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94TH CONGRESS }  
1st Session }

HOUSE OF REPRESENTATIVES

REPORT  
No. 94-703



PROVIDE FOR ANNUAL INVESTIGATIONS BY THE  
ADMINISTRATOR OF VETERANS' AFFAIRS INTO THE  
COST OF TRAVEL BY VETERANS TO VA FACILITIES

DECEMBER 10, 1975.—Committed to the Committee of the Whole House on the  
State of the Union and ordered to be printed

Mr. ROBERTS, from the Committee on Veterans' Affairs,  
submitted the following

REPORT

[To accompany H.R. 2735]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 2735) to amend title 38 of the United States Code in order to provide for an annual investigation by the Administrator into the cost of travel by veterans to Veterans' Administration facilities and to set rates therefor, and for other purposes, having considered the same, reports favorably thereon, unanimously by voice vote, with an amendment and recommends that the bill do pass.

The amendment is as follows:

On page 2, line 16, strike out "one" and insert in lieu thereof "once".

BACKGROUND

In the 93d Congress legislation was enacted (S. 3341) to increase per diem and mileage allowances for both Government employees traveling on public business and for disabled veterans with a service-connected disability traveling to and from veterans' facilities.

President Ford vetoed the legislation on the ground that it would be too costly to extend the increased rate to disabled veterans with a service-connected disability. The President alleged in his veto message that extending the increased benefits to disabled veterans would cost an additional \$25 million a year.

Following the President's veto message, the Office of Management and Budget indicated that if legislation were passed containing the disabled veterans' provision, the increased costs would have to be absorbed within the 1976 budget of the Veterans' Administration. This

could have resulted in a reduction of direct health care benefits to veterans. Therefore, when H.R. 2302, a bill to change the per diem travel allowances for Government employees, was being considered by the Government Operations Committee earlier this year, the Committee on Veterans' Affairs, in the face of the threat by OMB, informed the Committee on Government Operations that it should have the opportunity to fully consider the impact of the provision. In a letter to the Honorable Jack Brooks, Chairman of the Committee on Government Operations, the Veterans' Affairs Committee indicated that legislation would be introduced this session to provide for an annual study of travel costs by the VA, taking into consideration the same factors that the General Services Administration will consider under Public Law 94-22. In view of these considerations, the Committee on Government Operations agreed to delete the disabled veterans' provision in H.R. 2302, which eventually became Public Law 94-22. Subsequently, H.R. 2735 was introduced.

#### PURPOSE AND EXPLANATION OF THE BILL

The reported bill (H.R. 2735) would amend section 111 of title 38 to require the Administrator of Veterans' Affairs to conduct annual investigations of the cost of travel (including lodging and subsistence), and the operation of privately owned vehicles by veteran beneficiaries while traveling to or from a Veterans' Administration facility in connection with vocational rehabilitation, counseling, or for the purpose of examination, treatment or care.

Factors to be considered in such investigations would include depreciation of original vehicle costs; gasoline and oil costs; maintenance, accessories, parts and tires; insurance; State and Federal taxes; and the expenses of employee travel.

Reports of such investigations would be submitted annually to the Committee on Veterans' Affairs of the House of Representatives and the Senate, setting out the Administrator's findings and the revised rate based on those findings.

Under current law, a VA beneficiary may pay his own expenses of travel by personally owned conveyance and be reimbursed on a mileage basis (8 cents per mile); he may pay his own expenses of travel and be repaid for actual and necessary expenses; or he may obtain a government transportation request from the Veterans Administration for presentation to the ticket office in exchange for his bus or train ticket. Should the veteran choose the last option, he may also obtain from the Agency reimbursement for any necessary expenses for meals and lodging.

The authority of the President, pursuant to section 111(a) of title 38, to set rates for travel of certain VA beneficiaries, was delegated to the Administrator of Veterans' Affairs by Executive Order 11609, dated July 22, 1971. The travel allowance may be fixed by the Administrator in such amount per mile as he determines, which is presently 8 cents per mile. A Federal employee is currently paid 15 cents per mile if he uses his own vehicle in situations deemed "advantageous to the Government", or 11 cents per mile if he uses his own vehicle when a GSA vehicle is available, but he chooses to use his own vehicle.

Beneficiary travel was last increased by the Veterans' Administration on June 1, 1974—raising the allowance from 6 cents to the present 8 cents per mile.

The reported bill would simply require the Administrator to conduct annual studies and set a rate based on the results of such studies. The bill would not take away the Administrator's present authority to change the rate.

