

105TH CONGRESS
1ST SESSION

H. R. 930

IN THE SENATE OF THE UNITED STATES

APRIL 17, 1997

Received; read twice and referred to the Committee on Governmental Affairs

AN ACT

To require Federal employees to use Federal travel charge cards for all payments of expenses of official Government travel, to amend title 31, United States Code, to establish requirements for prepayment audits of Federal agency transportation expenses, to authorize reimbursement of Federal agency employees for taxes incurred on travel or transportation reimbursements, and to authorize test

programs for the payment of Federal employee travel expenses and relocation expenses.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Travel and Transpor-
5 tation Reform Act of 1997”.

6 **SEC. 2. REQUIRING USE OF THE TRAVEL CHARGE CARD.**

7 (a) IN GENERAL.—Under regulations issued by the
8 Administrator of General Services after consultation with
9 the Secretary of the Treasury, the Administrator shall re-
10 quire that Federal employees use the travel charge card
11 established pursuant to the United States Travel and
12 Transportation Payment and Expense Control System, or
13 any Federal contractor-issued travel charge card, for all
14 payments of expenses of official Government travel. The
15 Administrator shall exempt any payment, person, type or
16 class of payments, or type or class of personnel from any
17 requirement established under the preceding sentence in
18 any case in which—

19 (1) it is in the best interest of the United
20 States to do so;

21 (2) payment through a travel charge card is im-
22 practical or imposes unreasonable burdens or costs
23 on Federal employees or Federal agencies; or

1 (3) the Secretary of Defense or the Secretary of
2 Transportation (with respect to the Coast Guard)
3 requests an exemption with respect to the members
4 of the uniformed services.

5 (b) LIMITATION ON RESTRICTION ON DISCLO-
6 SURE.—

7 (1) IN GENERAL.—Section 1113 of the Right to
8 Financial Privacy Act of 1978 (12 U.S.C. 3413) is
9 amended by adding at the end the following new
10 subsection:

11 “(q) Nothing in this title shall apply to the disclosure
12 of any financial record or information to a Government
13 authority in conjunction with a Federal contractor-issued
14 travel charge card issued for official Government travel.”.

15 (2) EFFECTIVE DATE.—The amendment made
16 by paragraph (1) is effective as of October 1, 1983,
17 and applies to any records created pursuant to the
18 United States Travel and Transportation Payment
19 and Expense Control System or any Federal con-
20 tractor-issued travel charge card issued for official
21 Government travel.

22 (c) COLLECTION OF AMOUNTS OWED.—

23 (1) IN GENERAL.—Under regulations issued by
24 the Administrator of General Services and upon
25 written request of a Federal contractor, the head of

1 any Federal agency or a disbursing official of the
2 United States may, on behalf of the contractor, col-
3 lect by deduction from the amount of pay owed to
4 an employee of the agency any amount of funds the
5 employee owes to the contractor as a result of delin-
6 quencies not disputed by the employee on a travel
7 charge card issued for payment of expenses incurred
8 in connection with official Government travel. The
9 amount deducted from the pay owed to an employee
10 with respect to a pay period may not exceed 15 per-
11 cent of the disposable pay of the employee for that
12 pay period, except that a greater percentage may be
13 deducted upon the written consent of the employee.

14 (2) DUE PROCESS PROTECTIONS.—Collection
15 under this subsection shall be carried out in accord-
16 ance with procedures substantially equivalent to the
17 procedures required under section 3716(a) of title
18 31, United States Code.

19 (3) DEFINITIONS.—For the purpose of this
20 subsection:

21 (A) AGENCY.—The term “agency” has the
22 meaning that term has under section 101 of
23 title 31, United States Code.

24 (B) EMPLOYEE.—The term “employee”
25 means an individual employed in or under an

1 agency, including a member of any of the uni-
2 formed services. For purposes of this sub-
3 section, a member of one of the uniformed serv-
4 ices is an employee of that uniformed service.

5 (C) MEMBER; UNIFORMED SERVICE.—

6 Each of the terms “member” and “uniformed
7 service” has the meaning that term has in sec-
8 tion 101 of title 37, United States Code.

