

APPROVED
SEP 17 1974

ACTION

THE WHITE HOUSE
WASHINGTON

Last Day - September 16

September 12, 1974

MEMORANDUM FOR: THE PRESIDENT
FROM: KEN COLE
SUBJECT: Enrolled Bill H. R. 15172

Directed 9/17
J. Archibald 9/18
Attached is the House bill, H. R. 15172, Passport Fees, which authorizes the Secretary of State to prescribe by regulation the fee for execution of a passport application; continues and makes permanent the Secretary's authority to transfer to the United States Postal Service the execution fee for each passport application accepted by that Service.

Under the authority provided in this bill, it is understood that State will initially prescribe a fee of \$3 for execution of a passport application, thereby offsetting the increased costs which have been experienced. Current rate for execution of each passport application is \$2.

The Counsel's office, the NSC, Bill Timmons, and OMB concur.

RECOMMENDATION

That you sign the attached bill.



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

SEP 9 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 15172 - Passport Fees
Sponsor - Rep. Hays (D) Ohio

Last Day for Action

Purpose

Authorizes the Secretary of State to prescribe by regulation the fee for execution of a passport application; continues and makes permanent the Secretary's authority to transfer to the United States Postal Service the execution fee for each passport application accepted by that Service.

Agency Recommendations

Office of Management and Budget

Approval

Department of State

Approval (Informal)

United States Postal Service

Approval (Informal)

Discussion

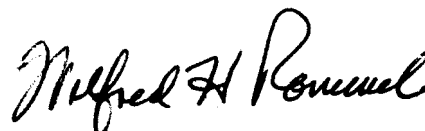
Current law authorizes the collection of a \$2 fee for the execution of each passport application. This statutory fee, however, no longer covers the costs incurred in executing passport applications. The enrolled bill, which is identical to draft legislation submitted by the State Department, would correct this situation by authorizing the Secretary of State to prescribe the execution fee by regulation. This authority would be similar to that which the Secretary of State



presently exercises with respect to fees for consular services and will provide the needed flexibility to periodically adjust the passport execution fee to insure that it adequately covers costs.

H.R. 15172 would also provide the Secretary of State with permanent authority to transfer to the United States Postal Service the passport execution fee for each passport application accepted by that Service. The previous, temporary authority for such transfers expired on June 30, 1974.

We understand that, under the authority provided in this bill, State will initially prescribe a fee of \$3 for execution of a passport application, thereby offsetting the increased costs which have been experienced.



Assistant Director for
Legislative Reference

Enclosures



LAW DEPARTMENT
Washington, DC 20260

September 6, 1974

Dear Mr. Rommel:

This is in response to your request for the views of the Postal Service with respect to the enrolled bill:

H. R. 15172, "To authorize the Secretary of State to prescribe the fee for execution of an application for a passport and to continue to transfer to the United States Postal Service the execution fee for each application accepted by that Service."

1. Purpose of Legislation.

The purpose of this legislation is to provide permanent authorization for the Secretary of State to utilize the Postal Service for the acceptance of passport applications.

2. Position of the Postal Service.

Representatives of the Postal Service participated in the drafting of this legislation with the State Department. We support enactment of this legislation, since it will provide permanent statutory authority in place of temporary authority which had expired on June 30, 1974, and will replace the present statutory execution fee, which is no longer adequate compensation for the services performed by the Postal Service, with a permanent authorization for the Secretary of State to prescribe the execution fee by regulation and to revise it periodically as salaries and other costs rise. We believe the flexible authority to prescribe the fee is necessary and desirable legislation

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OFFICE OF
MANAGEMENT & BUDGET

to meet the requirements of inflationary periods such as those now existing.

3. Timing.

In view of the fact that the prior temporary authorization expired several months ago, we recommend the measure be signed as soon as possible.

4. Cost or Savings.

Although the enactment of this bill will cause the cost to the American people for passport execution fees to rise, we would assume that on balance the public will enjoy long-term savings resulting from the relatively lower costs of providing passport acceptance services through the existing post offices and postal personnel rather than through the procurement of new passport offices and additional passport office staffing. Enactment of the bill will result in increased revenues for the Postal Service to match the increased costs of providing such services.

