

Calendar No. 533

105TH CONGRESS
2^D SESSION**H. R. 930****[Report No. 105–295]**

IN THE SENATE OF THE UNITED STATES

APRIL 17, 1997

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

AUGUST 25, 1998

Reported under authority of the order of the Senate of July 31, 1998, by Mr.
THOMPSON, with amendments[Omit the part struck through and insert the part printed in *italic*]**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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Travel and Transpor-
3 tation Reform Act of ~~1997~~ 1998”.

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

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

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

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

22 (3) the Secretary of Defense or the Secretary of
23 Transportation (with respect to the Coast Guard)
24 requests an exemption with respect to the members
25 of the uniformed services.

1 (b) *AGENCY EXEMPTION.*—*The head of a Federal agen-*
 2 *cy or the designee of such head may exempt any payment,*
 3 *person, type or class of payments, or type or class of agency*
 4 *personnel from subsection (a) if the agency head or the des-*
 5 *ignee determines the exemption to be necessary in the inter-*
 6 *est of the agency. Not later than 30 days after granting*
 7 *such an exemption, the head of such agency or the designee*
 8 *shall notify the Administrator of General Services in writ-*
 9 *ing of such exemption stating the reasons for the exemption.*

10 ~~(b)~~ (c) *LIMITATION ON RESTRICTION ON DISCLO-*
 11 *SURE.*—

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

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

20 (2) *EFFECTIVE DATE.*—The amendment made
 21 by paragraph (1) is effective as of October 1, 1983,
 22 and applies to any records created pursuant to the
 23 United States Travel and Transportation Payment
 24 and Expense Control System or any Federal con-

1 tractor-issued travel charge card issued for official
2 Government travel.

3 ~~(e)~~ (d) COLLECTION OF AMOUNTS OWED.—

4 (1) IN GENERAL.—Under regulations issued by
5 the Administrator of General Services and upon
6 written request of a Federal contractor, the head of
7 any Federal agency or a disbursing official of the
8 United States may, on behalf of the contractor, col-
9 lect by deduction from the amount of pay owed to
10 an employee of the agency any amount of funds the
11 employee owes to the contractor as a result of delin-
12 quencies not disputed by the employee on a travel
13 charge card issued for payment of expenses incurred
14 in connection with official Government travel. The
15 amount deducted from the pay owed to an employee
16 with respect to a pay period may not exceed 15 per-
17 cent of the disposable pay of the employee for that
18 pay period, except that a greater percentage may be
19 deducted upon the written consent of the employee.

20 (2) DUE PROCESS PROTECTIONS.—Collection
21 under this subsection shall be carried out in accord-
22 ance with procedures substantially equivalent to the
23 procedures required under section 3716(a) of title
24 31, United States Code.

1 (3) DEFINITIONS.—For the purpose of this
2 subsection:

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

6 (B) EMPLOYEE.—The term “employee”
7 means an individual employed in or under an
8 agency, including a member of any of the uni-
9 formed services. For purposes of this sub-
10 section, a member of one of the uniformed serv-
11 ices is an employee of that uniformed service.

12 (C) MEMBER; UNIFORMED SERVICE.—
13 Each of the terms “member” and “uniformed
14 service” has the meaning that term has in sec-
15 tion 101 of title 37, United States Code.

16 ~~(d)~~ (e) REGULATIONS.—Within 270 days after the
17 date of enactment of this Act, the Administrator of Gen-
18 eral Services shall promulgate regulations implementing
19 this section, that—

20 (1) make the use of the travel charge card es-
21 tablished pursuant to the United States Travel and
22 Transportation System and Expense Control Sys-
23 tem, or any Federal contractor-issued travel charge
24 card, mandatory for all payments of expenses of offi-
25 cial Government travel pursuant to this section;

1 (2) specify the procedures for effecting under
 2 subsection ~~(e)~~ (d) a deduction from pay owed to an
 3 employee, and ensure that the due process protec-
 4 tions provided to employees under such procedures
 5 are no less than the protections provided to employ-
 6 ees pursuant to section 3716 of title 31, United
 7 States Code;

8 (3) provide that any deduction under subsection
 9 ~~(e)~~ (d) from pay owed to an employee may occur
 10 only after reimbursement of the employee for the ex-
 11 penses of Government travel with respect to which
 12 the deduction is made; and

13 (4) require agencies to promptly reimburse em-
 14 ployees for expenses charged on a travel charge card
 15 pursuant to this section, and by no later than 30
 16 days after the submission of a claim for reimburse-
 17 ment.