9 (d) REGULATIONS.—Within 270 days after the date
10 of enactment of this Act, the Administrator of General
11 Services shall promulgate regulations implementing this
12 section, that—

13 (1) make the use of the travel charge card es-
14 tablished pursuant to the United States Travel and
15 Transportation System and Expense Control Sys-
16 tem, or any Federal contractor-issued travel charge
17 card, mandatory for all payments of expenses of offi-
18 cial Government travel pursuant to this section;

19 (2) specify the procedures for effecting under
20 subsection (c) a deduction from pay owed to an em-
21 ployee, and ensure that the due process protections
22 provided to employees under such procedures are no
23 less than the protections provided to employees pur-
24 suant to section 3716 of title 31, United States
25 Code;

1 (3) provide that any deduction under subsection
2 (c) from pay owed to an employee may occur only
3 after reimbursement of the employee for the ex-
4 penses of Government travel with respect to which
5 the deduction is made; and

6 (4) require agencies to promptly reimburse em-
7 ployees for expenses charged on a travel charge card
8 pursuant to this section, and by no later than 30
9 days after the submission of a claim for reimburse-
10 ment.

11 (e) REPORTS.—

12 (1) IN GENERAL.—The Administrator of Gen-
13 eral Services shall submit 2 reports to the Congress
14 on agency compliance with this section and regula-
15 tions that have been issued under this section.

16 (2) TIMING.—The first report under this sub-
17 section shall be submitted before the end of the 180-
18 day period beginning on the date of enactment of
19 this Act, and the second report shall be submitted
20 after that period and before the end of the 540-day
21 period beginning on that date of enactment.

22 (3) PREPARATION.—Each report shall be based
23 on a sampling survey of agencies that expended
24 more than \$5,000,000 during the previous fiscal
25 year on travel and transportation payments, includ-

1 ing payments for employee relocation. The head of
2 an agency shall provide to the Administrator the
3 necessary information in a format prescribed by the
4 Administrator and approved by the Director of the
5 Office of Management and Budget.

6 **SEC. 3. PREPAYMENT AUDITS OF TRANSPORTATION EX-**
7 **PENSES.**

8 (a) IN GENERAL.—(1) Section 3322 of title 31, Unit-
9 ed States Code, is amended in subsection (c) by inserting
10 after “classifications” the following: “if the Administrator
11 of General Services has determined that verification by a
12 prepayment audit conducted pursuant to section 3726(a)
13 of this title for a particular mode or modes of transpor-
14 tation, or for an agency or subagency, will not adequately
15 protect the interests of the Government”.

16 (2) Section 3528 of title 31, United States Code, is
17 amended—

18 (A) in subsection (a) by striking “and” after
19 the semicolon at the end of paragraph (3), by strik-
20 ing the period at the end of subsection (a)(4)(C) and
21 inserting “; and”, and by adding at the end the fol-
22 lowing new paragraph:

23 “(5) verifying transportation rates, freight clas-
24 sifications, and other information provided on a Gov-
25 ernment bill of lading or transportation request, un-

1 less the Administrator of General Services has deter-
2 mined that verification by a prepayment audit con-
3 ducted pursuant to section 3726(a) of this title for
4 a particular mode or modes of transportation, or for
5 an agency or subagency, will not adequately protect
6 the interests of the Government.”;

7 (B) in subsection (c)(1), by inserting after “de-
8 ductions” the following: “and the Administrator of
9 General Services has determined that verification by
10 a prepayment audit conducted pursuant to section
11 3726(a) of this title for a particular mode or modes
12 of transportation, or for an agency or subagency,
13 will not adequately protect the interests of the Gov-
14 ernment”; and

15 (C) in subsection (c)(2), by inserting after
16 “agreement” the following: “and the Administrator
17 of General Services has determined that verification
18 by a prepayment audit conducted pursuant to sec-
19 tion 3726(a) of this title for a particular mode or
20 modes of transportation, or for an agency or sub-
21 agency, will not adequately protect the interests of
22 the Government”.