5. Recommendation of
Presidential Action.

The Postal Service recommends that the President approve this measure.

Sincerely,



W. Allen Sanders
Assistant General Counsel
Legislative Division

Mr. W.H. Rommel
Assistant Director
Legislative Reference
Office of Management
and Budget
Washington, D. C. 20503



LAW DEPARTMENT
Washington, DC 20260

September 6, 1974

Dear Mr. Rommel:

This is in response to your request for the views of the Postal Service with respect to the enrolled bill:

H. R. 15172, "To authorize the Secretary of State to prescribe the fee for execution of an application for a passport and to continue to transfer to the United States Postal Service the execution fee for each application accepted by that Service."

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Presidential Action.

The Postal Service recommends that the President approve this measure.

Sincerely,



W. Allen Sanders
Assistant General Counsel
Legislative Division

Mr. W.H. Rommel
Assistant Director
Legislative Reference
Office of Management
and Budget
Washington, D. C. 20503



DEPARTMENT OF STATE

Washington, D.C. 20520

SEP 9 - 1974

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

Dear Mr. Ash:

I am responding to Mr. Rommel's request dated September 5, 1974, for this Department's views on enrolled bill H.R. 15172.


The bill amends 22 U.S.C. 214 in two ways: 1) it authorizes the Secretary of State to set the fee for executing an application for a passport, in lieu of the present statutory fee, and 2) it makes permanent the temporary provision of previous legislation authorizing the Secretary to transfer the application fee to the U. S. Postal Service in cases of applications accepted by the Service. This latter provision parallels another provision of Section 214 permitting state clerks of court to retain the application fee as reimbursement for processing applications made to them.

The provision authorizing the Secretary to set the application fee will permit expeditious adjustment of the fee to meet the rising costs that are being faced by state clerks of court and the Postal Service for whom the fee constitutes reimbursement for their services. This will help insure that the clerks of court and the Postal Service will continue to provide this service to the American public. It will also result in a modest increase (some \$600,000) in revenue to the Treasury from applications made at Federal courts and Passport Agencies.

The bill was an Administration proposal and was enacted by the Congress without change.

The Department recommends that the President approve the bill.

Cordially,

A handwritten signature in black ink, appearing to read "Linwood Holton". The signature is written in a cursive, flowing style with a large initial "L".

Linwood Holton
Assistant Secretary for
Congressional Relations

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SEP 10 12 17 PM 1974
OFFICE OF
MANAGEMENT & BUDGET

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 570

Date: September 9, 1974

Time: 11:30 a. m.

FOR ACTION: Geoff Shepard
 NSC/S
 Phil Buchen
 Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones
Paul Theis

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, September 11, 1974 Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 15172 - Passport Fees

ACTION REQUESTED:

- | | |
|---|--|
| <input type="checkbox"/> For Necessary Action | <input checked="" type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Kathy Tindle - 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

9/9/74

TO: WARREN HENDRIKS

RLD

Robert D. Linder

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 570

Date: September 9, 1974

Time:

11:30 a. m.

FOR ACTION: Geoff Shepard
NSC/S
✓ Phil Buchen
Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones
Paul Theis

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, September 11, 1974

Time:

2:00 p. m.

SUBJECT: Enrolled Bill H. R. 15172 - Passport Fees

ACTION REQUESTED:

_____ For Necessary Action

XX For Your Recommendations

_____ Prepare Agenda and Brief

_____ Draft Reply

_____ For Your Comments

_____ Draft Remarks

REMARKS:

*No objection
D.C.*

Please return to Kathy Tindle - 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.

Warren K. Hendriks
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 570

Date: September 9, 1974

Time: 11:30 a. m.