#### OVERSIGHT FINDINGS

Pursuant to clause 2(1)(3)(A) of Rule XI of the Rules of the House of Representatives, the Committee issues the following statements:

During the 93rd Congress discussions were held between the Committee and officials of the Veterans' Administration regarding the adequacy of the beneficiary travel allowance. The Subcommittee on Hospitals studied the problem during the second session of the 93d Congress, and was instrumental in convincing the Veterans' Administration to increase the travel rate from 6 cents to 8 cents per mile in an effort to more equitably reimburse veterans for their actual out of pocket travel costs for authorized examinations and treatment in VA facilities.

The Committee has been assured by the Administrator of Veterans' Affairs that a complete reevaluation of the Agency's policy with respect to beneficiary travel is now in progress.

In continuing to carry out its oversight responsibilities, the Committee will annually review the Administrator's findings provided in the reported bill to determine whether his revised mileage and per diem rates are adequate. The Administrator's annual reports will be available to all Members of Congress.

In regard to clause (2)(1)(3)(D) of Rule XI, no oversight findings have been submitted to the Committee by the Committee on Government Operations although the Committee on Government Operations has discussed the matter in some detail with officials of the Veterans Administration.

In regard to clause 2(1)(3)(C) of Rule XI, no cost estimate or comparison has been submitted by the Congressional Budget Office relative to the provisions of H.R. 2735.

#### INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4) of Rule XI of the Rules of the House of Representatives, the Committee believes that the enactment of H.R. 2735 would not be inflationary.

#### COST ESTIMATE

In compliance with clause 7 of Rule XIII of the Rules of the House of Representatives, there would be negligible cost to the Government with the enactment of H.R. 2735. The only costs involved would be for the study authorized by the bill. It is impossible to determine future costs until the study is completed and the results are known to the Administrator of Veterans' Affairs.

## AGENCY REPORT

The following comments were received from the Veterans' Administration on the reported bill:

VETERANS' ADMINISTRATION,  
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,  
Washington, D.C., July 14, 1975.

HON. RAY ROBERTS,  
Chairman, Committee on Veterans' Affairs,  
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans Administration on H.R. 2735, 94th Congress, a bill "To amend title 38 of the United States Code in order to provide for an annual investigation by the Administrator into the cost of travel by veterans to Veterans Administration facilities, and to set rates therefor, and for other purposes."

The subject bill would amend section 111 of title 38, to require the Administrator to conduct annual investigations of the cost of travel (including lodging and subsistence), and the operation of privately owned vehicles to beneficiaries while traveling to or from a Veterans Administration facility. Factors to be considered in such investigations would include depreciation of original vehicle costs; gasoline and oil costs; maintenance, accessories, parts, and tires; insurance; State and Federal taxes; and the expenses of employee travel. Reports of such investigations would be submitted annually to the Committees on Veterans' Affairs of the Senate and the House of Representatives.

Under current law (section 111(a) of title 38, United States Code), a VA beneficiary who travels in a connection with Veterans Administration vocational rehabilitation, counseling, or for the purpose of examination, treatment, or care, may pay his own necessary expenses of travel by personally owned conveyance and be reimbursed on a mileage basis; he may pay his own expenses of travel and be repaid for actual and necessary expenses; or he may obtain a Government Transportation Request from the VA for presentation to the ticket office in exchange for his bus or train ticket. Should the veteran choose the last option, he may also obtain from the VA reimbursement for any necessary expenses for meals and lodging. The authority of the President, pursuant to section 111(a) of title 38, to set rates for travel of certain VA beneficiaries, was delegated to the Administrator of Veterans Affairs by Executive Order 11609, dated July 22, 1971. Currently, the allowance may be fixed by the Administrator in such amount per mile as he determines.

We periodically make studies to determine the adequacy of beneficiary travel allowances. Those studies to date have considered the "out of pocket" expenses involved in the operation of a motor vehicle, and have not taken into consideration such factors as depreciation of the original vehicle cost, insurance, taxes, or the relative rates paid Federal employees traveling on official business.

It should be pointed out that a government employee traveling by private automobile may be reimbursed at a rate higher than the currently authorized rate for VA beneficiaries only when such travel is

determined to be for the convenience of the government. When the employee uses his automobile for his own convenience, his reimbursement is limited to the cost of common carrier transportation, or to the cost of government owned conveyance.