23 (3) Section 3726 of title 31, United States Code, is
24 amended—

1 (A) by amending subsection (a) to read as fol-
2 lows:

3 “(a)(1) Each agency that receives a bill from a car-
4 rier or freight forwarder for transporting an individual or
5 property for the United States Government shall verify its
6 correctness (to include transportation rates, freight classi-
7 fications, or proper combinations thereof), using prepay-
8 ment audit, prior to payment in accordance with the re-
9 quirements of this section and regulations prescribed by
10 the Administrator of General Services.

11 “(2) The Administrator of General Services may ex-
12 empt bills, a particular mode or modes of transportation,
13 or an agency or subagency from a prepayment audit and
14 verification and in lieu thereof require a postpayment
15 audit, based on cost effectiveness, public interest, or other
16 factors the Administrator considers appropriate.

17 “(3) Expenses for prepayment audits shall be funded
18 by the agency’s appropriations used for the transportation
19 services.

20 “(4) The audit authority provided to agencies by this
21 section is subject to oversight by the Administrator.”;

22 (B) by redesignating subsections (b), (c), (d),
23 (e), (f), and (g) in order as subsections (d), (e), (f),
24 (g), (h), and (i), respectively;

1 (C) by inserting after subsection (a) the follow-
2 ing new subsections:

3 “(b) The Administrator may conduct pre- or
4 postpayment audits of transportation bills of any Federal
5 agency. The number and types of bills audited shall be
6 based on the Administrator’s judgment.

7 “(c)(1) The Administrator shall adjudicate transpor-
8 tation claims which cannot be resolved by the agency pro-
9 curing the transportation services, or the carrier or
10 freight-forwarder presenting the bill.

11 “(2) A claim under this section shall be allowed only
12 if it is received by the Administrator not later than 3 years
13 (excluding time of war) after the later of the following
14 dates:

15 “(A) The date of accrual of the claim.

16 “(B) The date payment for the transportation
17 is made.

18 “(C) The date a refund for an overpayment for
19 the transportation is made.

20 “(D) The date a deduction under subsection (d)
21 of this section is made.”;

22 (D) in subsection (f), as so redesignated, by
23 striking “subsection (e)” and inserting “subsection
24 (e)”, and by adding at the end the following new

1 sentence: “This reporting requirement expires De-
2 cember 31, 1998.”;

3 (E) in subsection (i)(1), as so redesignated, by
4 striking “subsection (a)” and inserting “subsection
5 (c)”;

6 (F) by adding after subsection (i), as so redesi-
7 gnated, the following new subsection:

8 “(j) The Administrator of General Services may pro-
9 vide transportation audit and related technical assistance
10 services, on a reimbursable basis, to any other agency.
11 Such reimbursements may be credited to the appropriate
12 revolving fund or appropriation from which the expenses
13 were incurred.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall become effective 18 months after the
16 date of enactment of this Act.

17 **SEC. 4. REIMBURSEMENT FOR TAXES ON MONEY RECEIVED**
18 **FOR TRAVEL EXPENSES.**

19 (a) IN GENERAL.—Title 5, United States Code, is
20 amended by inserting after section 5706b the following
21 new section:

22 **“§ 5706c. Reimbursement for taxes incurred on**
23 **money received for travel expenses**

24 “(a) Under regulations prescribed pursuant to section
25 5707 of this title, the head of an agency or department,

1 or his or her designee, may use appropriations or other
2 funds available to the agency for administrative expenses,
3 for the reimbursement of Federal, State, and local income
4 taxes incurred by an employee of the agency or by an em-
5 ployee and such employee's spouse (if filing jointly), for
6 any travel or transportation reimbursement made to an
7 employee for which reimbursement or an allowance is pro-
8 vided.

9 “(b) Reimbursements under this section shall include
10 an amount equal to all income taxes for which the em-
11 ployee and spouse, as the case may be, would be liable
12 due to the reimbursement for the taxes referred to in sub-
13 section (a). In addition, reimbursements under this section
14 shall include penalties and interest, for the tax years 1993
15 and 1994 only, as a result of agencies failing to withhold
16 the appropriate amounts for tax liabilities of employees
17 affected by the change in the deductibility of travel ex-
18 penses made by Public Law 102-486.”.