18 ~~(e)~~ (f) REPORTS.—

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

23 (2) TIMING.—The first report under this sub-
 24 section shall be submitted before the end of the 180-
 25 day period beginning on the date of enactment of

1 this Act, and the second report shall be submitted
2 after that period and before the end of the 540-day
3 period beginning on that date of enactment.

4 (3) PREPARATION.—Each report shall be based
5 on a sampling survey of agencies that expended
6 more than \$5,000,000 during the previous fiscal
7 year on travel and transportation payments, includ-
8 ing payments for employee relocation. The head of
9 an agency shall provide to the Administrator the
10 necessary information in a format prescribed by the
11 Administrator and approved by the Director of the
12 Office of Management and Budget.

13 (g) *REIMBURSEMENT OF TRAVEL EXPENSES.*—*In ac-*
14 *cordance with regulations prescribed by the Administrator*
15 *of General Services, the head of an agency shall ensure that*
16 *the agency reimburses an employee who submits a proper*
17 *voucher for allowable travel expenses in accordance with ap-*
18 *plicable travel regulations within 30 days after submission*
19 *of the voucher. If an agency fails to reimburse an employee*
20 *who has submitted a proper voucher within 30 days after*
21 *submission of the voucher, the agency shall pay the em-*
22 *ployee a late payment fee as prescribed by the Adminis-*
23 *trator.*

1 **SEC. 3. PREPAYMENT AUDITS OF TRANSPORTATION EX-**
 2 **PENSES.**

3 (a) IN GENERAL.—(1) Section 3322 of title 31,
 4 United States Code, is amended in subsection (c) by in-
 5 serting after “classifications” the following: “if the Ad-
 6 ministrator of General Services has determined that ver-
 7 ification by a prepayment audit conducted pursuant to
 8 section 3726(a) of this title for a particular mode or modes
 9 of transportation, or for an agency or subagency, will not
 10 adequately protect the interests of the Government”.

11 (2) Section 3528 of title 31, United States Code, is
 12 amended—

13 (A) in subsection (a) by striking “and” after
 14 the semicolon at the end of paragraph (3), by strik-
 15 ing the period at the end of subsection (a)(4)(C) and
 16 inserting “; and”, and by adding at the end the fol-
 17 lowing new paragraph:

18 “(5) verifying transportation rates, freight clas-
 19 sifications, and other information provided on a Gov-
 20 ernment bill of lading or transportation request, un-
 21 less the Administrator of General Services has deter-
 22 mined that verification by a prepayment audit con-
 23 ducted pursuant to section 3726(a) of this title for
 24 a particular mode or modes of transportation, or for
 25 an agency or subagency, will not adequately protect
 26 the interests of the Government.”;

1 (B) in subsection (c)(1), by inserting after “de-
2 ductions” the following: “and the Administrator of
3 General Services has determined that verification by
4 a prepayment audit conducted pursuant to section
5 3726(a) of this title for a particular mode or modes
6 of transportation, or for an agency or subagency,
7 will not adequately protect the interests of the Gov-
8 ernment”; and

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

17 (3) Section 3726 of title 31, United States Code, is
18 amended—

19 (A) by amending subsection (a) to read as fol-
20 lows:

21 “(a)(1) Each agency that receives a bill from a car-
22 rier or freight forwarder for transporting an individual or
23 property for the United States Government shall verify its
24 correctness (to include transportation rates, freight classi-
25 fications, or proper combinations thereof), using prepay-

1 ment audit, prior to payment in accordance with the re-
2 quirements of this section and regulations prescribed by
3 the Administrator of General Services.

4 “(2) The Administrator of General Services may ex-
5 empt bills, a particular mode or modes of transportation,
6 or an agency or subagency from a prepayment audit and
7 verification and in lieu thereof require a postpayment
8 audit, based on cost effectiveness, public interest, or other
9 factors the Administrator considers appropriate.

10 “(3) Expenses for prepayment audits shall be funded
11 by the agency’s appropriations used for the transportation
12 services.

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

15 (B) by redesignating subsections (b), (c), (d),
16 (e), (f), and (g) in order as subsections (d), (e), (f),
17 (g), (h), and (i), respectively;

18 (C) by inserting after subsection (a) the follow-
19 ing new subsections:

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

24 “(c)(1) The Administrator shall adjudicate transpor-
25 tation claims which cannot be resolved by the agency pro-

1 curing the transportation services, or the carrier or
2 freight-forwarder presenting the bill.

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

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

8 “(B) The date payment for the transportation
9 is made.

