originate and/or terminate such flights at Washington, D. C.



D



OFFICE OF THE SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

Distribution  
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Action CVC-B  
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June 20, 1969

MEMORANDUM FOR Honorable Robert C. Seamans, Jr.  
Secretary of the Air Force

SUBJECT: Aircraft in Support of the Vice President

Although the President has assigned the Vice President exclusive use of a C-140 Jetstar, it may be necessary from time to time, because of the distances to be traveled and the size of the Vice President's official party, to assign, on a mission basis, larger aircraft. This is to authorize you to provide the Vice President the most economical air transportation appropriate to his requirements, bearing in mind that, whenever possible, he will use the aircraft which has been assigned him by the President.

In compliance with Public Law 90-331, June 6, 1968, it is requested that you give the Vice President's Secret Service detail the same priority for the use of aircraft as you give the Vice President.



Carl S. Wallace  
The Special Assistant





E



E

THE SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

MAY 8 1972

MEMORANDUM FOR Secretaries of the Military Departments  
Chairman of the Joint Chiefs of Staff  
Director, Defense Research & Engineering  
Assistant Secretaries of Defense  
General Counsel  
Assistants to the Secretary of Defense  
Directors of the Defense Agencies

With the Election Campaign reaching a climax in the forthcoming months, I believe it desirable to reemphasize DoD policy regarding use of its transportation resources by Cabinet members and other authorized Departmental and Agency officials.

DoD resources can only be made available, as outlined in the appropriate laws and directives, exclusively for official Government purposes. Therefore, when Department of Defense aircraft or other means of transportation are used, this transportation must not be used, either directly or indirectly, in relation to or for political campaign purposes.

I would deeply appreciate your cooperation in this matter.