19 (b) CLERICAL AMENDMENT.—The table of sections
20 at the beginning of chapter 57 of title 5, United States
21 Code, is amended by inserting after the item relating to
22 section 5706b the following new item:

“5706c. Reimbursement for taxes incurred on money received for travel ex-
penses.”.

23 (c) EFFECTIVE DATE.—This section shall be effective
24 as of January 1, 1993.

1 **SEC. 5. AUTHORITY FOR TEST PROGRAMS.**

2 (a) TRAVEL EXPENSES TEST PROGRAMS.—Sub-
3 chapter I of chapter 57 of title 5, United States Code,
4 is amended by adding at the end the following new section:

5 **“§ 5710. Authority for travel expenses test programs**

6 “(a)(1) Notwithstanding any other provision of this
7 subchapter, under a test program which the Administrator
8 of General Services determines to be in the interest of the
9 Government and approves, an agency may pay through the
10 proper disbursing official for a period not to exceed 24
11 months any necessary travel expenses in lieu of any pay-
12 ment otherwise authorized or required under this sub-
13 chapter. An agency shall include in any request to the Ad-
14 ministrator for approval of such a test program an analy-
15 sis of the expected costs and benefits and a set of criteria
16 for evaluating the effectiveness of the program.

17 “(2) Any test program conducted under this section
18 shall be designed to enhance cost savings or other effi-
19 ciencies that accrue to the Government.

20 “(3) Nothing in this section is intended to limit the
21 authority of any agency to conduct test programs.

22 “(b) The Administrator shall transmit a copy of any
23 test program approved by the Administrator under this
24 section to the appropriate committees of the Congress at
25 least 30 days before the effective date of the program.

1 “(c) An agency authorized to conduct a test program
2 under subsection (a) shall provide to the Administrator
3 and the appropriate committees of the Congress a report
4 on the results of the program no later than 3 months after
5 completion of the program.

6 “(d) No more than 10 test programs under this sec-
7 tion may be conducted simultaneously.

8 “(e) The authority to conduct test programs under
9 this section shall expire 7 years after the date of enact-
10 ment of the Travel and Transportation Reform Act of
11 1997.”

12 (b) RELOCATION EXPENSES TEST PROGRAMS.—Sub-
13 chapter II of chapter 57 of title 5, United States Code,
14 is further amended by adding at the end the following new
15 section:

16 **“§ 5739. Authority for relocation expenses test pro-**
17 **grams**

18 “(a)(1) Notwithstanding any other provision of this
19 subchapter, under a test program which the Administrator
20 of General Services determines to be in the interest of the
21 Government and approves, an agency may pay through the
22 proper disbursing official for a period not to exceed 24
23 months any necessary relocation expenses in lieu of any
24 payment otherwise authorized or required under this sub-
25 chapter. An agency shall include in any request to the Ad-

1 administrator for approval of such a test program an analy-
2 sis of the expected costs and benefits and a set of criteria
3 for evaluating the effectiveness of the program.

4 “(2) Any test program conducted under this section
5 shall be designed to enhance cost savings or other effi-
6 ciencies that accrue to the Government.

7 “(3) Nothing in this section is intended to limit the
8 authority of any agency to conduct test programs.

9 “(b) The Administrator shall transmit a copy of any
10 test program approved by the Administrator under this
11 section to the appropriate committees of the Congress at
12 least 30 days before the effective date of the program.

13 “(c) An agency authorized to conduct a test program
14 under subsection (a) shall provide to the Administrator
15 and the appropriate committees of the Congress a report
16 on the results of the program no later than 3 months after
17 completion of the program.

18 “(d) No more than 10 test programs under this sec-
19 tion may be conducted simultaneously.

20 “(e) The authority to conduct test programs under
21 this section shall expire 7 years after the date of enact-
22 ment of the Travel and Transportation Reform Act of
23 1997.”.

1 (c) CLERICAL AMENDMENTS.—The table of sections
2 for chapter 57 of title 5, United States Code, is further
3 amended by—

4 (1) inserting after the item relating to section
5 5709 the following new item:

“5710. Authority for travel expenses test programs.”;

6 and

7 (2) inserting after the item relating to section
8 5738 the following new item:

“5739. Authority for relocation expenses test programs.”.

