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APPROVED
DEC 26 1974

THE WHITE HOUSE

ACTION

WASHINGTON

Last Day: December 27

December 23, 1974

MEMORANDUM FOR:

THE PRESIDENT

FROM:

KEN COLE

SUBJECT:

Enrolled Bill H.R. 16006 - Government
Shipment of Motor Vehicles and Certain
Travel and Transportation Allowances

Attached for your consideration is H.R. 16006, sponsored by Representative Fisher and 12 others, which grants additional authority relating to the shipment at Government expense of motor vehicles owned by members of the Armed Forces. This bill would also authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness.

OMB recommends approval and provides you with additional background information in its enrolled bill report (Tab A).

NSC, Max Friedersdorf and Phil Areeda recommend approval.

RECOMMENDATION

That you sign H.R. 16006 (Tab B).



APPROVED
DEC 26 1974



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

DEC 20 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 16006 - Government shipment
of motor vehicles and certain travel and
transportation allowances
Sponsor - Rep. Fisher (D) Texas and 12 others

Last Day for Action

December 27, 1974 - Friday

Purpose

Provides authority for the Government to utilize a combination of land and water transportation when shipping vehicles owned by members of the armed forces under certain circumstances; authorizes reshipment or transshipment, at Government expense, of an armed force member's privately owned vehicle in certain cases; authorizes certain travel and transportation allowances for members of the uniformed services incapacitated by illness.

Agency Recommendations

Office of Management and Budget	Approval
Department of Defense	Approval

Discussion

Under existing statutory authority, a member of an armed force who is ordered to make a change of permanent station is entitled to shipment of his privately owned vehicle, at Government expense, to his new duty station. Such shipment, however, may only be on a vessel owned, leased or chartered by the U.S., a privately owned American-flag ship, or in the event that neither of those two shipping services is available, by foreign-flag shipping. The enrolled bill

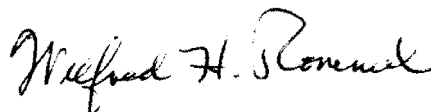
would amend the current law to permit a member's vehicle to be transported, at Government expense, by a combination of land and water transportation between customary ports of embarkation and debarkation provided the major portion of the distance covered is in U.S. flag ships and provided the cost of such shipment does not exceed the cost to the U.S. of direct water transportation.

Enactment of H.R. 16006 would enable the Government to effectively utilize recent innovations in shipping known as containerization. Cargo may now be transported more efficiently and safely in containers designed to be carried in special container ships and transferred easily between water and surface transportation systems. Enactment of the bill could also result in some savings and added convenience to both the Government and members of the armed forces whose vehicles are shipped and could result in more business for American-flag vessels. For example, there is currently American-flag service between Europe and California ports but not between Europe and ports in Oregon and Washington. There is also no coastal service between California and Oregon and Washington. Because land shipment of members' vehicles, at Government expense, is not authorized under existing law, the armed forces must use foreign-flag shipping when transporting members' vehicles from Europe to ports in Oregon and Washington. The enrolled bill would permit shipment of members' vehicles on American-flag vessels between Europe and California and overland transportation of those vehicles between California and Oregon and Washington.

H.R. 16006 would also authorize the reshipment or transshipment, at Government expense, of vehicles owned by members of the armed forces whenever such transportation is necessitated by a shipping error or whenever a member's orders have been changed after shipment of his vehicle. Since authorities under existing law do not cover these situations, an affected member must pay the cost of any additional transportation himself, even though the shipping error or change in orders did not arise from any action on his part. The enrolled bill would correct this inequity.



Finally, the enrolled bill would provide authority for members of the uniformed services who are ill and whose illness is expected to require prolonged hospitalization or treatment to receive travel and transportation allowances for their dependents and household effects. The Comptroller General has ruled that existing statutory authority, which provides travel and transportation allowances to members who are officially reported as dead, injured or in a missing status for more than 29 days, does not apply to members who become ill, even though such illness may be as incapacitating as an injury. The authorization of travel and transportation benefits under the bill, which is retroactive to January 1, 1974, would remove this anomaly.



Assistant Director for
Legislative Reference

Enclosures

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

DEC 20 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 16006 - Government shipment
of motor vehicles and certain travel and
transportation allowances
Sponsor - Rep. Fisher (D) Texas and 12 others

Last Day for Action

December 27, 1974 - Friday

Purpose

Provides authority for the Government to utilize a combination of land and water transportation when shipping vehicles owned by members of the armed forces under certain circumstances; authorizes reshipment or transshipment, at Government expense, of an armed force member's privately owned vehicle in certain cases; authorizes certain travel and transportation allowances for members of the uniformed services incapacitated by illness.