FOR ACTION: Geoff Shepard
NSC/S
Phil Buchen
Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones
Paul Theis

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, September 11, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 15172 - Passport Fees

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

Agree
6/5


PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Warren K. Hendriks
For the President

NATIONAL SECURITY COUNCIL

September 10, 1974

MEMORANDUM FOR: WARREN K. HENDRIKS
FROM: Jeanne W. Davis 
SUBJECT: Enrolled Bill H.R. 15172

The NSC concurs in Enrolled Bill HR 15172 on
Passport Fees.

For technical reasons, we recommend the signed
bill be dated September 16, 1974.

ACTION MEMORANDUM

THE WHITE HOUSE
WASHINGTON

LOG NO.: 570

Date: September 9, 1974

Time: 11:30 a. m.

FOR ACTION: Geoff Shepard
✓ NSC/S
Phil Buchen
Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones
Paul Theis

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, September 11, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 15172 - Passport Fees

ACTION REQUESTED:

- For Necessary Action
- Prepare Agenda and Brief
- For Your Comments

- For Your Recommendations
- Draft Reply
- Draft Remarks

REMARKS:

Please return to Kathy Tindle - 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.

Warren K. Hendriks
For the President

THE WHITE HOUSE

WASHINGTON

September 10, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS
FROM: WILLIAM E. TIMMONS *RAM for wet.*
SUBJECT: Action Memorandum - Log No. 570
Enrolled Bill H. R. 15172 - Passport Fees

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

Attachment

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 570

Date: September 9, 1974

Time:

11:30 a. m.

FOR ACTION: Geoff Shepard
 NSC/S
 Phil Buchen
 ✓ Bill Timmons

cc (for information): Warren K. Hendriks
 Jerry Jones
 Paul Theis

FROM THE STAFF SECRETARY

DUE: Date: Wednesday, September 11, 1974

Time:

2:00 p. m.

SUBJECT: Enrolled Bill H. R. 15172 - Passport Fees

ACTION REQUESTED:

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

REMARKS:

Please return to Kathy Tindle - 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.

Warren K. Hendriks
 For the President

NATIONAL SECURITY COUNCIL

September 10, 1974

MEMO FOR: MR. ROBERT LINDER

FROM: George Van Eron

A handwritten signature in black ink, appearing to read 'G. Van Eron', written over the printed name.

Attached is being forwarded to you as background information for processing this Bill later this week.

September 12, 1974

MEMORANDUM FOR: THE PRESIDENT
FROM: KEN COLE
SUBJECT: Enrolled Bill H. R. 15172

Attached is the House bill, H. R. 15172, Passport Fees, which authorizes the Secretary of State to prescribe by regulation the fee for execution of a passport application; continues and makes permanent the Secretary's authority to transfer to the United States Postal Service the execution fee for each passport application accepted by that Service.

Under the authority provided in this bill, it is understood that State will initially prescribe a fee of \$3 for execution of a passport application, thereby offsetting the increased costs which have been experienced. Current rate for execution of each passport application is \$2.

The Counsel's office, the NSC, Bill Timmons, and OMB concur.

RECOMMENDATION

That you sign the attached bill.

PASSPORT APPLICATION FEES

JULY 31, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HAYS, from the Committee on Foreign Affairs, submitted the following

REPORT

[To accompany H.R. 15172]

The Committee on Foreign Affairs, to whom was referred the bill H.R. 15172 to authorize the Secretary of State to prescribe the fee for execution of an application for a passport and to continue to transfer to the U.S. Postal Service the execution fee for each application accepted by that Service, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

COMMITTEE ACTION

On May 15, 1974, the Assistant Secretary of State for Congressional Relations, Hon. Linwood Holton, sent to the Speaker of the House an Executive Communication (No. 2325) together with draft legislation to amend the act of June 4, 1920 which establishes the fees for the execution of a passport application and for the issuance of a passport. This communication was referred to the Committee on Foreign Affairs. By letter of May 22 the chairman of the committee, Hon. Thomas E. Morgan, referred the communication to the Subcommittee on State Department Organization and Foreign Operations of which Hon. Wayne L. Hays is chairman. Representative Hays introduced the draft proposal on June 4 as H.R. 15172. The subcommittee held a hearing on June 26 with Hon. L. Dean Brown, Deputy Under Secretary of State for Management, as the witness, following which it unanimously ordered the bill reported to the committee. The committee considered H.R. 15172 on July 31 and by a voice vote ordered it reported to the House.