We believe the private automobile usage situation of VA beneficiaries is generally distinguishable from that of a government employee who uses his automobile for the convenience of the government, since use of a privately owned vehicle is usually for his own personal convenience. On the other hand, we realize there may be situations where commercial transportation facilities are not readily available or where the veteran beneficiary may have a physical disabling condition which would make it unwise, if not extremely difficult, to use such public transportation facilities. Under these circumstances, we believe the use of the veteran beneficiary's private automobile might be akin to those situations where the use of a private automobile by a Federal employee is deemed to be for the convenience of the government. Accordingly, I am directing a complete reevaluation of our policy with respect to beneficiary travel, to see if a reimbursement procedure should be established which will distinguish between those situations where travel is purely for the convenience of the traveler, and those situations where private vehicle travel can be considered a necessity, and, therefore, could be deemed to be for the convenience of the government. Where the latter type of situation exists, I am considering broadening our rate setting procedures to include some of the additional factors which are considered in establishing rates for Federal employee travel deemed to be for the convenience of the government. Upon completion of this study, I will be establishing a revision of our current mileage and per diem rates.

I believe the reevaluation of our rate setting procedures, which is now underway, demonstrates the desirability of having the type of general authority now contained in 38 U.S.C. 111, which can be used to make rapid administrative change when the need is presented. I also believe it demonstrates that I now have sufficient authority to accomplish the basic purpose sought to be achieved by the subject bill. Furthermore, I do not believe that a replacement of the current flexible authority with a set of specific guidelines, such as would be provided by H.R. 2735, would be desirable. Accordingly, we are opposed to the enactment of such bill.

We are unable to estimate the cost of implementing H.R. 2735, since the cost would depend on the results of our investigation into the costs of beneficiary travel using the factors required by the bill.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

RICHARD L. ROUDEBUSH,  
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 (new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

### TITLE 38, UNITED STATES CODE

#### § 111. Travel expenses

(a) Under regulations prescribed by the President, the Administrator may pay the actual necessary expense of travel (including lodging and subsistence), or in lieu thereof an allowance based upon mileage traveled, of any person to or from a Veterans' Administration facility or other place in connection with vocational rehabilitation, counseling required by the Administrator pursuant to chapter 34 or 35 of this title, or for the purpose of examination, treatment, or care. In addition to the mileage allowance authorized by this section, there may be allowed reimbursement for the actual cost of ferry fares, and bridge, road, and tunnel tolls.

(b) Payment of the following expenses or allowances in connection with vocational rehabilitation, counseling, or upon termination of examination, treatment, or care, may be made before the completion of travel:

- (1) the mileage allowance authorized by subsection (a) hereof;
- (2) actual local travel expenses;
- (3) the expense of hiring an automobile or ambulance, or the fee authorized for the services of a nonemployee attendant.

(c) When any person entitled to mileage under this section requires an attendant (other than an employee of the Veterans' Administration) in order to perform such travel, the attendant may be allowed expenses of travel upon the same basis as such person.

(d) The Administrator may provide for the purchase of printed reduced-fare requests for use by veterans and their authorized attendants when traveling at their own expense to or from any Veterans' Administration facility.

*(e) In carrying out the purposes of this section, the Administrator shall conduct annual investigations of the cost of travel (including lodging and subsistence) and the operation of privately owned vehicles to beneficiaries while traveling to or from a Veterans' Administration facility or other place pursuant to the provisions of this section. In conducting the investigations, the Administrator shall review and analyze among other factors—*

- (1) depreciation of original vehicle costs;*
- (2) gasoline and oil costs;*
- (3) maintenance, accessories, parts, and tires;*
- (4) insurance;*
- (5) State and Federal taxes; and*

*(6) the per diem rates, mileage allowances, and expenses of travel authorized under sections 5702 and 5704 of title 5, for employees of the United States traveling on official business; and he shall report the results of such investigations to the Committees on Veterans' Affairs of the Senate and the House of Representatives at least once each year, setting forth the allowance rate authorized and the basis used for such determination.*

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94TH CONGRESS }  
2d Session }

SENATE

{ REPORT  
No. 94-1206

VETERANS' OMNIBUS HEALTH CARE ACT  
OF 1976

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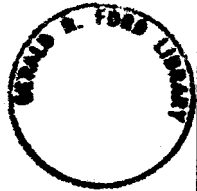
REPORT

OF THE

COMMITTEE ON VETERANS' AFFAIRS  
UNITED STATES SENATE

TO ACCOMPANY

S. 2908



SEPTEMBER 3 (legislative day, AUGUST 27), 1976.—Ordered to be printed  
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