Agency Recommendations

Office of Management and Budget

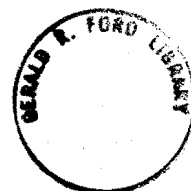
Approval

Department of Defense

Approval

Discussion

Under existing statutory authority, a member of an armed force who is ordered to make a change of permanent station is entitled to shipment of his privately owned vehicle, at Government expense, to his new duty station. Such shipment, however, may only be on a vessel owned, leased or chartered by the U.S., a privately owned American-flag ship, or in the event that neither of those two shipping services is available, by foreign-flag shipping. The enrolled bill



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 802

Date: December 20, 1974

Time: 4:00 p.m.

FOR ACTION:

NSC/S - Mr Bovey *ok*
Max Friedersdorf *ok*
Phil Areeda *ok*

cc (for information): Warren Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 23

Time: noon

SUBJECT:

Enrolled Bill H.R. 16006 - Government Shipment of Motor
Vehicles and Certain Travel and Transportation Allowances

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





DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20350

December 17, 1974

Dear Mr. Ash:

Your transmittal sheet dated December 16, 1974, enclosing a facsimile of an enrolled bill of Congress, H.R. 16006, "To amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the armed forces, and to amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness," and requesting the comments of the Department of Defense, has been received. The Department of the Navy has been assigned the responsibility for the preparation of a report expressing the views of the Department of Defense.

The purpose of H.R. 16006 is to amend section 2634 of title 10, United States Code, relating to the shipment at government expense of motor vehicles owned by members of the armed forces, and section 554 of title 37, United States Code, relating to certain travel and transportation allowances.

Section 2634 of title 10 currently authorizes the shipment at government expense of a privately owned vehicle of a member of the armed forces executing change of permanent station orders, but such shipment must be (1) on a vessel owned, leased, or chartered by the United States; (2) by privately owned American shipping services; or (3) by foreign-flag shipping services if American-flag services are not reasonably available. Section 1 of H.R. 16006 would authorize the shipment of a privately owned vehicle by a combination of land and water transportation if (1) the cost of shipment by that combination does not exceed the cost of shipping the vehicle from the customary port of embarkation to the customary port of debarkation by water transportation and (2) the major portion of the distance which the vehicle is shipped by a combination of land and water transportation is on American-flag vessels.

Section 2 of H.R. 16006 would authorize the reshipment or transshipment of a privately owned vehicle at government expense if such reshipment or transshipment is necessitated by a shipping error or because orders directing a change of permanent station are cancelled, revoked, or modified after their receipt by the member.

Sections 3 and 4 of H.R. 16006 would authorize transportation for the dependents and household and personal effects of a member of a uniformed service on active duty who is officially reported as ill and whose illness is expected to require prolonged hospitalization or treatment. The household and personal effects shipped pursuant to this authority could include, in addition to other authorized weight allowances, one privately owned motor

RECEIVED

vehicle. Section 554 of title 37, United States Code, presently provides the same entitlement for transportation of the dependents and household and personal effects of a member of a uniformed service on active duty who is reported as dead, injured, or absent for a period of more than 29 days in a missing status.

The approval of this legislation would result in no increase in the budgetary requirements of the Department of Defense.

The Department of the Navy, on behalf of the Department of Defense, recommends the approval of H.R. 16006.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "D S Potter", with a stylized flourish at the end.

D. S. Potter
Under Secretary of the Navy

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

THE WHITE HOUSE

WASHINGTON

December 21, 1974

MEMORANDUM FOR: WARREN HENDRIKS

FROM: MAX L. FRIEDERSDORF

SUBJECT: Action Memorandum - Log No. 802
Enrolled Bill H.R. 16006 - Government Shipment of
Motor Vehicles and Certain Travel and Transportation
Allowances

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

Attachment

720
ACTION MEMORANDUM

THE WHITE HOUSE

WASHINGTON

LOG NO.: 802

Date: December 20, 1974

Time: 4:00 p.m.

FOR ACTION: NSC/S
Max Friedersdorf
Phil Areeda ✓cc (for information): Warren Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 23

Time: noon

SUBJECT:

Enrolled Bill H.R. 16006 - Government Shipment of Motor
Vehicles and Certain Travel and Transportation Allowances

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

h. s. Johnston
p. Areeda
12/23

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 H. Hendriks
For the President

PAY ADJUSTMENTS FOR CERTAIN INDIVIDUALS AD- VERSELY AFFECTED BY 1972 FEDERAL PAY COM- PARABILITY ADJUSTMENT

DECEMBER 12, 1974.—Ordered to be printed

Mr. McGEE, from the Committee on Post Office and Civil Service,
submitted the following

REPORT

[To accompany H.R. 15067]

The Committee on Post Office and Civil Service, to which was referred the bill (H.R. 15067) to prevent reductions in pay for any officer or employee who would be adversely affected as a result of implementing Executive Order 11777, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

The purpose of H.R. 15067 is to correct an unfair situation applicable to some Federal employees whose rates of pay have been reduced because of unusual circumstances involving implementation of Executive Order 11777 of April 12, 1974.