PURPOSE OF THE BILL

H.R. 15172 has two purposes: first, to continue and make permanent the authority for the Secretary of State to transfer to the Postal Service the execution fee for each passport application accepted by that Service, and second, to authorize the Secretary of State to prescribe the fee to be collected for the execution of a passport application, whether made to the Postal Service, a clerk of court, or a passport agency of the Department in lieu of the present statutory fee of \$2.

COST ESTIMATES

This bill will not result in any cost to the Government. On the contrary to the extent that passport applications are made through Postal Service facilities it will result in revenue to that Service. For fiscal year 1973, the last year for which complete figures are available, more than 800,000 applications were handled by the Service at a charge of \$2 per application—an income of more than \$1.6 million. If fees are adjusted upward as authorized in this bill to cover increased costs and as greater use is made of the Postal Service facilities, the annual revenue to the Service in the immediate future should be over \$2 million.

BACKGROUND

Until 1970 an application for a passport could be executed only at 1 of the 10 passport agencies of the Department of State, in Federal courts, or in certain State courts. With increased travel and a consequent demand for passports these facilities proved inadequate to cope with the heavier volume of applications. The situation was worsened when some of the courts refused to handle applications because of the greater volume of court business and the inadequacy of the \$2 application fee.

The problem was to devise a means of expanding passport application facilities. Members of Congress expressed a growing concern and the committee held hearings in 1970 on this matter. Early that year the Secretary of State appointed a special committee under the chairmanship of former Senator Saltonstall to study the problem. Among its recommendations was one to use first-class post offices to accept applications. Post office facilities offered almost unlimited flexibility in meeting passport demands and would provide numerous and convenient locations for passport applications. Further the postal workload is lightest during spring and summer when passport application volume is heaviest.

A test program was begun in July 1970 at 19 post offices in Connecticut, Texas, and Michigan. It was agreed that the Department of State would reimburse the Post Office Department in the amount of \$2 for each application accepted by post offices. This is the statutory fee. The program was gradually expanded to include metropolitan areas of Boston, New York, and San Francisco. The basic law was amended to permit the Secretary of State to transfer the \$2 application fee to the Post Office Department in much the same manner as the statute authorizes the Secretary to permit the clerks of court to retain the application fee. The authority was limited until June 30, 1972. Subsequently it was twice extended. The most recent extension expires on June 30, 1974.

From the initial 19 post offices in 11 cities the program has been extended to include 878 post offices in 626 cities in all 50 States. The volume of passport applications accepted at post offices has grown from 2 percent of all applications in 1971 to more than 30 percent in 1973. At the same time the volume of passport applications accepted at passport agencies has dropped from 34 percent in 1971 to 21 percent in 1973. This change in the pattern of passport applications has relieved congestion at both Federal and State courts and at the passport agencies at the same time that it has provided facilities more convenient to the public. H.R. 15172 would make permanent the present authority to reimburse the Postal Service for its acceptance of passport applications.

The present application fee has remained set by statute at \$2 since 1958. This sum is no longer adequate compensation to the courts nor to the Postal Service for the services they perform in connection with the handling of passport applications. As salaries and other costs continue to rise, the present fee will prove even more inadequate.

H.R. 15172 would enable the Secretary of State to prescribe the execution fee as he does with respect to fees for consular services. The Department of State contemplates that, in consultation with the Postal Service and clerks of court, it would review annually the application fee to insure that it adequately and fairly covers the cost of providing this service to the public.

