

JANUARY 1, 1975

Office of the White House Press Secretary
(Vail, Colorado)

NOTICE TO THE PRESS

The President has withheld his signature from S. 3341 -- The Travel Expenses Amendments Act of 1974, which would have raised the statutory per diem allowance and mileage rates for civilian Government employees and others traveling on official business; and contained a rider making these rates applicable also for authorized travel of certain disabled veterans in connection with their treatment.

Under present law, civilian employees of the Federal Government (and experts and consultants employed intermittently) are eligible for a per diem allowance of up to \$25 per day while traveling on official business, in lieu of reimbursement for actual expenses. Current law also prescribes limits on mileage rates paid for the use of privately owned vehicles while on official business. The maximum rate system in current law allows agency heads to reimburse travelers for reasonable expenses up to the maximum established by statute.

Present rates for per diem and mileage have been inadequate for some time. Consequently, many Federal employees who are required to travel in connection with their work have suffered considerable out-of-pocket expenses in recent years. The Administration proposed last June, and S. 3341 would have raised these amounts to reflect more closely the increased cost of travel.

Major Provisions of the Bill

Per diem allowances -- The bill would have:

- increased the per diem allowance for travel in the continental United States from the present rate of not to exceed \$25 to a maximum of \$35.
- increased the maximum reimbursement to employees who are authorized to travel on an actual expense basis within the continental U. S. from \$40 to \$50 per day due to unusual circumstances and authorized such reimbursement when the

travel is to designated "high rate geographical areas," essentially as proposed by the Administration. The "high rate" concept for travel to major cities would have been employed when Government workers travel to certain cities designated by GSA, where expenses for meals and lodging are considerably above those in other cities or the national average.

- increased from \$18 to \$21 per day the maximum actual expense reimbursement for foreign travel authorized to be paid, in addition to the per diem established for the particular area.
- authorized comparable increases in per diem for Senators and Senate committee staff, and, for the first time, authorized a Senator's personal staff to be reimbursed for official travel on the same basis as committee staff, with certain restrictions regarding travel within 120 days of any primary or general election.

Mileage rates -- S. 3341 would have established a minimum-maximum concept for mileage allowances paid Federal employees when they are authorized to use privately-owned vehicles on official business as more advantageous to the Government. The present rates and the minimums and maximums that would have been provided under S. 3341 are shown in the following table.

	<u>Present rates</u>	<u>Range allowable under S. 3341</u>
Automobile	12¢ per mile	15-20¢ per mile
Motorcycle	8¢ per mile	8-11¢ per mile
Airplane	12¢ per mile	18-24¢ per mile

VA Provision -- S. 3341 contains a provision added by the Senate which -- effective July 1, 1975 would have made the per diem and mileage rates for Government employees also applicable to reimbursements by VA for authorized travel of veterans with service-connected disabilities in connection with their treatment, counseling, vocational rehabilitation, or other care. Under current law, these VA mileage and per diem payments may be fixed administratively, and have been set at lower rates than those applicable to civilian Government employees.

Cost: GSA estimates that added outlays for the per diem and mileage provisions of the enrolled bill would have reached roughly \$35 million annually. In addition, VA estimates that the feature of S. 3341 relating to veterans would have added costs of approximately \$25 million annually.

Section 10 of the bill would have required that any increases incurred in fiscal year 1975 be absorbed by the departments and agencies, and specifically prohibited any additional appropriations for the current fiscal year to pay for such increases. This bill, together with the 90 percent limitation on travel expenses for the remainder of fiscal 1975 (Section 205 of H.R. 16900, the Supplemental Appropriations Act), would have severely restricted travel of Government personnel for the remainder of this fiscal year.

The Administration will ask the 94th Congress for a new bill to raise the statutory per diem allowance and mileage rates for civilian Government employees and others traveling on official business.