STATEMENT

This bill stems from the August 31, 1972 message to the Congress from President Nixon in which he announced his decision to delay for three months the October, 1972, pay adjustment due under the Federal Pay Comparability Act of 1970.

Rates of pay under the statutory pay systems were thereby adjusted in January, 1973, but the delay was successfully challenged in the Federal Courts. Following a January 25, 1974, decision by the United States Court of Appeals for the District of Columbia which held the delay to be erroneous, the President issued Executive Order 11777 on April 12, 1974, fixing the effective date of the pay adjustment at October 1, 1972, and providing for payment of salaries due for the three month period to employees and former employees.

In a few instances, where an employee transferred from one pay system to another during the period between October 1, 1972, and January 1, 1973, the reconstruction of pay pursuant to the Executive Order has resulted in a net loss rather than an increase in pay.

The Committee believes, as does the Administration, that no employee should suffer a reduction in salary as a result of these unusual circumstances. The bill would rectify such instances. Its effect would be to have an employee's pay adjusted to the step and grade at which his pay was fixed when the transfer from one pay system to another was made, retroactive to the date of the personnel action. This adjusted rate of pay would also be the base for any subsequent pay actions affecting him.

COMMITTEE ACTION

No hearings were held on the bill, which was considered by the Full Committee and ordered reported on December 12, 1974.

COST

While time has not permitted the thorough review of personnel actions necessary to provide a reliable estimate of the total cost involved in implementing H.R. 15067, the Civil Service Commission has estimated that only a few hundred employees would be covered by the bill. The cost, therefore, would be small.

AGENCY REPORTS

The reports of the Civil Service Commission and Comptroller General follow (the examples of cases covered by the bill referred to in the Commission's views appear in House Report No. 93-1384):

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., November 4, 1974.

HON. GALE W. MCGEE,
Chairman, Committee on Post Office and Civil Service, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in further response to your request for the Commission's views on H.R. 15067, a bill "To prevent reductions in pay for any officer or employee who would be adversely affected as a result of implementing Executive Order 11777."

Executive Order 11777 retroactively changed the effective date of the January 1973 pay adjustment for the General Schedule and the other statutory pay systems to October 1972. This change in effective date was ordered by President Nixon in accordance with a decision by the United States Court of Appeals for the District of Columbia Circuit, which held that the delay of the pay adjustment from October 1972 to January 1973 was erroneous.

As a result of Executive Order 11777, almost every employee who occupied a position under one of the statutory pay systems between October 1972 and January 1973 is entitled to a retroactive payment. In a few cases, however, because of the workings of various pay laws and regulations, employees will lose money as a result of this change in

effective date of the pay adjustment. (Examples of such cases are shown in Attachment No. 2 of Civil Service Commission Bulletin No. 531-66, May 9, 1974, a copy of which is enclosed.) H.R. 15067 would remedy these situations.

The Civil Service Commission is in complete agreement with H.R. 15067, as we believe, given the circumstances of this extremely complex situation, that it would be unfair to require any employee to suffer a loss of pay as a result of this change in effective date. Therefore, we urge that your committee give this bill favorable consideration.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the submission of this report.

By direction of the Commission.

Sincerely yours,

L. J. ANDOLSEK,
Acting Chairman.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., November 14, 1974.

HON. GALE MCGEE,
Chairman, Committee on Post Office and Civil Service,
U.S. Senate

DEAR MR. CHAIRMAN: Your letter of October 21, 1974, requested our report on H.R. 15067, 93d Congress, 2d Session, an act to prevent reductions in pay for any officer or employee who would be adversely affected as a result of implementing Executive Order 11777, April 12, 1974.

The purpose of H.R. 15067 is the same as that of S. 3892, 93d Congress, 2d Session, which was the subject of our report to you dated October 18, 1974, B-167266. However, H.R. 15067 would prevent a reduction in pay resulting from Executive Order 11777 for any officer or employee of the United States, whereas S. 3892 would prevent such reductions only for those officers and employees who became subject to the General Schedule during the retroactive period. In our report of October 18, 1974, we stated that we had no objection to the purpose of S. 3892, but we believed that it would be inequitable to not prevent reductions for all employees who would have their pay reduced as a result of Executive Order 11777. Accordingly, we recommended that S. 3892 be revised along the lines suggested by the Civil Service Commission in its report to you on that bill.

Since the provisions of H.R. 15067 are similar to those suggested by the Commission, we have no objection to favorable consideration of that act.