The committee believes that with the inclusion of a flexible fee there will be removed an argument that the use of post office facilities is a further drain on the resources of the Postal Service. The service will be self-supporting and provide the public with faster and more efficient handling of passport applications.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

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

SECTION 1 OF THE ACT OF JUNE 4, 1920

FEES FOR PASSPORTS AND VISÉS

SECTION 1. There shall be collected and paid into the Treasury of the United States quarterly a fee of **[\$2** for executing each application for a passport and \$10 for each passport issued: *Provided, That nothing herein contained* **]** *\$10 for each passport issued and a fee in an amount prescribed by the Secretary of State by regulation for executing each application for a passport. Nothing contained in this section shall be construed to limit the right of the Secretary of State by regulation (1) to authorize State officials to collect and retain the execution [fee of \$2 or] fee, or (2) to transfer to the United States Postal Service the execution fee [of \$2] for each application accepted by that Service.*

No passport fee shall be collected from an officer or employee of the United States proceeding abroad in the discharge of official duties, or from members of his immediate family; from an American seaman who requires a passport in connection with his duties aboard an American flag-vessel; or from a widow, child, parent, brother, or sister of a deceased member of the Armed Forces proceeding abroad to visit the grave of such member. No execution fee shall be collected for an application made before a Federal official by a person excused from payment of the passport fee under this section.



PASSPORT APPLICATION FEES

AUGUST 22, 1974.—Ordered to be printed

Mr. FULBRIGHT, from the Committee on Foreign Relations,
submitted the following

REPORT

[To accompany H.R. 15172]

The Committee on Foreign Relations, to which was referred the bill (H.R. 15172) to authorize the Secretary of State to prescribe the fee for execution of an application for a passport and to continue to transfer to the U.S. Postal Service the execution fee for each application accepted by that Service, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of H.R. 15172 is (1) to authorize the Secretary of State to prescribe the amount of the fee for executing a passport application and (2) to continue and make permanent the authority of the Secretary of State to transfer to the Postal Service the execution fee for each application accepted by that Service.

BACKGROUND

Because of the constant increase in the number of American citizens seeking passports, in June 1970, the Secretary of State's Committee to Facilitate Travel recommended a pilot program under which first-class post offices in several cities were selected to accept passport applications to determine the feasibility of using such facilities on a nationwide basis. Under the arrangement, the State Department reimbursed the Post Office Department \$2 for each passport application. Subsequently, in 1971, the basic law (22 USC 214) was amended to permit reimbursement to the Postal Service through periodic adjustments of receipts on the books of the Treasury rather than by collection and retention of the \$2 fee by postal officials at the time of appli-

cation. This authority was limited to June 30, 1973, but was later extended to June 30, 1974.

Since the institution of the pilot program in 1970, it has been expanded from 19 post offices in 11 cities to more than 850 post offices in over 600 cities in all 50 states. Moreover, in fiscal year 1973, post offices accepted and transmitted for processing to State Department facilities over 800,000 passport applications. This represents approximately 30 per cent of all passport applications made during this period.

The fee for the execution of a passport application is designed to pay for the service of receiving the application, administering the oath and submitting the application to the processing agency of the Department of State. It is charged whether or not the passport is issued.

According to the State Department, cost surveys conducted by the Postal Service have indicated that the execution fee of \$2 (in effect since 1956) is inadequate to cover the cost to the Service of performing this function. The Department proposes, therefore, that the Secretary of State be authorized to prescribe the execution fee as he does with respect to other fees for consular services. In this connection, it is contemplated that the State Department, in consultation with the Postal Service and clerks of court, would review the execution fee annually to insure that it adequately and fairly covers the cost of providing this service to the public.

COMMITTEE ACTION

The Committee on Foreign Relations held a public hearing on H.R. 15172 on August 22, 1974, at which time Miss Barbara M. Watson, Administrator, Bureau of Security and Consular Affairs, Department of State, testified in support of the bill. Miss Watson's prepared statement is printed below. During an executive session following the public hearing the Committee, by voice vote, ordered H.R. 15172 favorably reported to the Senate with the recommendation that it be passed.