9 **SEC. 6. DEFINITION OF UNITED STATES.**

10 Chapter 57 of title 5, United States Code, is amend-
11 ed—

12 (1) in section 5721—

13 (A) in paragraph (4), by striking “and”
14 following the semicolon at the end;

15 (B) in paragraph (5), by striking the pe-
16 riod at the end and inserting a semicolon; and

17 (C) by adding at the end the following new
18 paragraphs:

19 “(6) ‘United States’ means the several States,
20 the District of Columbia, the Commonwealth of
21 Puerto Rico, the Commonwealth of the Northern
22 Mariana Islands, the territories and possessions of
23 the United States, and the areas and installations in
24 the Republic of Panama that are made available to

1 the United States pursuant to the Panama Canal
2 Treaty of 1977 and related agreements (as described
3 in section 3(a) of the Panama Canal Act of 1979);
4 and

5 “(7) ‘Foreign Service of the United States’
6 means the Foreign Service as constituted under the
7 Foreign Service Act of 1980.”;

8 (2) in section 5722—

9 (A) in subsection (a)(2), by striking “out-
10 side the United States” and inserting “outside
11 the continental United States”; and

12 (B) in subsection (b), by striking “United
13 States” each place it appears and inserting
14 “Government”;

15 (3) in section 5723(b), by striking “United
16 States” each place it appears and inserting “Govern-
17 ment”;

18 (4) in section 5724—

19 (A) in subsection (a)(3), by striking “, its
20 territories or possessions” and all that follows
21 through “1979”; and

22 (B) in subsection (i), by striking “United
23 States” each place it appears in the last sen-
24 tence and inserting “Government”;

25 (5) in section 5724a, by striking subsection (j);

1 (6) in section 5725(a), by striking “United
2 States” and inserting “Government”;

3 (7) in section 5727(d), by striking “United
4 States” and inserting “continental United States”;

5 (8) in section 5728(b), by striking “an em-
6 ployee of the United States” and inserting “an em-
7 ployee of the Government”;

8 (9) in section 5729, by striking “or its terri-
9 tories or possessions” each place it appears;

10 (10) in section 5731(b), by striking “United
11 States” and inserting “Government”; and

12 (11) in section 5732, by striking “United
13 States” and inserting “Government”.

14 **SEC. 7. TECHNICAL CORRECTIONS TO THE FEDERAL EM-**
15 **PLOYEE TRAVEL REFORM ACT OF 1996.**

16 Section 5724a of title 5, United States Code, is
17 amended—

18 (1) in subsections (a) and (d)(1) and (2), by
19 striking “An agency shall pay” each place it appears
20 and inserting “Under regulations prescribed under
21 section 5738, an agency shall pay”;

22 (2) in subsections (b)(1), (c)(1), (d)(8), and (e),
23 by striking “An agency may pay” each place it ap-
24 pears and inserting “Under regulations prescribed
25 under section 5738, an agency may pay”;

1 (3) by amending subsection (b)(1)(B)(ii) to
2 read as follows:

3 “(ii) an amount for subsistence expenses,
4 that may not exceed a maximum amount deter-
5 mined by the Administrator of General Serv-
6 ices.”;

7 (4) in subsection (c)(1)(B), by striking “an
8 amount for subsistence expenses” and inserting “an
9 amount for subsistence expenses, that may not ex-
10 ceed a maximum amount determined by the Admin-
11 istrator of General Services,”;

12 (5) in subsection (d)(2)(A), by striking “for the
13 sale” and inserting “of the sale”;

14 (6) in subsection (d)(2)(B), by striking “for the
15 purchase” and inserting “of the purchase”;

16 (7) in subsection (d)(8), by striking “paragraph
17 (2) or (3)” and inserting “paragraph (1) or (2)”;

18 (8) in subsection (f)(1), by striking “Subject to
19 paragraph (2),” and inserting “Under regulations
20 prescribed under section 5738 and subject to para-
21 graph (2),”; and

22 (9) by striking subsection (i).

Passed the House of Representatives April 16, 1997.

Attest: ROBIN H. CARLE, *Clerk*.