Sincerely yours,

R. F. KELLER,
Deputy Comptroller General of the United States.

○

GRANTING ADDITIONAL AUTHORITY RELATING TO THE SHIPMENT
AT GOVERNMENT EXPENSE OF MOTOR VEHICLES OWNED BY
MEMBERS OF THE ARMED FORCES

JULY 25, 1974.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. FISHER, from the Committee on Armed Services,
submitted the following

REPORT

[To accompany H.R. 16006]

The Committee on Armed Services, to whom was referred the bill (H.R. 16006) to amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the armed forces, and to amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

At present, the authorization contained in section 2634 of title 10, United States Code, provides that the shipment of private vehicles owned by members of the armed services executing a permanent change of station, can be accomplished at government expense only (1) on a vessel owned, leased or chartered by the United States, (2) by privately-owned American shipping services; or (3) by foreign-flag shipping services if American-flag services are not reasonably available. This legislative proposal would authorize the services to utilize surface transportation in combination with water transportation for moving these vehicles if the cost of this combination would not exceed the cost of direct water transportation between customary ports of embarkation and debarkation, and if the major portion of the distance in such combined transportation is on American-flag vessels.

For the purposes of this legislation, a "customary port" is considered to be one which is closest or most convenient to the member's duty

station from or to which ocean transportation, either breakbulk or container, is available.

Additionally, authority for the reshipment or transshipment of these vehicles is provided when an error in shipping has occurred, or when orders involving the permanent change of station have been canceled, revoked, or modified after receipt by the serviceman.

Section 554 of title 37, United States Code, provides certain transportation and travel entitlements for military personnel who are dead, injured, or absent for more than 29 days in a missing status. This legislation would also extend those covered to include those military personnel who are ill, when prolonged hospitalization or treatment is anticipated in conjunction with this illness.

BACKGROUND

Section 1 of the legislation incorporates a proposal introduced and referred to the Committee initially as H.R. 5787, and in identical form as H.R. 7757. The authorization provided in that section will allow the services to recognize and benefit by recent innovations in maritime shipment techniques known as containerization. This process, which is used widely, provides for the cargo to be loaded into protective containers at the point of origin, then moved by any one of several different modes of transportation in combination with the sea portion of the journey. Presently, the military services may not contract with the carriers who utilize this process as it involves a degree of non-maritime movement, which cannot be paid for by the government under current law. It is intended that this additional authority will allow the services to benefit through increased competition and the resulting lowered rates, improved services and increased incentive for efficient service. This benefit will accrue without causing any additional cost in the movement of these vehicles, as well as avoiding any adverse impact on the U.S. maritime industry from this use of alternative modes of transportation by restricting the use of this authority to combinations of transportation involving American-flag services.

Section 2 of the bill is meant to terminate a highly inequitable situation which occasionally arises in the movement of these private vehicles owned by servicemen and women upon their permanent change of station. In the movement of these vehicles, situations occur in which the vehicle is simply shipped to an incorrect destination, or else shipped to a destination in accord with a serviceman's initial orders, which are thereafter canceled, revoked, or modified. When such an occasion arises, the Comptroller General (in Decision B-156892; March 4, 1966; 45 Comp. Gen. 544, 547) has determined that the present authority contained in section 2634 of title 10 does not allow this stranded vehicle to be reshipped or transshipped at government expense. Therefore, the serviceman himself must pay the cost of this reshipment or transshipment, although the problem was not of his own making. The frequency of such circumstances is just under 60 a year on the average. Section 2 of the bill specifically authorizes the reshipment and transshipment of these vehicles on such occasions.

Section 3 and Section 4 of the bill incorporate the provisions of H.R. 15521 which was initially referred to the Committee. This legislative proposal provides the transportation and travel entitlements spelled out in section 554 of title 37, United States Code, to those military personnel who are ill. At present, these entitlements are available only to military personnel who are dead, injured, or absent for a period of more than 29 days in a missing status.

A recent Comptroller General opinion (Decision B-145471, 49 Comp. Gen. 101 (1969)) ruled that the present language would not encompass those military personnel who have contracted an illness, even though it requires prolonged hospitalization and results in a similar degree of incapacitation as for those who are injured. This legislation, which is retroactive to January 1, 1974, rectifies this anomaly.

CLEAN BILL

The legislation was originally referred to House Armed Services Committee legislative Subcommittee No. 2 as H.R. 5787, H.R. 7757 (identical bills) and H.R. 15521. The clean bill incorporates the provisions of each of these bills in toto, and also adopts section (d) of the Department of Defense's proposed substitute bill on this same subject. Subsequent to hearings and a full consideration of the appropriate form for the legislation under consideration, a clean bill was introduced as H.R. 16006.

FISCAL DATA

No additional funds are required by the Department of Defense for this year or ensuing years. Financing would be absorbed within existing available resources. Section 1 of the bill will not result in any increased costs. It is estimated that the annual cost of the provision in Section 2 will be approximately \$50,000 annually. As to the fiscal impact of Sections 3 and 4 of the bill, the Department of Defense was unable to provide precise cost figures. However, these provisions will provide no change in the Department's budgetary requirements.