STATEMENT OF BARBARA M. WATSON, ADMINISTRATOR, BUREAU OF SECURITY AND CONSULAR AFFAIRS, BEFORE THE SENATE FOREIGN RELATIONS COMMITTEE

Mr. Chairman, I am happy to appear before this committee in support of H.R. 15172. The bill has two purposes: (1) to continue and make permanent the authority for the Secretary of State to transfer to the Postal Service the execution fee for each passport application accepted by that Service, and (2) to authorize the Secretary of State to prescribe the fee to be collected for the execution of a passport application, whether made to the Postal Service, a clerk of court or a passport agency of the Department, in lieu of the present statutory fee of \$2.

In 1968 and 1969 several federal courts terminated the service of accepting passport applications. The coincidence of a constantly rising volume of passport applications and other court workloads caused

these and other courts to consider that they could not longer carry on the business of the courts while at the same time providing the passport application service.

The spring of 1970 saw this situation become acute. However, for a number of years before that several Federal courts had stopped accepting passport applications and a number of State courts, notably in Connecticut, had done the same. And, quite apart from the termination of this service by these courts, it was becoming clear that an expansion of passport application facilities was desirable both to provide more convenient facilities to the increasing numbers of Americans planning travel abroad and to relieve the congestion at several of our passport agencies and at a number of high-volume courts.

To study this and other related problems the Secretary of State in February 1970 appointed a Committee to Facilitate Travel chaired by former Senator Saltonstall. Among the recommendations of the Saltonstall Committee in its June 1970 report was the utilization of first-class post offices to accept passport applications. In support of this recommendation the Committee noted that utilizing post offices for this purpose would entail minimal costs to the U.S. Government. Post Office facilities offered almost unlimited flexibility in meeting passport demands and would provide numerous and convenient locations for passport applications. Postal workload is lightest during early spring and summer when passport application volume is heaviest.

The Saltonstall committee also recommended that post office participation in the passport application process be tested at a number of locations in Connecticut, Texas and Michigan. This test program was initiated in July 1970 at some 19 post offices. In connection with this pilot project it was agreed that the Department of State would reimburse the Post Office Department in the amount of \$2 for each application accepted by Post Offices. The \$2, of course, being the statutory passport application fee. The Department of State was able to make this reimbursement out of available funds in view of the limited scope of the pilot project.

After six months it became apparent that the program was both feasible and desirable. Consequently, in early 1971, it was expanded to include metropolitan areas of Boston, New York and San Francisco. At the same time an amendment to 22 U.S.C. 214 was at, our request, enacted by the Congress to permit the Department of State to transfer the \$2 application fee to the Postal Service in much the same manner as the statute authorizes the Secretary to permit the clerks of court to retain the application fee. The authorization was limited to one year; that is, until June 30, 1972, and was twice extended by the Congress an additional year, the most recent extension expiring June 30, 1974.

From the initial 19 post offices in eleven cities the program was extended to the present scope of over 850 post offices in over 600 cities. We believe that the success of this program and its enthusiastic acceptance by the public is attested to by the fact that the volume of passport applications accepted at post offices has grown from 2% of all passport applications in 1971 to 31% in 1974. At the same time the volume of passport applications accepted at our passport agencies has dropped from 34% in 1971 to 20% in 1974.

This change in the pattern of passport applications has relieved congestion at both federal and state courts and at the passport agencies, in addition to providing application facilities more convenient to the public. The acceptance of passport applications at post offices has thus become an essential part of our program to provide efficient passport services to the American public at the least cost to the government. Accordingly, in H.R. 15172, we are seeking to make permanent the present authority to reimburse the Postal Service for the acceptance by it of passport applications.

For 18 years the statute has provided for an application fee of \$2. In recent years we have received numerous complaints from State clerks of court that the \$2 fee is no longer adequate compensation for providing the passport service in view of continually rising costs of personnel and equipment. The latest cost survey conducted by the Postal Service confirms that this is the case. Moreover, as salaries and other costs continue to rise, it is difficult to estimate what these costs will be in the future. In the case of the Postal Service, periodic contract negotiations with Postal Unions and cost-of-living increases contribute to the unpredictability of such costs.