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

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

14 (D) in subsection (f), as so redesignated, by
15 striking “subsection (c)” and inserting “subsection
16 (e)”, and by adding at the end the following new
17 sentence: “This reporting requirement expires De-
18 cember 31, 1998.”;

19 (E) in subsection (i)(1), as so redesignated, by
20 striking “subsection (a)” and inserting “subsection
21 (c)”;

22 (F) by adding after subsection (i), as so red-
23 igned, the following new subsection:

24 “(j) The Administrator of General Services may pro-
25 vide transportation audit and related technical assistance

1 services, on a reimbursable basis, to any other agency.
2 Such reimbursements may be credited to the appropriate
3 revolving fund or appropriation from which the expenses
4 were incurred.”.

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

8 **SEC. 4. REIMBURSEMENT FOR TAXES ON MONEY RECEIVED**
9 **FOR TRAVEL EXPENSES.**

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

13 **“§ 5706c. Reimbursement for taxes incurred on**
14 **money received for travel expenses**

15 “(a) Under regulations prescribed pursuant to section
16 5707 of this title, the head of an agency or department,
17 or his or her designee, may use appropriations or other
18 funds available to the agency for administrative expenses,
19 for the reimbursement of Federal, State, and local income
20 taxes incurred by an employee of the agency or by an em-
21 ployee and such employee’s spouse (if filing jointly), for
22 any travel or transportation reimbursement made to an
23 employee for which reimbursement or an allowance is pro-
24 vided.

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

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

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

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

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

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

21 **“§ 5710. Authority for travel expenses test programs**

22 “(a)(1) Notwithstanding any other provision of this
 23 subchapter, under a test program which the Administrator
 24 of General Services determines to be in the interest of the

1 Government and approves, an agency may pay through the
2 proper disbursing official for a period not to exceed 24
3 months any necessary travel expenses in lieu of any pay-
4 ment otherwise authorized or required under this sub-
5 chapter. An agency shall include in any request to the Ad-
6 ministrator for approval of such a test program an analy-
7 sis of the expected costs and benefits and a set of criteria
8 for evaluating the effectiveness of the program.

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

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

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

18 “(c) An agency authorized to conduct a test program
19 under subsection (a) shall provide to the Administrator
20 and the appropriate committees of the Congress a report
21 on the results of the program no later than 3 months after
22 completion of the program.

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

1 “(e) The authority to conduct test programs under
2 this section shall expire 7 years after the date of enact-
3 ment of the Travel and Transportation Reform Act of
4 ~~1997~~ 1998.”.

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

9 **“§ 5739. Authority for relocation expenses test pro-**
10 **grams**

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

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

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

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

7 “(c) An agency authorized to conduct a test program
8 under subsection (a) shall provide to the Administrator
9 and the appropriate committees of the Congress a report
10 on the results of the program no later than 3 months after
11 completion of the program.

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

14 “(e) The authority to conduct test programs under
15 this section shall expire 7 years after the date of enact-
16 ment of the Travel and Transportation Reform Act of
17 ~~1997~~ 1998.”.

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

21 (1) inserting after the item relating to section
22 5709 the following new item:

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

23 and

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

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

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

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

6 (1) in section 5721—

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

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

11 (C) by adding at the end the following new
12 paragraphs:

13 “(6) ‘United States’ means the several States,
14 the District of Columbia, the Commonwealth of
15 Puerto Rico, the Commonwealth of the Northern
16 Mariana Islands, the territories and possessions of
17 the United States, and the areas and installations in
18 the Republic of Panama that are made available to
19 the United States pursuant to the Panama Canal
20 Treaty of 1977 and related agreements (as described
21 in section 3(a) of the Panama Canal Act of 1979);
22 and

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

1 (2) in section 5722—

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

5 (B) in subsection (b), by striking “United
6 States” each place it appears and inserting
7 “Government”;

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

11 (4) in section 5724—

12 (A) in subsection (a)(3), by striking “, its
13 territories or possessions” and all that follows
14 through “1979”; and

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

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

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

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

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

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

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

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

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

9 Section 5724a of title 5, United States Code, is
10 amended—

11 (1) in subsections (a) and (d)(1) and (2), by
12 striking “An agency shall pay” each place it appears
13 and inserting “Under regulations prescribed under
14 section 5738, an agency shall pay”;

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

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

21 “(ii) an amount for subsistence expenses,
22 that may not exceed a maximum amount deter-
23 mined by the Administrator of General Serv-
24 ices.”;

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

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

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

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

12 (8) in subsection (f)(1), by striking “Subject to
13 paragraph (2),” and inserting “Under regulations
14 prescribed under section 5738 and subject to para-
15 graph (2),”; and

16 (9) by striking subsection (i).

Passed the House of Representatives April 16, 1997.

Attest: ROBIN H. CARLE, *Clerk*.

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2^D SESSION

H. R. 930

[Report No. 105-295]

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AUGUST 25, 1998

Reported with amendments