DEPARTMENTAL POSITION

The Department of Defense supports this legislation and the Office of Management and Budget interposes no objection, as indicated in the correspondence below:

DEPARTMENT OF THE NAVY,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, D.C., November 14, 1973.

HON. F. EDWARD HÉBERT,
Chairman, Committee on Armed Services, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Your request for comment on H.R. 5787 a bill "To amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the armed forces," has been assigned to this Department

by the Secretary of Defense for the preparation of a report expressing the views of the Department of Defense.

The purpose of this bill is to provide the military departments the authority to use land transportation in combination with water transportation for movement of privately owned vehicles if the cost of such combined transportation would not exceed the cost of direct water transportation between customary ports of embarkation and debarkation and if the major portion of such combined transportation is on American-flag vessels. Section 2634 of title 10, United States Code, currently authorizes the shipment at government expense of privately owned vehicles of members of the armed services executing change of permanent station orders, but such shipment must be (1) on a vessel owned, leased, or chartered by the United States; (2) by privately owned American shipping services; or (3) by foreign-flag shipping services if American-flag services are not reasonably available.

As a matter of general policy, the military departments are required to evaluate all modes of transportation in order to select the most economical mode available. Although passage of H.R. 5787 would permit greater flexibility in logistical planning and might result in some cost-savings, the Department of the Navy, on behalf of the Department of Defense, recommends the enactment of the enclosed substitute draft bill.

The substitute draft bill would authorize shipment of privately owned vehicles by land transportation or by any combination of water and land transportation if the cost of such transportation is the same as or less than the cost of direct water transportation from the customary port of embarkation to the customary port of debarkation, if the use of such transportation is required to permit the utilization of American-flag shipping, or if there is no direct water transportation reasonably available from the customary port of embarkation to the customary port of debarkation. This expanded authority is desirable because of the advent of the containership system and its replacement of the traditional breakbulk ship. The development of the intermodal container and the containership specially designed to carry it has made feasible the substitution of land transportation for direct water transportation since both land and containership transportation systems are designed to carry the container efficiently and to enable transfer between them without risk to the safety of the cargo.

Because the containership system has brought an increased reliance on feeder systems, implemented either by water or land transportation, to collect and distribute cargo at major ports of call, the number of port calls by transoceanic ships has decreased. Although the military services have recognized the reduction in port calls by changing the location at which service members pick up and deliver privately owned vehicles, on occasion vehicles are delivered by their owners for shipment at a port to which service suddenly ends, either permanently or for an extended period of time, because of an unannounced change in schedule, a strike, port congestion, or a catastrophe. When vehicles are frustrated at a particular port on such an occasion, their owners must either leave their vehicles at that port until service is resumed or arrange for the shipment of their vehicles to a substitute port by

land transportation at their own expense. Either choice can result in considerable hardship to the members involved. Nevertheless, the government may not arrange for the shipment of such vehicles by land transportation at its expense because the Comptroller General of the United States has ruled—in his decision B-158097 of March 12, 1971 (50 Comp. Gen. 615)—that 10 U.S.C. 2634 does not authorize the movement of privately owned vehicles between ports by land transportation at government expense in such situations. The enclosed substitute draft bill would authorize such movement at government expense.

In those instances in which several ports are grouped closely in one geographic area, the ships of any one carrier usually call at only one or a few of those ports rather than at each one. As a result, adequate service is available only if the military services can use all of the ports in the area. An example of this situation is the location of the German ports of Hamburg, Bremen, and Bremerhaven within approximately 80 miles of each other. The ships of any particular U.S.-flag carrier serving Germany usually call at only one of those three ports. At the present time, members of the armed services deliver or pick up their vehicles only at Bremerhaven, where there are extensive processing facilities. Since the military services do not know in advance how many members will be delivering their vehicles for shipment at any particular time or which ship will be available to transport any particular vehicle, the services are unable to direct the member to take his vehicle to Bremen or Hamburg rather than to Bremerhaven. To obtain consistently cheap and adequate service, however, it is sometimes necessary to move a privately owned vehicle overland from the collection point in Bremerhaven to the ports of Bremen or Hamburg for shipment. Such movement is possible at present only because the carriers make no charge for this overland shipment in addition to their charge for the subsequent water transportation. Should a carrier calling only at Bremen or Hamburg decide to levy an additional charge for the overland shipment, the aforementioned Comptroller General's opinion would require the military services to stop moving vehicles from Bremerhaven to Bremen or Hamburg and instead to use on occasion a more expensive American-flag carrier calling at Bremerhaven or even a foreign-flag carrier calling at Bremerhaven if no American-flag carrier were reasonably available at Bremerhaven. Enactment of the enclosed substitute draft bill, therefore, would not only promote cost reduction but also would improve this country's international balance of payments by promoting the continued use of American-flag shipping.