The application fee is intended to pay for the service of receiving the application, administering the oath and submitting the application to the processing agency of the Department of State. It is charged whether or not a passport is issued. Because it is a separate fee, it is readily identifiable for retention.

We strongly believe we should make every effort to insure that a fee designed to compensate for the performance of a service does so, adequately and promptly. However, it is virtually impossible to achieve this if the amount of the fee is set by statute. We propose, therefore, to authorize the Secretary of State to prescribe the fee for accepting passport applications as he does with respect to fees for consular services. We contemplate that the Department of State, in consultation with the Postal Service and clerks of court, would annually review the application fee to insure that it adequately and fairly covers the cost of providing this service to the public. The fee prescribed by the Secretary of State would be a uniform one applicable to applications executed before State officials as well as all others authorized to accept passport applications. We believe that, in fairness, this flexibility to adjust the fee in the light of changed circumstances is necessary.

In summary, the two proposals in this bill are important parts of our continuing efforts to improve passport services for the American public at the least cost to the Government. We urge that you give them prompt and favorable consideration.

CHANGES IN EXISTING LAW

In accordance with clause 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 omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

Partial text of the Act of June 4, 1920 [H.R. 11960], 41 Stat. 739 at 750; 22 U.S.C. 214, as amended by Public Law 84-403 [H.R. 5844], 70 Stat. 11, approved February 10, 1956; Public Law 90-428 [S. 1418], 82 Stat. 446, approved July 28, 1968; and by Public Law 92-14 [S. 531], 85 Stat. 38, approved May 14, 1971.

There shall be collected and paid into the Treasury of the United States quarterly a fee of ~~of \$2~~² for executing each application for a passport and \$10 for each passport issued²: *Provided*, That nothing herein contained] *\$10 for each passport issued and a fee in an amount prescribed by the Secretary of State by regulation for executing each application for a passport. Nothing contained in this section shall be construed to limit the right of the Secretary of State by regulation (1) to authorize State officials to collect and retain the execution fee [of \$2] or (2) to transfer to the United States Postal Service the execution fee [of \$2] for each application accepted by the Service.*³ No passport fee shall be collected from an officer or employee of the United States proceeding abroad in the discharge of official duties, or from members of his immediate family; from an American seaman who requires a passport in connection with his duties aboard an American-flag vessel; or from a widow, child, parent, brother, or sister of a deceased member of the Armed Forces proceeding abroad to visit the grave of such member. No execution fee shall be collected for an application made before a Federal official by a person excused from payment of the passport fee under this section.

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

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

An Act

To authorize the Secretary of State to prescribe the fee for execution of an application for a passport and to continue to transfer to the United States Postal Service the execution fee for each application accepted by that Service.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of June 4, 1920 (22 U.S.C. 214), is amended to read as follows:

“SECTION 1. There shall be collected and paid into the Treasury of the United States quarterly a fee of \$10 for each passport issued and a fee in an amount prescribed by the Secretary of State by regulation for executing each application for a passport. Nothing contained in this section shall be construed to limit the right of the Secretary of State by regulation (1) to authorize State officials to collect and retain the execution fee, or (2) to transfer to the United States Postal Service the execution fee for each application accepted by that Service. No passport fee shall be collected from an officer or employee of the United States proceeding abroad in the discharge of official duties, or from members of his immediate family; from an American seaman who requires a passport in connection with his duties aboard an American flag-vessel; or from a widow, child, parent, brother, or sister of a deceased member of the Armed Forces proceeding abroad to visit the grave of such member. No execution fee shall be collected for an application made before a Federal official by a person excused from payment of the passport fee under this section.”

Speaker of the House of Representatives.

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

September 10, 1974

Dear Mr. Director:

The following bills were received at the White House on September 10th:

**H.R. 9496 ✓
H.R. 13267 ✓
H.R. 15172 ✓
H.R. 15406 ✓**

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

Sincerely,

**Robert D. Linder
Chief Executive Clerk**

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