The services of U.S. flag-carriers could be utilized in an additional situation if the enclosed substitute draft bill were enacted. For example, there is a U.S. flag service between Europe and California ports but there is no American-flag service from Europe to ports in Washington and Oregon. Since there is also no coastal service between California and Washington or Oregon and since the aforementioned Comptroller General's opinion precludes the overland shipment of privately owned vehicles at government expense between ports in California and Washington or Oregon, the military services must utilize

foreign-flag carriers between Europe and Washington or Oregon. The substitute draft bill would permit the shipment of privately owned vehicles on American flag-vessels from Europe to California and the overland shipment of those vehicles from California to Washington and Oregon.

The shipment of privately owned vehicles by a combination of land and water transportation as authorized by the substitute draft bill would have other cost-saving effects. In some cases it would be less expensive to ship vehicles from Europe to New Orleans by water transportation and then from New Orleans to the West Coast of the continental United States by land transportation rather than to ship those vehicles solely by water transportation from Europe to West Coast ports. In addition, it may be less expensive to ship vehicles from Alaska to the continental United States overland or by a combination land and water route rather than by an all-water route.

The substitute draft bill would also authorize the use of air transportation or land transportation or a combination of air, land, or water transportation if either the customary port of embarkation or the customary port of debarkation is not accessible by water. Such authorization is needed because during part of each year ships cannot pick up or deliver privately owned vehicles at ports which, like those in Labrador, are icebound.

Furthermore, the substitute draft bill would permit the shipment of privately owned vehicles by air or by a combination of air, land, or water transportation if such means of shipment is the least expensive method available. Authorization of movement by air transportation when such movement is less costly than movement by surface transportation is in accord with the Department of Defense directive requiring utilization of that means of transportation which meets Department of Defense requirements satisfactorily at the lowest over-all cost from origin to destination.

Finally, the substitute draft bill would authorize the reshipment or transshipment of a privately owned vehicle at government expense if such reshipment or transshipment is necessitated by a shipping error or because orders directing a change of permanent station are cancelled, revoked, or modified after their receipt by the member.

Members proceeding under change of station orders occasionally receive revisions in those orders directing the members to proceed to duty stations other than those originally specified. In some instances, members proceeding under orders between the United States and overseas areas have already shipped a privately owned vehicle or turned it in to a terminal for shipment when those members receive amended or cancelled orders. However, 10 U.S.C. 2634 does not explicitly authorize an additional movement of a vehicle at government expense incident to such a change in orders. Moreover, the Acting Comptroller General of the United States has ruled that present regulations may not be revised to permit this additional movement because "[h]ad Congress intended to authorize the reshipment or transshipment of a privately owned vehicle because of the cancellation or revocation of

orders, it appears that it would have done so in clear and unmistakable language." (Decision B-156892; March 4, 1966; 45 Comp. Gen. 544, 547)

Enactment of H.R. 5787 or of the substitute draft bill will result in no increase in the Department of Defense budgetary requirements.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report on H.R. 5787 for the consideration of the Committee.

For the Secretary of the Navy.

Sincerely yours,

E. K. SNYDER,

Rear Admiral, USN, Chief of Legislative Affairs.

Enclosure: Substitute draft bill.

A BILL To amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the armed forces

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2634 of title 10, United States Code, is amended by adding the following new subsections:

"(c) When the transportation of a motor vehicle is authorized by subsection (a), such motor vehicle may be shipped between two ports—

"(1) by land transportation or by any combination of water and land transportation if—

"(a) there is no water transportation reasonably available from the customary port of embarkation,

"(b) such transportation is required to utilize United States flag shipping, or

"(c) the cost of such transportation is the same as or less than the cost of direct water transportation from the customary port of embarkation to the customary port of debarkation;

"(2) by air or land transportation or by any combination of air, water, or land transportation if either the customary port of embarkation or the customary port of debarkation is not accessible by water;

"(3) by air transportation or by any combination of air, water, or land transportation if the cost of such transportation is less than the cost of direct water transportation or a combination of water and land transportation from the customary port of embarkation to the customary port of debarkation."

"(d) When there has been a shipping error, or when orders directing a change of permanent station have been cancelled, revoked, or modified after receipt by the member, a motor vehicle transported pursuant to this section may also be reshipped or transhipped in accordance with this section."

DEPARTMENT OF THE NAVY,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, D.C., July 18, 1974.

HON. F. EDWARD HÉBERT,
Chairman, Committee on Armed Services, House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Your request for comment on H.R. 15521, a bill "To amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness," has been assigned to this Department by the Secretary of Defense for the preparation of a report expressing the views of the Department of Defense.

The purpose of H.R. 15521 is to amend section 554 of title 37, United States Code, to authorize transportation for the dependents and household and personal effects of a member of a uniformed service on active duty who is officially reported as ill and whose illness is expected to require prolonged hospitalization or treatment. The household and personnel effects shipped pursuant to this authority could include, in addition to other authorized weight allowances, one privately owned motor vehicle. Section 554 presently provides the same entitlement for transportation of the dependents and household and personal effects of a member of a uniformed service on active duty who is reported as dead, injured, or absent for a period of more than 29 days in a missing status.

Although an illness may be as incapacitating as an injury, the Comptroller General, in his decision B-145471 [49 Comp. 101(1969)], has held that a member of a uniformed service who becomes ill or contracts a disease which does not result in his death while in an active duty status is not entitled to the benefits of 37 U.S.C. 554 because that section does not specifically refer to disease or illness.

The Department of the Navy, on behalf of the Department of Defense, supports enactment of H.R. 15521.

In accordance with section 554(c), it is anticipated that the entitlement in cases of "illness" would be administered in the same way as is the present entitlement in cases of "injury."

The limited time available for review of H.R. 15521 precludes the presentation of any precise cost data. However, readily available information indicates that enactment of the bill would result in no increase in the budgetary requirements of the Department of Defense.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this report on H.R. 15521 for the consideration of the Committee.

For the Secretary of the Navy.

Sincerely yours,

E. H. WILLETT,
Captain, U.S. Navy,
Deputy Chief.

COMMITTEE POSITION

The Committee on Armed Services on July 25, 1974, a quorum being present, unanimously endorsed enactment of the bill.

H. R. 1224

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, there is printed below in parallel columns the text of provisions of existing law which would be repealed or amended by the various provisions of the bill as reported.

EXISTING LAW

Section 2634 of title 10, United States Code

§ 2634. Motor vehicles; for members on change of permanent station

(a) When a member of an armed force is ordered to make a change of permanent station, one motor vehicle owned by him and for his personal use or the use of his dependents may, unless a motor vehicle owned by him was transported in advance of that change of permanent station under section 406(h) of title 37, be transported, at the expense of the United States, to his new station or such other place as the Secretary concerned may authorize—

(1) on a vessel owned, leased, or chartered by the United States;

(2) by privately owned American shipping services;

or

(3) by foreign-flag shipping services if shipping services described in clauses (1) and (2) are not reasonably available.

THE BILL AS REPORTED

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2634(a) of title 10, United States Code, is amended by—

(1) striking out the word "or" at the end of clause (2);

(2) striking out the period at the end of clause (3) and inserting in lieu thereof a semicolon and the word "or"; and

(3) adding at the end thereof a new clause as follows:

"(4) in the case of movement, the major portion of which is by shipping services described in clause (1) or (2), by other surface transportation between customary ports of embarkation and debarkation if such means of transport does not exceed the cost to the United States of other authorized means."

EXISTING LAW

THE BILL AS REPORTED

When the Secretary concerned, or his designee, determines that a replacement for that motor vehicle is necessary for reasons beyond the control of the member and is in the interest of the United States, and he approves the transportation in advance, one additional motor vehicle of the member may be so transported.

(b) In this section, "change of permanent station" means the transfer or assignment of a member of the armed forces from one permanent station to another. It includes the change from home or from the place from which ordered to active duty to first station upon appointment, call to active duty, enlistment, or induction, and from last duty station to home or to the place from which ordered to active duty upon separation from the service, placement upon the temporary disability retired list, release from active duty or retirement. It also includes an authorized change in home yard or home port of a vessel. Added Pub.L. 87-651, Title I, § 111(b), Sept. 7, 1962, 76 Stat. 510, amended Pub.L. 88-431, § 1(b), Aug. 14, 1964, 78 Stat. 439; Pub.L. 89-101, § 1(1), July 30, 1965, 79 Stat. 425.

SEC. 2. Section 2634 of title 10, United States Code, is further amended by adding at the end thereof the following new subsection:

"(c) When there has been a shipping error, or when orders directing a change of permanent station have been canceled, revoked, or modified after receipt by the member, a motor vehicle transported pursuant to this section may also be reshipped or transshipped in accordance with this section."

Section 554 of title 37, United States Code

§ 554. Travel and transportation; dependents; household and personal effects; trailers; additional movements; motor vehicles; sale of bulky items; claims for proceeds; appropriation chargeable

(a) In this section, "household and personal effects" and "household effects" may include, in addition to other authorized weight allowances, one privately owned motor vehicle which may be shipped at United States expense. Under regulations prescribed by the Secretaries concerned, and in place of the transportation of household and personal effects, a dependent, who would otherwise be entitled to transportation of household and personal effects under this section, may transport a house trailer or mobile dwelling within and between the areas specified in section 409 of this title for use as a residence by one of the following means—

(1) transport it and be reimbursed by the United States;

(2) deliver it to an agent of the United States for transportation by the United States or by commercial means; or

(3) have it transported by commercial means and be reimbursed by the United States.

If a trailer or dwelling is transported under clause (2) or (3) of this subsection, that transportation may include one privately owned motor vehicle which may be shipped at United States expense. Transportation, and incidental costs, authorized by this section shall be at United States expense without any cost limitation, and any payment authorized may be made in advance of the transportation concerned.

(b) Transportation (including packing, crating, drayage, temporary storage, and unpacking of household and personal effects) may be provided for the dependents and household and personal effects of a member of a uniformed service on active duty (without regard to pay grade) who is officially reported as dead, injured, or absent for a period of more than 29 days in a missing status—

(1) to the member's official residence of record;

(2) to the residence of his dependent, next of kin, or other person entitled to custody of the effects, under regulations prescribed by the Secretary concerned; or

(3) on request of the member (if injured), or his dependent, next of kin, or other person described in clause (2), to another location determined in advance or later approved by the Secretary concerned, or his designee.

When he considers it necessary, the Secretary concerned may, with respect to the household and personal effects of a member who is officially reported as absent for a period of more than 29 days in a missing status, authorize the nontemporary storage of those effects for a period of one year, or longer when justified. In addition, he may authorize additional movements of, and prescribe transportation, for, the dependents and household and personal effects, or the dependents and house trailer or mobile dwelling, of a member who is officially reported as absent for a period of more than one year in a missing status.

(c) When a member described in subsection (b) of this section is in an injured status, transportation of dependents and household and personal effects authorized by this section may be provided only when prolonged hospitalization or treatment is anticipated.

SEC. 3. (1) Subsection (b) of section 554, title 37, United States Code, is amended by—

(A) inserting "ill," before "or absent for a period of more than 29 days in a missing status"; and

(B) striking out "(if injured)" in paragraph (3) and inserting in lieu thereof "(if injured or ill)".

(2) Subsection (c) of section 554, title 37, United States Code, is amended by inserting "or ill" before "status,".

SEC. 4. The amendments made by section 3 of this Act shall apply with respect to members of the uniformed services incapacitated by illness on or after January 1, 1974.

SUMMARY

PURPOSE OF THE BILL

To provide the Department of Defense with authority to utilize surface transportation in the shipment of vehicles owned by military personnel executing a permanent change of station, as long as the cost of the transportation using a combination of sea and surface transportation does not exceed the cost of direct water transport, and if the major portion of this combination transportation is on American-flag vessels.

To provide the Department of Defense authority to reship or transship vehicles owned by military personnel when an error in shipping has occurred, or when orders involving the permanent change of station have been cancelled, revoked or modified after receipt by the serviceman.

To provide certain travel and transportation entitlements to those military personnel who are ill, when prolonged hospitalization or treatment is anticipated in conjunction with the illness, in the same manner that these entitlements are presently allowed to personnel dead, injured or absent for a period of more than 29 days in a missing status.

FISCAL DATA

The enactment of this legislation will result in no increase in the budgetary requirements of the Department of Defense.

DEPARTMENTAL POSITION

The Department of Defense supports this legislation and the Office of Management and Budget interposes no objection.

COMMITTEE POSITION

The Committee on Armed Services on July 25, 1974, a quorum being present, unanimously endorsed enactment of the bill.





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 amend section 2634 of title 10, United States Code, relating to the shipment at Government expense of motor vehicles owned by members of the armed forces, and to amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2634(a) of title 10, United States Code, is amended by—

- (1) striking out the word "or" at the end of clause (2);
- (2) striking out the period at the end of clause (3) and inserting in lieu thereof a semicolon and the word "or"; and
- (3) adding at the end thereof a new clause as follows:
"(4) in the case of movement, the major portion of which is by shipping services described in clause (1) or (2), by other surface transportation between customary ports of embarkation and debarkation if such means of transport does not exceed the cost to the United States of other authorized means."

SEC. 2. Section 2634 of title 10, United States Code, is further amended by adding at the end thereof the following new subsection:

"(c) When there has been a shipping error, or when orders directing a change of permanent station have been canceled, revoked, or modified after receipt by the member, a motor vehicle transported pursuant to this section may also be reshipped or transshipped in accordance with this section."

SEC. 3. (1) Subsection (b) of section 554, title 37, United States Code, is amended by—

- (A) inserting "ill," before "or absent for a period of more than 29 days in a missing status—"; and
- (B) striking out "(if injured)" in paragraph (3) and inserting in lieu thereof "(if injured or ill)".

(2) Subsection (c) of section 554, title 37, United States Code, is amended by inserting "or ill" before "status,".

SEC. 4. The amendments made by section 3 of this Act shall apply with respect to members of the uniformed services incapacitated by illness on or after January 1, 1974.

Speaker of the House of Representatives.

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

December 16, 1974

Dear Mr. Director:

The following bills were received at the White House on December 16th:

✓ S.J. Res. 263	✓ H.R. 14349
✓ H.R. 1355	✓ H.R. 15067
✓ H.R. 5056	✓ H.R. 15818
✓ H.R. 7072	✓ H.R. 16006
✓ H.R. 7077	✓ H.R. 16424
✓ H.R. 11013	

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.

